

PRESS RELEASE

ARCADIS SHOWS EXCELLENT PERFORMANCE DESPITE CRISIS

- Net income from operations up 6% to €74.3 million; per share to €1.18
- Proposed dividend €0.45 per share, same as last year
- Gross revenues increased 3% to €1.8 billion, organic decline was 6% resulting from crisis
- Malcolm Pirnie contributes well and offers numerous synergy opportunities
- Margin at 10.2% above target level of 10% thanks to cost saving measures
- Growth infrastructure softens, recovery begins in environment, buildings bottoming out

March 8, 2010 – ARCADIS (EURONEXT: ARCAD), the international design, consulting, engineering and management services company, in 2009 again showed an excellent performance despite the crisis. Net income from operations rose 6% to €74.3 million. Per share this is €1.18 against €1.16 in 2008. Gross revenues rose 3% to €1.8 billion, partly due to the merger with Malcolm Pirnie. Although gross revenues declined organically by 6%, the margin was maintained above the target of 10%. Government investments kept the infrastructure market at a good level, with growth softening due to pressure in municipal markets. In the environmental market the margin target was reached despite an organic revenue decline caused by reduced private client spending. The crisis was felt most in the buildings market, especially commercial properties, resulting in a strong revenue decline and lower margins. Order intake in the second half of the year indicates a gradual recovery in the environmental market and a bottoming out in buildings. Effective working capital management pushed cash flow from operating activities up to €152 million.

It is proposed to keep the cash dividend unchanged at €0.45 per share. This represents a payout of 40% of net income from operations with 10% more shares outstanding.

Through the merger in early July 2009 with Malcolm Pirnie (1,700 employees, gross revenue \$392 million), active in water and environment, a top 10 position was reached in the United States and in the global water market. At year-end 2009, Bohemiaplan was acquired (70 employees, gross revenue €3.5 million) strengthening infrastructure in the Czech Republic.

CEO Harrie Noy said: “All of our people deserve compliments for the excellent results that were achieved. Through a strong focus on clients and markets with growth potential and strict cost management, we have been able to cope well with the crisis until now. This is also attributable to our strong market positions and balanced portfolio in terms of geographies, clients and business lines. The merger with Malcolm Pirnie – the largest in our history – was an important milestone. As of this year, Water is our fourth business line which allows us to capitalize on the expected strong growth in the global water market.”

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Key figures

Amounts in €million, unless otherwise noted	Fourth quarter			Full year		
	2009	2008	Δ	2009	2008	Δ
Gross revenue	484	485	0%	1,786	1,740	3%
Net revenue	322	312	3%	1,218	1,162	5%
EBITA	35.5	44.6	-20%	121.6	131.8	-8%
EBITA recurring ¹⁾	35.5	44.6	-20%	123.8	131.8	-6%
Net income from operations ²⁾	23.5	22.2	6%	74.3	70.0	6%
Ditto per share (in €) ²⁾	0.35	0.37	-4%	1.18	1.16	2%
Average shares outstanding (in millions)	66.4	60.2	10%	63.1	60.5	4%

1) Excluding effect share participation plan Lovinklaan Foundation; see analysis below

2) Before amortization and non-operational items

Fourth quarter

In last year's fourth quarter, two energy projects were sold in Brazil. Excluding the proceeds from that sale, gross revenues increased 2%. The contribution from acquisitions – especially Malcolm Pirnie – was 13%. After a positive currency effect in the first nine months of 2009, it was 4% negative in the fourth quarter, especially because of a weaker dollar. The organic revenue decline stabilized at 7%.

Excluding the proceeds from the sale of energy projects in 2008, net revenues (revenues generated by own staff) rose 6%. The contribution from acquisitions was 15%; the currency effect was 5% negative. The organic decline of 4% is an improvement versus the previous quarter when it was still 6%.

