ARCADIS Design & Consultancy for natural and built assets

INTERIM FINANCIAL STATEMENTS 2017

IMPROVING QUALITY OF LIFE

OUR STORY

From climate change and rising sea levels, to rapid urbanization and pressures on natural resources, our world has become a more complex place.

Arcadis helps clients navigate this complexity by understanding the bigger picture. Whether it is improving spaces in our cities, making wasteland habitable or simply taking what clients do further, we deliver exceptional and sustainable outcomes safely and consistently.

Connecting our clients' vision to our know-how, our people work collaboratively to create value through built and natural assets that work in harmony with their surroundings – from shopping centers in Shanghai or clean water solutions in São Paulo, to new rail systems in Doha and clean air initiatives in Los Angeles.

In this way, we apply our experience protecting the Dutch coast for generations to securing New York's flood defenses today. So whatever the challenges our clients face, our teams bring the necessary perspective to provide the right answers, now and in the future.

ARCADIS. IMPROVING QUALITY OF LIFE

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This report contains the interim financial statements of Arcadis NV ('the Company' or 'the Group'), and consists of the interim management report and the interim financial statements, including risk assessment and the responsibility statement of the Executive Board. The interim financial statements have not been audited.


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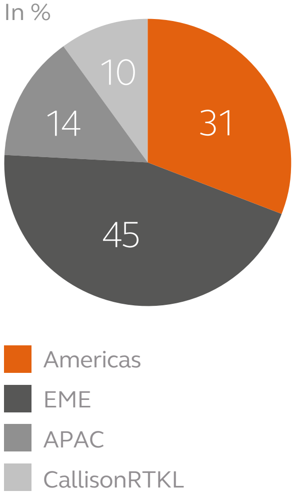
NET REVENUE BY SEGMENT H1 2017
In %



PERFORMANCE **HIGHLIGHTS**

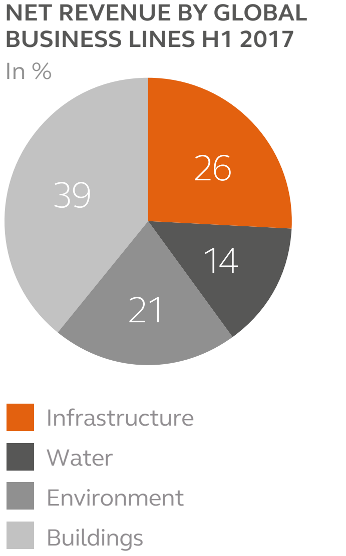
HALF-YEAR RESULTS 2017

- Gross revenues €1,648 million. Net revenues €1,256 million, organically -1%
- EBITDA €100 million, -8%; operating EBITA €90 million, -7%
- Net income from operations €47 million (H1 2016: €55 million)
- Net working capital 19.3% (Q2 2016: 19.9%)
- Free cash flow of +€34 million in Q2 leading to lower year-over-year net debt of €514 million
- Net debt/EBITDA covenant leverage ratio 2.5
- Strategy update 21 November 2017

KEY FIGURES

In € millions unless otherwise stated. Period ended 30 June	H1 2017	H1 2016	CHANGE	Q2 2017	Q2 2016	CHANGE
Gross revenues	1,648	1,678	*-2%*	830	832	*0%*
Organic growth	*-2%*			*0%*		
Net revenues	1,256	1,263	*-1%*	628	630	*0%*
Organic growth	*-1%*			*0%*		
EBITDA	100	108	*-8%*	48	52	*-8%*
EBITA	80	88	*-9%*	38	41	*-8%*
EBITA margin	*6.4%*	*7.0%*		*6.1%*	*6.6%*	
Operating EBITA[1]	90	98	*-7%*	44	46	*-5%*
Operating EBITA margin	*7.2%*	*7.7%*		*7.0%*	*7.3%*	
Net income	34	40	*-15%*			
Net income per share (in €)	*0.40*	*0.48*	*-17%*			
Net income from operations	47	55	*-14%*			
Net income from operations per share (in €)	*0.55*	*0.66*	*-17%*			
Net working capital %	19.3%	19.9%				
Free cash flow2	(28)	(62)		34	(10)	
Net debt	514	587				
Backlog net revenues (in € billions)	2.2	2.3				

1 EBITA adjusted for acquisition, restructuring, integration-related costs and changes in acquisition-related litigation provisions
2 Cash flow from operating activities minus investments in (in)tangible assets



INTERIM MANAGEMENT REPORT

Amsterdam, 27 July 2017 – Arcadis (EURONEXT: ARCAD), the leading global Design & Consultancy firm for natural and built assets, reports half year results 2017.

Arcadis CEO Peter Oosterveer: "We start to see the benefits of the initiatives to position Arcadis for profitable growth that were launched under interim CEO Renier Vree. This included more focus on clients and on reducing working capital, while the simplified operating model helped to reduce costs. We are pleased that we created momentum in our North American business, which returned to growth after three years of decline. We see positive business sentiment and higher backlog in most of our businesses, whilst we remain cautious about market developments in Brazil and in the Middle East. In the Middle East, we received cash payments on overdue receivables and reached important milestones on multiple contracts. The results and developments in the first half year give us confidence that we will continue to make progress in the second half year.

Since joining at the end of April, I have visited most regions to get a good perspective on our clients, people, and performance. I was impressed by our people's passion to improve quality of life and their commitment. The client meetings convinced me that we have many opportunities to grow our business. I also see room for improvement in our project delivery and in utilizing the Global Excellence Centers in India, the Philippines and Romania. Furthermore, we are making strides in digital, working with clients and partners to create smart and sustainable urban areas that address the needs of society. I believe Arcadis is well positioned to capture profitable growth in the years ahead. We will provide a strategy update on 21 November 2017."

REVIEW OF PERFORMANCE

REVENUES AND INCOME

Organic growth was flat in the second quarter, trending positively after the decline in the first quarter. This resulted in an organic decline of 1% in net revenues for the first half year. North America, Continental Europe, the UK, and Australia delivered organic growth. Net revenues declined in Latin America and the Middle East. Revenues in CallisonRTKL and in Asia also declined but turned to growth in the second quarter.

EBITA decreased by 9% to €80 million (H1 2016: €88 million), mainly due to a loss in Brazil of €11 million (H1 2016: -€3 million). Operating EBITA decreased by 7% to €90 million (H1 2016: €98 million), as improvements in North America were offset by a €6 million operating loss in Latin America and lower results in the Middle East. The operating EBITA margin was 7.2% (H1 2016: 7.7%). Non-operating costs were €10 million (H1 2016: €10 million), mainly related to restructuring in Brazil and Continental Europe.

The income tax rate was 29.9% (H1 2016: 25.0%). Financing charges were 8% lower at €12.3 million (H1 2016: €13.3 million). Income from associated companies was a loss of €2.4 million (H1 2016: -€1.6 million), related to non-core energy assets in Brazil.