In Brazil and the Netherlands some large contracts with significant subcontracting were completed as a result of which gross revenues declined more strongly than net revenues. The Netherlands, Poland, France and to a lesser extent Germany showed organic growth. The strongest decline occurred in England and with RTKL as a result of the poor real estate market. In the American infrastructure and environmental market and in the Belgian market for industrial services, activities also declined organically.

Last year's EBITA included a contribution from the sale of energy projects of €6.8 million. Excluding that effect, EBITA declined 5%. Acquisitions delivered an increase of 10%; the currency effect was 3% negative. The organic decline of 12% was mainly the result of the poor real estate market and less profits from Belgium and Brazil. In the Netherlands, the strong performance continued, while in England the effects of the restructuring became visible. The contribution from the sale of carbon credits in Brazil was €0.1 million (2008: €0.6 million). The restructuring charges were €0.2 million. The margin (EBITA as a percentage of net revenues) came out at 11.0% (2008: 14.3% and excluding the sale of energy projects 12.5%).

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Financing charges were €4.1 million. This is lower than the €5.5 million (excluding effects of derivatives) in 2008, due to lower market interest rates, less working capital, and exchange rate differences on loans in Brazil. The low tax rate of 24.7% was mainly the result of a tax benefit on option costs and a tax credit in the United States.

Net income from operations rose 6% to €23.5 million, compared to €22.2 million in 2008. That last amount included €2.2 million from the sale of energy projects. The profit increase was the result of a good contribution from Malcolm Pirnie, lower financing charges and a lower tax rate.

Full year

Gross revenues increased 3%, net revenues 5%. The currency effect was 1% positive, the contribution from acquisitions 8%. Organically, gross revenues declined 6%. As a result of less outsourcing, the organic decline in our own activities was limited to 4%.

The poor real estate market caused a strong decline in revenues in the United Kingdom and with RTKL while as a result of reduced demand for environmental services from private sector clients also in the United States revenues declined organically. This was partly offset by growth in the Netherlands, Poland, France and Chile, especially in infrastructure.

EBITA includes €2.2 million one-off costs for the share participation program from the Lovinklaan Foundation (major shareholder in ARCADIS) which have been earmarked as non-recurring. Recurring EBITA declined by 6% to €123.8 million (2008: €131.8 million). Acquisitions contributed 8%; the currency effect was 2%. Without the contribution from the sale of energy projects in the fourth quarter of 2008 of €6.8 million, EBITA declined organically by €14.2 million or 11%. Of this, €3.1 million was caused by a lower contribution from the sale of carbon credits due to slow procedures and €7.8 million by restructuring charges. The remaining decline resulted from lower profits in the buildings market in the United Kingdom, the Middle East and RTKL, which was partly offset by a strong performance in the Netherlands and solid results in the United States.

The margin (on a recurring basis) was 10.2% (2008: 11.3%). Corrected for the sale of energy projects in 2008 and the reduced contribution from carbon credits in 2009, the margin declined from 10.8% in 2008 to 10.4% in 2009. The best performance was in infrastructure where the underlying margin improved to 10.8% (2008: 10.1% excluding energy projects). Due to the impact of the crisis, the margin in environment declined to 12.3% (2008: 13.7%) of which 0.8% was from fewer carbon credits, and in buildings to 6.0% (2008: 8.7%).

The unwinding of derivatives in early 2009 had a favorable effect on financing charges of €7.5 million. Excluding the effects of derivatives, financing charges declined to €11.1 million (2008: €17.7 million). The reasons were the same as mentioned for the fourth quarter. At 33.4% the tax rate was lower than the 34.3% in 2008, especially as a result of the earlier mentioned tax benefits which totaled €2.0 million on an annual basis. The contribution from associated companies was slightly higher. Minority interest declined sharply due to a lower profit contribution from Brazil (where ARCADIS holds 50.01% in ARCADIS Logos) as a

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result of fewer carbon credits, no contribution from the sale of energy projects and less operational profits.