Net income from operations decreased 14% to €47 million (H1 2016: €55 million) or €0.55 per share (H1 2016: €0.66). Net income declined 15% to €34 million or €0.40 per share, compared to €40 million or €0.48 per share in the first half of 2016.

CASH FLOW, WORKING CAPITAL AND BALANCE SHEET

Working capital as a percentage of gross revenues was 19.3% (Q2 2016: 19.9%). Free cash inflow in the second quarter from higher cash collections improved this ratio. The days sales outstanding decreased to 95 days (Q2 2016: 97 days). Free cash flow in the second quarter was €34 million (Q2 2016: -€10 million) due to higher cash collections and focus on cash management. Net debt at the end of June was €514 million (H1 2016: €587 million), leading to a covenant leverage ratio of 2.5 (FY 2016: 2.5).

BACKLOG

Backlog at the end of June 2017 stood at €2.2 billion, representing stable 11 months of net revenues. The backlog increased organically by 3% to date versus a -1% decline in H1 2016. Compared to June 2016, backlog declined -4% due to cancellations in the second half of 2016.

In the first half-year, backlog grew especially in North America, the UK, Continental Europe, Asia and Australia, while Latin America, the Middle East and CallisonRTKL saw a declining order book.

ACQUISITION

While our focus is on organic growth, we continue to look to opportunities to further expand our service offering. Today we announced the acquisition of E2 ManageTech, an enterprise technology solutions firm providing IT and business services for the Environmental, Health and Safety (EHS) information market. E2 was established in 1998 and employs more than 50 people, located in the United States and Canada.

REVIEW OF PERFORMANCE FOR THE SECOND QUARTER

Net revenues were €628 million, while organic growth was flat. North America, Continental Europe, the UK, CallisonRTKL, and Australia delivered organic revenue growth. Net revenues were lower in Latin America and the Middle East. The currency effect was flat due to a stronger USD offsetting a weaker British Pound.

Operating EBITA was €44 million, 5% lower than in the same quarter last year (Q2 2016: €46 million). The operating EBITA margin was 7.0% (Q2 2016: 7.3%), mainly due to an operating loss in Brazil and lower results in the Middle East.

EBITA decreased by 8% to €38 million. Non-operating costs were -€6 million (Q2: 2016: -€5 million), mainly related to restructuring in Brazil and Continental Europe.

REVIEW BY SEGMENT

AMERICAS (31% OF NET REVENUES)

The organic change in net revenues of -3% consists of 1% growth in North America and 32% decline in Latin America due to the recession in Brazil. EBITA in Latin America decreased by €7 million due to an operating loss of €6 million (H1 2016: -€1 million) and €4 million restructuring charges (H1 2016: -€2 million). Operating EBITA in North America was €3 million higher.

NORTH AMERICA

In North America revenues increased organically by 1% driven by environment, and infrastructure. Organic revenue growth in the second quarter was 3%. Overall good order intake lead to a higher backlog.

- Environment: strong order intake and margin improvement supported by profitable growth of Arcadis FieldTech Solutions
- Water: revenue declining. Hiring staff after recent project wins and improved outlook
- Infrastructure: significant revenue growth with improved margin
- Buildings: higher margins with modest revenue growth

LATIN AMERICA

Net revenues in the second quarter in line with the first quarter, still 32% below last year.

- Clients in Brazil continue to delay investment decisions, impacting our infrastructure business. The environmental business is more stable
- Further restructuring measures were taken and planned for Brazil to bring down costs in line with market reality
- Chile revenues lower with improved margin

EUROPE AND MIDDLE EAST (45% OF NET REVENUES)

Organic growth in net revenues of 1% consists of 4% growth in Continental Europe, 5% increase in the UK, compensating a 13% decrease in the Middle East. EBITA decreased mainly due to the Middle East and the weaker British Pound. Operating EBITA improved in Continental Europe.

CONTINENTAL EUROPE

Net revenues increased organically by 4% to which all countries contributed. Improved market conditions in the private sector supported a strong order intake.

- Buildings generated strong revenue growth due to project wins in the Netherlands and Germany
- Infrastructure had slightly lower revenues as more work for rail projects could not compensate for a slowdown in highway activities
- Environment realized solid revenue growth driven by the Netherlands, Germany and Belgium, with better order intake for remediation activities and consultancy services
- Water revenues were slightly higher, with increased backlog for especially conveyance

UNITED KINGDOM

Organic net revenue growth was 5%, while backlog improved after winning many strategic pursuits.

- Buildings revenues were up supported by automotive and commercial development. Margin improved after costs actions were taken
- Infrastructure grew as rail investments continue. High level of bidding activity impacted profit margin
- Good growth in water following earlier wins with water utilities for the Asset Management Period cycle
- Higher revenues in environment driven by strategic environmental consultancy

MIDDLE EAST

Net revenues decreased by -13%. Backlog came down due to selective bidding and lower demand.

- The UAE was the most active market with a stable performance
- Revenues were lower in Qatar. Important milestones on multiple contracts were approved. Significant cash collection expected in Q3/Q4
- In Saudi Arabia revenues came down. Partial cash payments for projects completed in 2016 were received

ASIA PACIFIC (14% OF NET REVENUES)

Organic revenue growth in Asia Pacific was flat as growth in Australia compensated for a decline in Asia in the first quarter. Margins were almost flat.

ASIA

Net revenues declined organically by 5%, while in the second quarter the business returned to growth and backlog improved.

- Singapore generated lower revenues due to a slower buildings market and from exiting low margin services
- Revenues in China started growing again in the second quarter
- Diversification toward Infrastructure contributed to revenues

AUSTRALIA PACIFIC

Organic net revenue growth was 8%, fueled by major projects wins like Sydney Metro.

- Higher revenues from delivering major infrastructure, buildings and environmental projects across major urban areas of Australia

CALLISONRTKL (10% OF NET REVENUES)

Due to a weak Q1, net revenues declined organically by -3% mainly due to lower activity levels in US commercial real estate.

- In Q2, momentum improved with an organic growth of 1%, supported by the Retail and Workplace practices
- EBITA margin improved due to cost measures

OUTLOOK 2017

- In general, positive business sentiment in most regions
- Increased infrastructure spending in many countries
- Uncertainty around Brazil and the Middle East remains
- Strong pipeline and cost reductions supporting profitable growth

LEADERSHIP PRIORITIES 2017

- Focusing on clients, leading to growth in backlog and revenues
- Reducing costs by simplifying organization structure, strenghtening project management and expanding Global Excellence Centers
- Reducing working capital
- Driving innovation through digitalization
- Finalizing the strategy update

FINANCIAL CALENDAR 2017

- 25 October 2017 - Third quarter results 2017
- 21 November 2017 - Capital Markets Day, including strategy update

RISK ASSESSMENT

In our Annual Report 2016, we have extensively described risk categories and risk factors that could adversely affect our business and financial performance. These risk factors are deemed to be included by reference in this report.

For the remainder of 2017, we have not assessed any additional risks and uncertainties, which might result in pressure on revenue and income.

Additional risks not known to us, or currently believed not to be material, may occur and could later turn out to have material impact on our business, financial objectives or capital resources.

RESPONSIBILITY STATEMENT

This interim financial report contains the figures of Arcadis NV for the first half year of 2017, and consists of the first half year management report, segment reporting, consolidated interim financial statements, and the responsibility statement of the Executive Board. The financial information in this report is unaudited.

The Executive Board of Arcadis NV hereby declares that at the best of their knowledge, the interim financial statements, which have been prepared in accordance with IAS 34 'Interim Financial Reporting' and additional Dutch disclosure requirements for interim financial reports, give a true and fair view of the assets, liabilities, financial position and profit of Arcadis NV and its consolidated companies, and the first half year management report gives a fair view of the information pursuant to section 5:25d subsection 8 and 9 of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht).

Amsterdam, the Netherlands, 26 July 2017

Peter Oosterveer, Chairman of the Executive Board
Renier Vree, Chief Financial Officer
Stephanie Hottenhuis, Member of the Executive Board
Stephan Ritter, Member of the Executive Board
Mary Ann Hopkins, Member of the Executive Board

SEGMENT INFORMATION

Amounts in € millions or %[1]

GROSS REVENUES

	H1 2017	H1 2016
Americas	599	606
Europe and Middle East	685	725
Asia Pacific	196	183
CallisonRTKL	168	164
TOTAL	**1,648**	**1,678**

NET REVENUES

	H1 2017	H1 2016
Americas	394	391
Europe and Middle East	566	581
Asia Pacific	172	166
CallisonRTKL	124	125
TOTAL	**1,256**	**1,263**

EBITA

	H1 2017	H1 2016
Americas	17	20
Europe and Middle East	37	42
Asia Pacific	14	14
CallisonRTKL	12	12
TOTAL EBITA	**80**	**88**
Non-operating[2]	10	10
TOTAL OPERATING EBITA	**90**	**98**

OPERATING EBITA[2]

	H1 2017	H1 2016
Americas	23	24
Europe and Middle East	40	47
Asia Pacific	14	14
CallisonRTKL	13	13
TOTAL	**90**	**98**

SEGMENT MIX (GROSS REVENUES)

	H1 2017	H1 2016
Americas	36	36
Europe and Middle East	42	43
Asia Pacific	12	11
CallisonRTKL	10	10
TOTAL	**100**	**100**

SEGMENT MIX (NET REVENUES)

	H1 2017	H1 2016
Americas	31	31
Europe and Middle East	45	46
Asia Pacific	14	13
CallisonRTKL	10	10
TOTAL	**100**	**100**

EBITA MARGIN

	H1 2017	H1 2016
Americas	4.4	5.1
Europe and Middle East	6.5	7.1
Asia Pacific	8.2	8.7
CallisonRTKL	9.9	9.6
TOTAL	**6.4**	**7.0**

OPERATING EBITA MARGIN[2]

	H1 2017	H1 2016
Americas	5.9	6.1
Europe and Middle East	7.0	8.0
Asia Pacific	8.3	8.7
CallisonRTKL	10.6	9.9
TOTAL	**7.2**	**7.7**

1 Rounding may impact totals
2 Operating EBITA is EBITA adjusted for non-recurring costs. Non-recurring costs include acquisition, restructuring, integration-related costs and changes in acquisition-related litigation provisions.

INTERIM FINANCIAL STATEMENTS 2017

CONSOLIDATED INCOME STATEMENT

for the six-month period ended 30 June

In € thousands	Note	2017	2016
GROSS REVENUES		**1,648,136**	**1,678,043**
Materials, services of third parties and subcontractors		(392,429)	(414,606)
NET REVENUES		**1,255,707**	**1,263,437**
Personnel costs		(967,923)	(977,300)
Other operational costs		(188,974)	(181,579)
Depreciation and amortization		(19,330)	(20,363)
Amortization other intangible assets		(15,947)	(18,511)
Other income		931	3,793
TOTAL OPERATIONAL COSTS		**(1,191,243)**	**(1,193,960)**
OPERATING INCOME		**64,464**	**69,477**
Finance income	6	6,105	4,223
Finance expenses	6	(19,805)	(17,340)
Fair value change of derivatives		1,418	(153)
NET FINANCE EXPENSE		**(12,282)**	**(13,270)**
Result from investments accounted for using the equity method		(2,428)	(1,561)
PROFIT BEFORE INCOME TAX		**49,754**	**54,646**
Income taxes	7	(15,602)	(14,052)
PROFIT FOR THE PERIOD		**34,152**	**40,594**

PROFIT ATTRIBUTABLE TO:

Equity holders of the Company (net income)		33,627	39,738
Non-controlling interests		525	856
PROFIT FOR THE PERIOD		**34,152**	**40,594**

EARNINGS PER SHARE (IN €)

Basic earnings per share	8	0.40	0.48
Diluted earnings per share	8	0.39	0.47

The notes on page 16 to 25 are an integral part of these consolidated interim financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six-month period ended 30 June

In € thousands	2017	2016
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX		
PROFIT FOR THE PERIOD	34,152	40,594
ITEMS THAT MAY BE SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS:		
Exchange rate differences for foreign operations	(51,503)	(30,140)
Effective portion of changes in fair value of cash flow hedges	943	(3,914)
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS:		
Changes related to post-employment benefit obligations	–	–
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX	**(50,560)**	**(34,054)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**(16,408)**	**6,540**

TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Equity holders of the Company	(16,962)	6,171
Non-controlling interests	554	369
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**(16,408)**	**6,540**

The notes on page 16 to 25 are an integral part of these consolidated interim financial statements

NON-GAAP PERFORMANCE MEASURE

In € thousands	Note	2017	2016
NET INCOME FROM OPERATIONS[1]			
Profit for the period attributable to equity holders (net income)		33,627	39,738
Amortization identifiable intangible assets, net of taxes		12,383	14,263
Non-recurring[2]		360	–
Lovinklaan employee share purchase plan[3]		851	868
NET INCOME FROM OPERATIONS		**47,221**	**54,869**

NET INCOME FROM OPERATIONS PER SHARE[1] (IN €)			
Basic earnings per share	8	0.55	0.66
Diluted earnings per share	8	0.55	0.65

1 Non-GAAP performance measure, to provide transparency on the underlying performance of our business. Reference is made to the Annual Report 2016 for the definition as used by Arcadis
2 Non-recurring items include acquisition related costs
3 The Lovinklaan employee share purchase plan is controlled by the Lovinklaan Foundation and the Company has no influence on this scheme. Accordingly, the Company treats the related share-based expenses as non-operational expenses