Net income from operations rose 6% to €74.3 million. The difference with the 6% decline in recurring EBITA is the result of lower interest rates, a lower tax rate and a lower minority interest.

Cash flow, investments and balance sheet

The cash flow from operational activities at €152 million was very high (2008: €81 million), especially as a result of effective working capital management. €80 million was invested in acquisitions, of which €5 million was for after payments on earlier takeovers. The acquired goodwill amounted to €92 million and the identified intangible assets were €10 million. In addition, €12 million was invested in associated companies and other non-financial assets, predominantly for Brazilian energy projects.

Balance sheet total increased to €1,315 million (2008: €1,058 million). Excluding Malcolm Pirnie (with higher working capital), working capital as a percentage of gross revenues was 11.0% (2008: 11.2%). Despite investments in acquisitions, net debt only increased slightly to €174 million (2008: €171 million). Balance sheet ratios remained strong. The ratio of net debt to EBITDA (according to bank covenants) was 1.0 (2008: 1.3), the interest coverage ratio was 10 (2008: 7). The first redemption of long term debt is not until 2011.

Developments per business line

Figures noted below concern gross revenues for the full year 2009 compared to the same period last year, unless otherwise noted.

- **Infrastructure**

Gross revenues increased 19%. The currency effect was minus 1%. The contribution from acquisitions of 14% mainly came from the water activities of Malcolm Pirnie. Organic growth amounted to 6% for gross and 4% for net revenues. The difference was caused by subcontracting in a large energy project in Brazil that was completed in the fourth quarter. In Europe, government investments created strong growth in the Netherlands, Belgium, Poland and France. In the second half of the year, organic growth weakened somewhat due to pressure in the U.S. municipal market while the impact of the stimulus package was still limited. In Brazil and Chile, growth slowed as private investments were reduced.

- **Environment**

Gross revenues declined by 2%. The currency effect was 2% and the contribution from acquisitions 8% (LFR, SET and environmental activities from Malcolm Pirnie). Organic decline was 12%, but in net revenues limited to 4% due to less outsourcing. Private clients spent less on environmental work or postponed projects as a result of the crisis. In the second half of the year activities stabilized. In part this resulted from winning some large GRiP® contracts in the United States with a total value of \$200 million. In Europe, revenues grew, mostly because of more work for governments. In Brazil, revenues for industrial clients declined, while in Chile work for mining companies generated growth.

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- **Buildings**

Gross revenues were 14% lower, with a currency effect of 1%. Organic decline was 14% in gross and 15% in net revenue. The commercial property market was hard hit by the crisis with the largest impact for ARCADIS in England and with RTKL, where activities strongly declined. Services for industrial clients in Belgium also suffered from the recession, while in facility management, growth occurred due to the focus on cost savings. RTKL was successful in landing new projects in the Middle East and Asia, which resulted in strong growth of backlog in the fourth quarter. Public sector demand remained at good levels. In the United States, project management work for schools and government buildings grew.

Outlook

The first signs of economic recovery are visible, especially in the United States. However, the recovery is still fragile and there is still significant uncertainty as to when and to what extent this will influence the different markets in which ARCADIS is active.

The **infrastructure market** is likely to remain robust in 2010 because governments will continue to invest to stimulate recovery. In Europe, multiyear investment programs provide a solid backlog. In the Netherlands, this includes an upgrade in rail as well as road projects such as the A2 tunnel through Maastricht, in Poland it concerns trans-European connections, while in Belgium and France large design-build projects are planned. In the United States, the stimulus package will start to have an effect in 2010. Synergies with Malcolm Pirnie will create more work, also internationally. Climate change drives demand for water management. In Brazil and Chile, investments will increase again, in part due to large sports events.