CONSOLIDATED BALANCE SHEET

before allocation of profit

In € thousands	Note	2017 30 JUNE	2016 31 DECEMBER
ASSETS			
NON-CURRENT ASSETS			
Intangible assets and goodwill	9	1,113,843	1,170,364
Property, plant & equipment		96,620	100,427
Investments accounted for using the equity method		21,377	24,730
Other investments		713	656
Deferred tax assets		34,094	30,332
Pension assets for funded schemes in surplus	13	–	–
Derivatives		–	–
Other non-current assets		27,684	30,683
TOTAL NON-CURRENT ASSETS		**1,294,331**	**1,357,192**
CURRENT ASSETS			
Inventories		228	235
Derivatives		6,225	6,156
Trade receivables	10	572,181	621,601
Work in progress (unbilled receivables)	11	538,584	518,491
Corporate income tax receivable		25,187	26,222
Other current assets		99,247	78,559
Cash and cash equivalents		283,715	260,032
TOTAL CURRENT ASSETS		**1,525,367**	**1,511,296**
TOTAL ASSETS		**2,819,698**	**2,868,488**

	Note	2017 30 JUNE	2016 31 DECEMBER
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	12	**973,671**	**999,069**
Non-controlling interests		3,201	2,647
TOTAL EQUITY		**976,872**	**1,001,716**
NON-CURRENT LIABILITIES			
Provisions for employee benefits	13	62,560	70,234
Provisions for other liabilities and charges	14	27,016	23,331
Deferred tax liabilities		81,602	79,055
Loans and borrowings	15	594,671	700,464
Derivatives		–	2,565
TOTAL NON-CURRENT LIABILITIES		**765,849**	**875,649**
CURRENT LIABILITIES			
Work in progress (billing in excess of cost)	11	243,391	286,932
Current portion of provisions	13, 14	14,285	23,739
Corporate tax liabilities		26,343	26,225
Current portion of loans and (short-term) borrowings	15	186,506	55,279
Derivatives		5,239	8,037
Bank overdrafts		19,178	865
Accounts payable, accrued expenses and other current liabilities		582,035	590,046
TOTAL CURRENT LIABILITIES		**1,076,977**	**991,123**
TOTAL LIABILITIES		**1,842,826**	**1,866,772**
TOTAL EQUITY AND LIABILITIES		**2,819,698**	**2,868,488**

The notes on page 16 to 25 are an integral part of these consolidated interim financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In € thousands	Note	Share capital	Share premium	Hedging reserve	Translation reserve	Retained earnings	Shareholders' equity	Non-controlling interests	Total equity
		Attributable to equity holders of the Company							
BALANCE AT 1 JANUARY 2016		**1,678**	**372,603**	**(2,433)**	**42,073**	**594,049**	**1,007,970**	**3,365**	**1,011,335**
Profit for the period		–	–	–	–	39,738	39,738	856	40,594
OTHER COMPREHENSIVE INCOME:									
Exchange rate differences		–	–	–	(29,653)	–	(29,653)	(487)	(30,140)
Effective portion of changes in fair value of cash flow hedges		–	–	(3,914)	–	–	(3,914)	–	(3,914)
Taxes related to effective portion of changes in fair value of cash flow hedges		–	–	–	–	–	–	–	–
Re-measurements on post-employment benefit obligations		–	–	–	–	–	–	–	–
Taxes related to re-measurements on post-employment benefit obligations		–	–	–	–	–	–	–	–
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAXES		–	–	**(3,914)**	**(29,653)**	–	**(33,567)**	**(487)**	**(34,054)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		–	–	**(3,914)**	**(29,653)**	**39,738**	**6,171**	**369**	**6,540**
TRANSACTIONS WITH OWNERS OF THE COMPANY:									
Acquisitions		–	–	–	–	–	–	–	–
Dividends to shareholders		–	(30,471)	–	–	(21,673)	(52,144)	–	(52,144)
Issuance of shares		43	30,428	–	–	–	30,471	–	30,471
Share-based compensation		–	–	–	–	5,422	5,422	–	5,422
Taxes related to share-based compensation		–	–	–	–	96	96	–	96
Purchase of own shares		–	–	–	–	(14,951)	(14,951)	–	(14,951)
Share options exercised		–	–	–	–	2,272	2,272	–	2,272
TOTAL TRANSACTIONS WITH OWNERS OF THE COMPANY		**43**	**(43)**	–	–	**(28,834)**	**(28,834)**	–	**(28,834)**
BALANCE AT 30 JUNE 2016		**1,721**	**372,560**	**(6,347)**	**12,420**	**604,953**	**985,307**	**3,734**	**989,041**
BALANCE AT 31 DECEMBER 2016		**1,721**	**372,560**	**(3,285)**	**2,607**	**625,466**	**999,069**	**2,647**	**1,001,716**
Profit for the period		–	–	–	–	33,627	33,627	525	34,152
OTHER COMPREHENSIVE INCOME:									
Exchange rate differences		–	–	202	(51,734)	–	(51,532)	29	(51,503)
Effective portion of changes in fair value of cash flow hedges		–	–	784	–	–	784	–	784
Taxes related to effective portion of changes in fair value of cash flow hedges		–	–	159	–	–	159	–	159
Re-measurements on post-employment benefit obligations	13	–	–	–	–	–	–	–	–
Taxes related to re-measurements on post-employment benefit obligations	13	–	–	–	–	–	–	–	–
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAXES		–	–	**1,145**	**(51,734)**	–	**(50,589)**	**29**	**(50,560)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		–	–	**1,145**	**(51,734)**	**33,627**	**(16,962)**	**554**	**(16,408)**
TRANSACTIONS WITH OWNERS OF THE COMPANY:									
Acquisitions		–	–	–	–	–	–	–	–
Dividends to shareholders	12	–	(21,002)	–	–	(15,476)	(36,478)	–	(36,478)
Issuance of shares	12	27	20,975	–	–	–	21,002	–	21,002
Share-based compensation	5	–	–	–	–	6,258	6,258	–	6,258
Taxes related to share-based compensation		–	–	–	–	33	33	–	33
Purchase of own shares	12	–	–	–	–	–	–	–	–
Share options exercised		–	–	–	–	749	749	–	749
TOTAL TRANSACTIONS WITH OWNERS OF THE COMPANY		**27**	**(27)**	–	–	**(8,436)**	**(8,436)**	–	**(8,436)**
BALANCE AT 30 JUNE 2017		**1,748**	**372,533**	**(2,140)**	**(49,127)**	**650,657**	**973,671**	**3,201**	**976,872**

The notes on page 16 to 25 are an integral part of these consolidated interim financial statements

CONSOLIDATED CASH FLOW STATEMENT

for the six-month period ended 30 June

In € thousands	Note	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
PROFIT FOR THE PERIOD		34,152	40,594
ADJUSTMENTS FOR:			
Depreciation and amortization		19,330	20,363
Amortization other identifiable intangible assets		15,947	18,511
Income taxes	7	15,602	14,052
Net finance expense	6	12,282	13,270
Result from Investments accounted for using the equity method		2,428	1,561
ADJUSTED PROFIT FOR THE PERIOD (EBITDA)		**99,741**	**108,351**
Change in Inventories		5	(3)
Change in Work in progress (unbilled receivables)		(41,467)	(134,743)
Change in Trade receivables		28,548	34,932
Change in Work in progress (billing in excess of costs)		(35,020)	1,641
Change in Suppliers		(22,493)	25,877
CHANGE IN NET WORKING CAPITAL		**(70,427)**	**(72,296)**
Change in Other receivables		(33,783)	(39,428)
Change in Current liabilities		28,287	(5,246)
CHANGE IN OTHER WORKING CAPITAL		**(5,496)**	**(44,674)**
Change in Provisions		(10,141)	(6,831)
Share-based compensation	5	6,258	5,422
Change in operational derivatives		(582)	1,313
Settlement of operational derivatives		(86)	(196)
Dividend received		608	5
Interest received		6,114	3,495
Interest paid		(18,620)	(17,259)
Corporate tax paid		(11,176)	(13,230)
NET CASH FROM OPERATING ACTIVITIES	(A)	**(3,807)**	**(35,900)**

In € thousands	Note	2017	2016
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments in (in)tangible assets		(27,134)	(29,387)
Proceeds from sale of (in)tangible assets		2,482	3,198
Investments in consolidated companies		(508)	(1,137)
Proceeds from sale of consolidated companies		–	–
Investments in associates and joint ventures		(10,816)	(10,965)
Proceeds from sale of associates and joint ventures		9,716	(146)
Investments in other non-current assets and other investments		(1,662)	(1,932)
Proceeds from (sale of) other non-current assets and other investments		3,239	3,641
NET CASH (USED IN)/ FROM INVESTING ACTIVITIES	(B)	**(24,683)**	**(36,728)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from exercise of options		749	2,272
Proceeds from issuance of shares	12	–	–
Purchase of own shares	12	–	(14,951)
Settlement of financing derivatives		(636)	(4,665)
New long-term loans and borrowings	15	–	149
Repayment of long-term loans and borrowings	15	–	(26,542)
New short-term borrowings		100,000	127,816
Repayment of short-term borrowings		(49,200)	(443)
Dividends paid		(16,328)	(21,673)
NET CASH (USED IN)/ FROM FINANCING ACTIVITIES	(C)	**34,585**	**61,963**
NET CHANGE IN CASH AND CASH EQUIVALENTS LESS BANK OVERDRAFTS	(A+B+C)	**6,095**	**(10,665)**
Exchange rate differences		(725)	(4,111)
Cash and cash equivalents less Bank overdrafts at 1 January		259,167	221,088
CASH AND CASH EQUIVALENTS LESS BANK OVERDRAFTS AT 30 JUNE		**264,537**	**206,312**

The notes on page 16 to 25 are an integral part of these consolidated interim financial statements

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Arcadis NV is a public company organized under Dutch law. Its statutory seat is Amsterdam and its principal office is located in Amsterdam, the Netherlands.

Arcadis NV and its consolidated subsidiaries ('Arcadis', 'the Group' or 'the Company') is the leading global Design & Consultancy firm for natural and built assets. Applying our deep market sector insights and collective design, consultancy, engineering, project and management services we work in partnership with our clients to deliver exceptional and sustainable outcomes throughout the lifecycle of their natural and built assets.

The consolidated interim financial statements as at and for the six-month period ended 30 June 2017 include the interim financial statements of Arcadis NV, its subsidiaries, and the interests in associates and jointly controlled entities.

The consolidated interim financial statements are unaudited.

2 BASIS OF PREPARATION

STATEMENT OF COMPLIANCE

The consolidated interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting', and should be read in conjunction with the annual consolidated financial statements as at and for the year ended 31 December 2016, which have been prepared in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the European Union.

The consolidated interim financial statements do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2016.

These consolidated financial statements are available upon request from the Company's registrered office at Gustav Mahlerplein 97-103, 1082 MS Amsterdam, the Netherlands, or at www.arcadis.com.

All amounts in this report are in thousands of euros, unless otherwise stated.

The consolidated interim financial statements were approved and authorized for issuance by the Executive Board and Supervisory Board on 26 July 2017.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied and methods of computation used in preparing these consolidated interim financial statements are the same as those applied in the Company's consolidated financial statements as at and for the year ended 31 December 2016.
The policy for recognising and measuring income taxes in the interim period is described in note 7.

Amendments in current accounting standards that became effective for the reporting period did not have a material impact on the Arcadis accounting policies. See also 'Recent accounting developments'.

ACCOUNTING ESTIMATES AND MANAGEMENT JUDGEMENTS

The preparation of the consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses as well as the information disclosed. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2016.

SEASONALITY

There is no significant seasonal pattern included in the year-to-date figures, since the Company's activities are hardly subject to seasonality.

COMPARATIVE FIGURES

No material events occurred that resulted in an amendment of the comparative figures due to changes in accounting policies or errors. Comparative figures have only been restated for changes to our segments, as explained in our 2016 consolidated financial statements. See note 3.

EXCHANGE RATES APPLIED

EUR per unit : Average	H1 2017	FY 2016	H1 2016
US Dollar ('USD')	0.93	0.90	0.90
Pound Sterling ('GBP')	1.16	1.22	1.29
Chinese Yuan Renminbi ('CNY')	0.13	0.14	0.14
Brazilian Real ('BRL')	0.29	0.26	0.24
United Arab Emirates Dirham ('AED')	0.25	0.25	0.24

EUR per unit: Ultimo	2017 30 JUNE	2016 31 DEC	2016 30 JUNE
US Dollar ('USD')	0.90	0.95	0.89
Pound Sterling ('GBP')	1.14	1.17	1.30
Chinese Yuan Renminbi ('CNY')	0.13	0.14	0.13
Brazilian Real ('BRL')	0.27	0.29	0.26
United Arab Emirates Dirham ('AED')	0.24	0.26	0.26

The exchange rates applied during the Q1, Q2 and Q3 closes are determined ahead of the period-end dates, and may therefore differ from the actual spot rates as at the reporting date. Applying spot-rates as at 30 June 2017 on our Balance Sheet would have a lowering effect on our asset base of €30 million, €9 million on equity and €21 million on liabilities, mainly due to a change in the USD rate. The impact on the Income Statement is insignificant as the effect on the average exchange rate for the half-year is limited.

RECENT ACCOUNTING DEVELOPMENTS

Several new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2017, which have not been applied in preparing these consolidated interim financial statements.

Updates to information provided in the last annual consolidated financial statements about the standards issued but not yet effective that may have a significant impact on the Group's consolidated financial statements are described hereafter.