In the **environmental market** regulation and sustainability provide a solid basis. Clients use the recession to focus on their core business, while outsourcing portfolios of contaminated sites for clean-up. In the United States, this led to a number of large contracts and higher backlog. ARCADIS and Malcolm Pirnie have both been selected for global environmental programs of the U.S. Army. Through vendor reduction and our advanced remediation technology we can increase market share. In Europe we recently signed a five-year contract for environmental services in 10 countries with ARCADIS as the preferred supplier. Demand for consultancy on energy savings, carbon footprint reduction and climate change grows.

The **buildings market** appears to be bottoming out. In the second half year of 2009, contract cancellations strongly declined, while in the fourth quarter, for the first time since the start of the crisis, backlog increased. The commercial market stabilized at a low level, without expectations for a recovery in the short term. RTKL will continue to offset declines in the U.S. and European markets with projects in Asia and the Middle East. Demand from the public sector, including schools and healthcare, will remain at a good level, although the public debate about healthcare in the United States may lead to a slowdown in projects. Facility management can grow further, because it meets the demand for costs savings.

CEO Harrie Noy concludes: "Our backlog is healthy and compared to year-end 2008, increased by approximately 5%. In infrastructure the strong growth of recent years is softening, especially as a result of pressure in the local government market. In environment, the good order intake indicates a gradual market recovery with opportunities for growth. In

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buildings, activities appear stable with possible recovery in the second half of 2010. Because we have adjusted our capacity and some large projects with high levels of subcontracting are completed, also in the coming quarters revenues will decline organically. Maintaining margins remains a priority, by absorbing price pressure through cost savings and a strong client-focused approach. The integration with Malcolm Pirnie creates synergy opportunities and as of 2011, operational benefits. We continue to look for acquisitions to realize our strategic goals. Although the crisis also impacts our business, themes like sustainability, climate change, urban renewal, mobility, water and energy offer a lot of potential. Because of uncertainties about economic recovery, it is too early to give a specific outlook for 2010.”

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About ARCADIS:

ARCADIS is an international company providing consultancy, design, engineering and management services in infrastructure, environment and buildings. We aim to enhance mobility, sustainability and quality of life by creating balance in the built and natural environment. ARCADIS develops, designs, implements, maintains and operates projects for companies and governments. With 15,000 employees and EUR 1.8 billion in revenues, the company has an extensive international network that is supported by strong local market positions. Visit us on the internet at: www.arcadis.com

This press release has been drafted in the period between preparation and approval of the annual accounts of ARCADIS NV. The figures in this press release for the full year 2009 have been derived from the annual accounts of ARCADIS NV which were not yet public at the moment this press release is issued. These annual results were audited and the auditor has issued an unqualified report. The annual accounts have not yet been adopted by the General Meeting of Shareholders. The figures related to the fourth quarter 2009 in this press release are unaudited.

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ARCADIS NV CONDENSED CONSOLIDATED STATEMENT OF INCOME

Amounts in €millions, unless otherwise stated	Fourth quarter		Full year	
	2009	2008	2009	2008
Gross revenue	483.5	485.4	1,785.8	1,739.9
Materials, services of third parties and subcontractors	(161.1)	(173.1)	(568.2)	(578.0)
Net revenue	322.4	312.3	1,217.6	1,161.9
Operational cost	(281.2)	(261.4)	(1,073.2)	(1,008.7)
Depreciation	(6.6)	(6.3)	(24.5)	(23.3)
Other income	0.9	-	1.7	1.9
EBITA	35.5	44.6	121.6	131.8
Amortization identifiable intangible assets	(1.9)	(4.0)	(7.2)	(12.2)
Operating income	33.6	40.6	114.4	119.6
Net finance expense	(4.1)	(8.7)	(3.6)	(23.6)
Income from associates	-	(0.2)	-	(0.1)
Profit before taxes	29.5	31.7	110.8	95.9
Income taxes	(7.3)	(11.6)	(37.0)	(32.9)
Profit for the period	22.2	20.1	73.8	63.0
Attributable to:				
Net income (Equity holders of the Company)	22.1	17.3	72.8	57.3
Minority interest	0.1	2.8	1.0	5.7
Net income	22.1	17.3	72.8	57.3
Amortization identifiable intangible assets after taxes	1.1	2.5	4.5	8.1
Lovinklaan employee share purchase plan	0.3		2.6	0.2
Net effects of financial instruments		2.4	(5.6)	4.4
Net income from operations	23.5	22.2	74.3	70.0
Net income per share (in euros)	0.33	0.29	1.15	0.95
Net income from operations per share (in euros)	0.35	0.37	1.18	1.16
Weighted average number of shares (in thousands)	66,354	60,197	63,097	60,519