STANDARD		IMPLEMENTATION DATE	ENDORSED BY THE EU	IMPACT
IFRS 9	Financial Instruments	1 January 2018, with early adoption permitted	Yes	IFRS 9 replaces the existing guidance in IAS 39 'Financial instruments: Recognition and Measurement'. During the first six months of 2017 we have continued our impact assessment of IFRS 9. Based on our current understanding and status of our impact assessment the impact is expected to be: • Classification and hedge accounting – not expected to lead to material differences as our financial risk management policies and instruments will most likely not change due to this standard and hedge accounting continues to apply. • Expected Credit Losses – a forward looking ECL model, based on a simplified approach for additional impairments on top of incurred losses, will be applied. The ECL model will be based on existing client segmentation and risk management practices encompassing client acceptance to collections strategy. The actual impact cannot reasonably be estimated as this depends on the positions as at 31 December 2017 and the economic conditions at that time as well as judgements in calibration of forward looking models with actual losses incurred and market information. • Disclosures – Extensive new disclosure requirements lead to additional disclosures in particular to hedge accounting, credit risk and ECL's. This new standard will most likely be applied modified retrospectively by Arcadis as from the effective date 1 January 2018 with impact, if any, through opening equity of 1 January 2018.
IFRS 15	Revenue from Contracts with Customers	1 January 2018, with early adoption permitted	Yes	IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. During the first six months of 2017 we have continued our impact assessment of IFRS 15. Based on our current understanding and status of our impact assessment the impact is expected to be: • Inherent to the type of business and contract terms and conditions the majority of the work continues to qualify for recognition over time based on the stage of completion of the work. • Variable consideration (such as bonuses and incentives) and change of scope (such as variation orders and amendments) have a different threshold for revenue recognition in the new IFRS 15 than under the current IAS 11, which may impact timing of revenue recognition. • IFRS 15 withdraws IAS 11 and the accounting for the unavoidable cost for loss making contracts subsequently falls under IAS 37 provisions, that may result in lower loss provisions only to the level of incremental cost to complete contract obligations. The Arcadis Way of working results in standardized project setups per type of work that enables operational excellence as well as revenue recognition per performance obligation and will over time be facilitated throughout the Group by one ERP system that is currently being implemented. This new standard will most likely be applied modified retrospectively by Arcadis as from the effective date 1 January 2018 with impact, if any, through opening equity of 1 January 2018.
IFRS 16	Leases	1 January 2019, with early adoption permitted	Not yet endorsed (expected: 2017)	IFRS 16 replaces the existing guidance in IAS 17 'Leases'. IFRS 16 introduces a new definition of a lease and eliminates the current dual accounting model for lessees, bringing most leases on-balance in the financial statements of the lessee. During the first six months of 2017 we have continued our impact assessment of IFRS 16. Based on our current understanding and status of our impact assessment the impact primarily relates effect of bringing on balance a significant number of operating lease contracts, mainly for leased cars, buildings and IT assets, and therefore the following changes are expected upon transition to IFRS 16: • Assets and liabilities of the Group are expected to increase with an amount close to the net present value of future lease payments. • Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) will increase as the lease payments will be presented as depreciation and net finance expense rather than operational cost. • Operating cash flow will increase and investing and financing cash flow will decrease as the lease payments will no longer be considered as operational. During 2017 and 2018 Arcadis continues with the assessment of contracts that may contain a lease and capture the relevant variables for accounting, develop calculation models with impact and decide on the methodology upon implementation, select and implement IT tooling to facilitate calculation and accounting, design and implement procedures to manage the portfolio of contracts that contain a lease. This new standard will most likely be applied modified retrospectively by Arcadis as from the effective date 1 January 2019 with impact, if any, through opening equity of 1 January 2019.

3 SEGMENT REPORTING

OPERATING AND REPORTABLE SEGMENTS

Following IFRS 8, the Company has the following segments as at 30 June 2017:

OPERATING SEGMENT	REPORTABLE SEGMENT
Americas	Americas ('Americas')
Europe and Middle East	Europe and Middle East ('EME')
Asia Pacific	Asia Pacific ('APAC')
CallisonRTKL	CallisonRTKL

RECONCILIATION EBITA

The reconciliation of EBITA to total profit before income tax is as follows:

In € thousands	H1 2017	H1 2016
EBITA for reportable segments	77,729	90,247
Corporate and unallocated amounts	2,682	(2,259)
Amortization other intangible assets	(15,947)	(18,511)
OPERATING INCOME	**64,464**	**69,477**
Net finance expense	(12,282)	(13,270)
Results from investments accounted for using the equity method	(2,428)	(1,561)
PROFIT BEFORE INCOME TAX	**49,754**	**54,646**

Page 20 discloses the segment information per reportable segment for the six month-period ended 30 June 2017, including comparative figures.

GEOGRAPHICAL INFORMATION

The geographical information differs from the segment information in this note due to CallisonRTKL, which is included in a separate reportable segment, but is geographically represented in all the geographical regions listed below.

The geographical information is as follows:

	Net revenues by origin		(In)tangible assets	
in € millions	H1 2017	H1 2016	2017 30 JUNE	2016 31 DEC
Americas	481	479	482	515
Europe and Middle East	582	597	531	619
Asia Pacific	193	187	197	137
TOTAL	**1,256**	**1,263**	**1,210**	**1,271**

In € millions	Americas	EME	APAC	CallisonRTKL	Eliminations	TOTAL SEGMENTS	Corporate and unallocated amounts	TOTAL CONSOLIDATED
H1 2017								
External gross revenues	598.4	685.4	196.0	168.3	–	1,648.1	–	1,648.1
Inter-segment	1.7	3.6	2.2	3.7	(11.2)	–	–	–
TOTAL GROSS REVENUES	**600.1**	**689.0**	**198.2**	**172.0**	**(11.2)**	**1,648.1**	–	**1,648.1**
EBITA[1]	16.7	35.6	13.4	12.0	–	77.7	2.7	80.4
TOTAL ASSETS	**810.7**	**1,137.3**	**475.0**	**309.4**	–	**2,732.4**	**87.3**	**2,819.7**
TOTAL LIABILITIES	**560.2**	**428.8**	**181.0**	**116.2**	–	**1,286.2**	**556.6**	**1,842.8**

1 Non-GAAP performance measure, to provide transparency on the underlying performance of our business. Reference is made to the Annual Report 2016 for the definition as used by Arcadis

In € millions	Americas	EME	APAC	CallisonRTKL	Eliminations	TOTAL SEGMENTS	Corporate and unallocated amounts	TOTAL CONSOLIDATED
H1 2016 RESTATED[1]								
External gross revenues	606.7	724.8	183.0	163.5	–	1,678.0	–	1,678.0
Inter-segment	2.3	2.0	6.0	2.3	(12.6)	–	–	–
TOTAL GROSS REVENUES	**609.0**	**726.8**	**189.0**	**165.8**	**(12.6)**	**1,678.0**	–	**1,678.0**
EBITA[2]	20.6	42.6	15.0	12.0	–	90.2	(2.2)	88.0
TOTAL ASSETS	**828.0**	**1,281.6**	**457.9**	**307.9**	–	**2,875.4**	**73.9**	**2,949.3**
TOTAL LIABILITIES	**566.9**	**489.4**	**152.6**	**126.4**	–	**1,335.3**	**625.0**	**1,960.3**

1 Restated for changes in segments as described in note 3 in the consolidated financial statements 2016
2 Non-GAAP performance measure, to provide transparency on the underlying performance of our business. Reference is made to the Annual Report 2016 for the definition as used by Arcadis

4 CONSOLIDATED INTERESTS

MATERIAL CHANGES

There are no material changes in consolidated interests in the six-month period ended 30 June 2017.

5 SHARE-BASED COMPENSATION

LONG-TERM INCENTIVE PLANS

To stimulate the realization of long-term Company objectives and goals, Arcadis NV uses Long-Term Incentive Plans ('LTIPs').

Performance shares under the LTIPs are solely granted in the form of Restricted Share Units ('RSUs') and represent an equal number of ordinary shares, subject to meeting the applicable vesting conditions.

The performance shares are granted conditionally and depend on achieving certain performance measures after a period of three years.

The RSUs will be converted into ordinary shares on the vesting date, and are delivered as soon as practical thereafter.

RESTRICTED SHARE UNIT (RSU'S) GRANTED IN 2017

In the first six months of 2017, the following number of RSUs have been granted under the 2014 LTIP:

	Number of RSUs	Grant date	Vesting date	Share price at grant date	Average fair value at grant date[1]
Grant	1,085,810	28-4-2017	28-4-2020	€15.91	€16.09

1 Average fair value at grant date of RSUs for management and key staff

LTIP COSTS RECOGNIZED DURING 2017

The costs of the conditional performance shares are spread over the three-year vesting period and are included in 'Personnel costs'.

In the first six months of 2017, an amount of €5.4 million (H1 2016: €4.6 million) is included for the share based compensations granted to employees in 2017, 2016, 2015 and 2014 under the different LTIPs. This is excluding an amount of €0.8 million (H1 2016: €0.9 million) relating to the Employee Share Purchase Plan (Lovinklaan Foundation).

6 NET FINANCE EXPENSE

Net finance expense decreased from €13.3 million to €12.3 million, helped by reduced hedging costs of BRL loans, higher interest income in Brazil, and lower hedge ineffectiveness. Finance income for the period only consists of interest income, finance expense for the period includes interest expense of €17.2 million and net foreign currency loss of €2.6 million.

7 INCOME TAXES

Income tax expense is recognized based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the six-month period ended 30 June 2017 is 29.9%[1] (H1 2016: 25.0%). The higher tax rate was mainly due to the increase in unrecognized losses in comparison with prior years.

[1] Income taxes divided by profit before income tax, excluding results from investments accounted for using the equity method

8 EARNINGS PER SHARE

For calculating the earnings per share, the following numbers of average shares were used:

Number of shares	H1 2017	H1 2016
Average number of issued shares	86,298,260	84,440,850
Average number of treasury shares	(1,180,259)	(1,072,315)
TOTAL AVERAGE NUMBER OF ORDINARY OUTSTANDING SHARES	**85,118,001**	**83,368,535**
Average number of potentially dilutive shares	1,047,866	643,446
TOTAL AVERAGE NUMBER OF DILUTED SHARES	**86,165,867**	**84,011,981**

The average number of potentially dilutive shares are based on the average share price in the period on the Euronext Amsterdam Stock Exchange and the options that were in the money.

For the calculation of earnings per share, no distinction is made between the different classes of shares.

The total earnings of the Group and the earnings per share are as follows:

In € thousands	H1 2017	H1 2016
Net income	33,627	39,738
Net income from operations[1]	47,221	54,869

[1] Non-GAAP performance measure, to provide transparency on the underlying performance of our business. Reference is made to the Annual Report 2016 for the definition as used by Arcadis

In €	H1 2017	H1 2016
EARNINGS PER SHARE/ DILUTED EARNINGS PER SHARE		
Net income	0.40/ 0.39	0.48/ 0.47
Net income from operations[1]	0.55/ 0.55	0.66/ 0.65

[1] Non-GAAP performance measure, to provide transparency on the underlying performance of our business. Reference is made to the Annual Report 2016 for the definition as used by Arcadis

9 INTANGIBLE ASSETS AND GOODWILL

The operating loss in Brazil in the first half year of 2017 has triggered a goodwill impairment analysis for the Latin America Cash Generating Unit (CGU), which we have carried out. As the economic outlook and market perspective for our services in Brazil are expected to improve and positive results are being realized in Chile and Peru, we expect that this will over time result in higher revenues and EBITA for the CGU. Taking into account our company-wide strategy update and financial planning cycle in the fourth quarter, we will update the analysis as part of the year-end procedures for our annual accounts.

10 TRADE RECEIVABLES

Trade receivables include items maturing within one year.

In € thousands	30 JUNE 2017	31 DEC 2016
Trade receivables	622,954	678,089
Provision for trade receivables	(52,663)	(58,379)
Receivables from associates	1,890	1,891
TOTAL TRADE RECEIVABLES	**572,181**	**621,601**

PROVISION FOR TRADE RECEIVABLES

The provision for trade receivables has developed as follows in the six-month period ended 30 June 2017:

In € thousands	2017
BALANCE AT 31 DECEMBER 2016	**58,379**
Additions charged to profit or loss	7,901
Release of unused amounts	(4,013)
Utilizations	(7,106)
Exchange rate differences	(2,498)
BALANCE AT 30 JUNE 2017	**52,663**

The ageing of trade receivables and the provision for bad debts, excluding receivables from associates, at reporting date is:

	30 JUNE 2017		31 DECEMBER 2016	
In € thousands	Gross receivable[1]	Provision bad debt	Gross receivable[1]	Provision bad debt
Not past due	306,953	(2,165)	340,799	(1,498)
Past due 0 - 30 days	88,859	(887)	120,771	(1,169)
Past due 31 - 120 days	85,098	(687)	78,966	(1,734)
More than 120 days past due	142,044	(48,924)	137,553	(53,978)
TOTAL	**622,954**	**(52,663)**	**678, 089**	**(58,379)**

[1] Excluding receivables from associates

11 WORK IN PROGRESS

Costs and estimated earnings on uncompleted service contracts and construction contracts are as follows:

	30 JUNE 2017			31 DECEMBER 2016		
In € thousands	Unbilled receivables	Billing in excess of cost	Net Work in progress	Unbilled receivables	Billing in excess of cost	Net Work in progress
COST						
Cost incurred plus estimated earnings	5,336,284	2,225,760	7,562,044	5,383,853	2,467,410	7,851,263
Billing to date	(4,797,700)	(2,469,151)	(7,266,851)	(4,865,362)	(2,754,342)	(7,619,704)
TOTAL WORK IN PROGRESS	**538,584**	**(243,391)**	**295,193**	**518,491**	**(286,932)**	**231,559**