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ARCADIS NV CONDENSED CONSOLIDATED BALANCE SHEET

Amounts in €millions	December 31, 2009	December 31, 2008
Assets		
Non-current assets		
Intangible assets	342.7	249.3
Property, plant & equipment	84.8	66.5
Investments in associates	26.2	15.7
Other investments	0.2	0.2
Other non-current assets	19.8	14.8
Derivatives	1.2	3.8
Deferred tax assets	18.0	12.2
Total non-current assets	492.9	362.5
Current assets		
Inventories	0.5	0.8
Derivatives	0.1	0.2
(Un)billed receivables	555.1	538.5
Other current assets	35.9	32.0
Corporate tax assets	6.2	6.5
Cash and cash equivalents	224.5	117.9
Total current assets	822.3	695.9
Total assets	1,315.2	1,058.4
Equity and Liabilities		
Shareholders' equity	351.7	207.6
Minority interest	16.8	12.3
Total equity	368.5	219.9
Non-current liabilities		
Provisions	28.4	26.7
Deferred tax liabilities	10.8	6.0
Loans and borrowings	342.1	266.8
Derivatives	0.8	16.9
Total non-current liabilities	382.1	316.4
Current liabilities		
Billing in excess of cost	158.8	182.7
Corporate tax liabilities	7.4	18.7
Current portion of loans and borrowings	5.6	4.9
Current portion of provisions	6.0	4.4
Derivatives	2.7	0.1
Accounts payable	128.9	133.2
Accrued expenses	21.3	12.3
Bankoverdrafts	12.0	6.2
Short term borrowings	14.9	3.6
Other current liabilities	207.0	156.0
Total current liabilities	564.6	522.1
Total equity and liabilities	1,315.2	1,058.4

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ARCADIS NV CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Share premium	Hedging Reserve	Cumulative translation reserve	Retained earnings	Total shareholders' equity	Minority interest	Total equity
Amounts in €millions								
Balance at December 31, 2007	1.0	36.4		(29.8)	180.1	187.7	11.5	199.2
Profit for the period					57.3	57.3	5.7	63.0
Exchange rate differences				(10.4)		(10.4)	(2.8)	(13.2)
Taxes related to share-based compensation					(0.7)	(0.7)		(0.7)
Other comprehensive income				(10.4)	(0.7)	(11.1)	(2.8)	(13.9)
Total comprehensive income for the period				(10.4)	56.6	46.2	2.9	49.1
Dividends to shareholders					(24.8)	(24.8)	(1.2)	(26.0)
Stock split	0.2	(0.2)				-		-
Own shares purchased for granted options					(9.1)	(9.1)		(9.1)
Share-based compensation					6.0	6.0		6.0
Options exercised					1.6	1.6		1.6
Expansion ownership							(0.9)	(0.9)
Balance at December 31, 2008	1.2	36.2		(40.2)	210.4	207.6	12.3	219.9
Balance at December 31, 2008	1.2	36.2		(40.2)	210.4	207.6	12.3	219.9
Profit for the period					72.8	72.8	1.0	73.8
Exchange rate differences				11.8		11.8	3.7	15.5
Effective portion of changes in fair value of cash flow hedges			0.1			0.1		0.1
Taxes related to share-based compensation					3.1	3.1		3.1
Other comprehensive income			0.1	11.8	3.1	15.0	3.7	18.7
Total comprehensive income for the period			0.1	11.8	75.9	87.8	4.7	92.5
Dividends to shareholders					(27.1)	(27.1)	(0.2)	(27.3)
Share-based compensation					9.3	9.3		9.3
Additional paid in capital	0.1	70.6				70.7		70.7
Options exercised					3.4	3.4		3.4
Balance at December 31, 2009	1.3	106.8	0.1	(28.4)	271.9	351.7	16.8	368.5