12 EQUITY ATTRIBUTABLE TO EQUITY HOLDERS

The development of the number of shares issued/ outstanding in the six-month period ended 30 June 2017 is presented in the table below:

Number of shares	Ordinary shares	Priority shares	Treasury stock	Total issued shares
AT 31 DECEMBER 2016	**84,792,172**	**600**	**1,274,696**	**86,067,468**
Shares issued	1,340,343	–	–	1,340,343
Repurchased shares	–	–	–	–
Exercised shares and options	345,379	–	(345,379)	–
AT 30 JUNE 2017	**86,477,894**	**600**	**929,317**	**87,407,811**
OUTSTANDING SHARES				
AT 31 DECEMBER 2016	**84,792,172**	**600**	**–**	**84,792,772**
AT 30 JUNE 2017	**86,477,894**	**600**	**–**	**86,478,494**

PURCHASE OF SHARES

The Executive Board may, as mandated by the General Meeting of Shareholders and with approval from the Supervisory Board and Stichting Prioriteit Arcadis NV, purchase fully paid-up shares in Arcadis NV.

In the six-month period ended 30 June 2017, the Company purchased nil shares from the market. Through the exercise of options 163,599 shares were reissued. The options were exercised at a weighted average price of €15,63 per share.

DIVIDENDS

Dividend for the year ended 31 December 2016 was paid in May 2017. Based on the number of shares outstanding and a declared dividend of €0.43 per share, the total dividend amounted to €36.5 million (including €258 for preference and priority shares). An amount of €15.5 million was paid in cash and €21.0 million in stock.

For the stock dividend, a number of 1,340,343 new shares were issued and paid from the share premium reserve.

13 PROVISIONS FOR EMPLOYEE BENEFITS

There are no significant changes in defined benefit pension plans in the six-month period ended 30 June 2017. Remeasurements of the net defined benefit liability/ asset are not considered material.

14 PROVISIONS FOR OTHER LIABILITIES AND CHARGES

The movements in the provision for other liabilities and charges in the six-month period ended 30 June 2017 are as follows:

In € thousands	Restructuring	Litigation	Other	TOTAL
BALANCE AT 31 DECEMBER 2016	**6,657**	**28,071**	**9,407**	**44,135**
Additions	2,969	1,783	725	5,477
Amounts used	(6,478)	(2,400)	(865)	(9,743)
Release of unused amounts	(525)	(1,309)	(863)	(2,697)
Reclassifications	405	–	(405)	–
Exchange rate differences	354	(737)	(198)	(581)
BALANCE AT 30 JUNE 2017	**3,382**	**25,408**	**7,801**	**36,591**
Non-current	259	22,133	4,624	27,016
Current	3,123	3,275	3,177	9,575
TOTAL	**3,382**	**25,408**	**7,801**	**36,591**

15 LOANS AND BORROWINGS

Loans and borrowings as at period-end are as follows:

In € thousands	Interest rates between	30 JUNE 2017	31 DEC 2016
Bank loans	1.3% - 5.0%	209,285	218,992
Loan notes issued to Financial Institutions	1.7% - 5.1%	463,865	478,946
Financial lease contracts	3.0% - 4.0%	93	187
Other long-term debt[1]	3.0% - 6.9%	2,934	3,360
Short term borrowings	1.0% - 6.0%	105,000	54,258
TOTAL LOANS AND BORROWINGS		**781,177**	**755,743**
Current[2]		186,506	55,279
Non-current		594,671	700,464
TOTAL		**781,177**	**755,743**

1 Including retentions and expected after-payments not due within one year, amounting to €2.1 million (31 dec 2016: €2.5 million)
2 Excluding after-payments for acquisitions

The movement in non-current loans and borrowings is as follows in the six-month period ended 30 June:

In € thousands	2017
BALANCE AT 31 DECEMBER 2016	**700,464**
New debt	–
Redemptions	(185)
Reclassification from non-current to current	(83,374)
Exchange rate differences	(22,234)
BALANCE AT 30 JUNE 2017	**594,671**

Aggregate maturities of non-current loans and borrowings are as follows:

In € thousands	30 JUNE 2017	31 DEC 2016
2018	108,282	195,387
2019	102,781	108,859
2020	132,414	136,136
2021	98,362	104,319
2022	111,061	117,192
After 2022	41,771	38,571
BALANCE AT PERIOD-END	**594,671**	**700,464**

16 CAPITAL AND FINANCIAL RISK MANAGEMENT

In the six-month period ended 30 June 2017 there were no changes in the Company's financial risk management objectives and policies, and in the nature and extent of risks arising from financial instruments compared to prior year.

FAIR VALUE

The carrying amount of financial assets and financial liabilities is a reasonable approximation of fair value. There are only non-material differences between the carrying amount and fair value for both the non-current and current part of the loans and borrowings. These differences are comparable to the differences as disclosed in the 2016 consolidated financial statements.

The financial instruments carried at fair value are analyzed by valuation method, using the following levels:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities;
- **Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- **Level 3:** inputs for the assets or liability that are not based on observable market data (unobservable inputs).

All financial instruments carried at fair value within the Company are categorized in Level 2. The valuation techniques and the inputs used in the fair value measurement did not change in the first six months of 2017 compared to prior year.

The fair value of the Company's loans and borrowings has been estimated based on quoted market prices for the same or similar loans or on the current rates offered to the Company for debt with similar maturities.

17 COMMITMENTS AND CONTINGENT LIABILITIES

COMMITMENTS

The commitments as at 30 June 2017 do not significantly differ from the Company's commitments as at 31 December 2016.

CONTINGENT LIABILITIES

In the first six months of 2017 the Company was involved in various legal and regulatory claims and proceedings as a result of its normal course of business, either as plaintiff or defendant. Provisions are accrued for only where management believes it is probable that Arcadis will be held liable, the amount is reasonably estimable, and the claim has not been insured.

18 RELATED PARTY TRANSACTIONS

From time to time Arcadis enters into related party transactions. These transactions are conducted on an at arm's length basis with terms comparable to transactions with third parties. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated on consolidation.

The nature of the related party transactions conducted in the six-month period ended 30 June 2017 do in substance not deviate from the transactions as reflected in the consolidated financial statements as at and for the year ended 31 December 2016.

The Company was no party to any material transaction or loans with parties who hold at least 10% of the shares in Arcadis NV.

19 EVENTS AFTER THE BALANCE SHEET DATE

There were no material events after 30 June 2017 that would have changed the judgment and analysis by management of the financial condition of the Company as at 30 June 2017, or the profit for the six-month period ended 30 June 2017.

The Company announces on 27 July 2017 the acquisition of E2 ManageTech, an enterprise technology solutions firm providing IT and business services for the Environmental, Health and Safety (EHS) information market. The acquisition will be completed in the second half of 2017 and is not material for Arcadis.

Amsterdam, the Netherlands, 26 July 2017

The Executive Board

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