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ARCADIS NV CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in €millions	Full year	
	2009	2008
Cash flow from operating activities		
Profit for the period	73.8	63.0
Adjustments for:		
Depreciation and amortization	31.7	35.5
Taxes on income	37.0	32.9
Net finance expense	3.6	23.6
Income from associates	-	0.1
	146.1	155.1
Share-based compensation	9.3	6.0
Sale of activities and assets, net of cost	(1.9)	(1.0)
Change in fair value of derivatives	-	
Change in working capital	51.3	(18.3)
Change in deferred taxes and provisions	5.9	(7.6)
Dividend received	0.3	0.5
Corporate tax paid	(45.7)	(38.7)
Interest received	3.4	6.3
Interest paid	(16.2)	(21.8)
Net cash from operating activities	152.5	80.5
Cash flow from investing activities		
Net change in (in)tangible fixed assets	(24.4)	(26.6)
Acquisitions/divestments of consolidated companies	(78.5)	(73.2)
Net change in associates and other investments	(6.4)	0.4
Net change in other non-current assets	(3.0)	(0.9)
Net cash used in investing activities	(112.3)	(100.3)
Cash flow from financing activities		
Proceeds from options exercised	3.4	1.6
Proceeds from issue of shares	5.8	
Purchase own shares		(9.1)
Change in borrowings	77.7	93.9
Dividends paid	(27.3)	(26.0)
Net cash from financing activities	59.6	60.4
Net change in cash and cash equivalents less bank overdrafts	99.8	40.6
Exchange rate differences	1.0	(0.6)
Cash and cash equivalents less bank overdrafts at January 1	111.7	71.7
Cash and cash equivalents less bank overdrafts at December 31	212.5	111.7

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ATTACHMENT TO PRESS RELEASE ANNUAL RESULTS 2009 OF ARCADIS NV

Geographical information

Amounts in € millions or %

Gross revenue ¹

	2009	2008
Netherlands	423	404
Other European countries	331	378
United States	868	791
Rest of world	164	167
Total	1,786	1,740

1) Based on origin of production

EBITA, recurring ^{1,2}

	2009	2008
Netherlands	31.6	24.5
Other European countries	16.2	28.3
United States	68.4	56.0
Rest of world	7.6	23.0
Total	123.8	131.8

1) Based on origin of production

2) After allocation of corporate costs

Information about business lines

Gross revenue

	2009	2008
Infrastructure	766	646
Environment	632	643
Buildings	388	451
Total	1,786	1,740

Margin, recurring

	2009	2008
Infrastructure	10.8%	11.4%
Environment	12.3%	13.7%
Buildings	6.0%	8.7%
Total	10.2%	11.3%

Geographic mix (gross revenue)

	2009	2008
Netherlands	24%	23%
Other European countries	18%	22%
United States	49%	45%
Rest of world	9%	10%
Total	100%	100%

Margin, recurring

	2009	2008
Netherlands	11.0%	8.9%
Other European countries	6.0%	9.5%
United States	11.8%	11.3%
Rest of world	9.6%	25.0%
Total	10.2%	11.3%

Activity mix (gross revenue)

	2009	2008
Infrastructure	43%	37%
Environment	35%	37%
Buildings	22%	26%
Total	100%	100%