PRESS RELEASE

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ARCADIS REPORTS FULL YEAR RESULTS 2017

Return to organic growth and improved financial results

- Strong fourth quarter: organic net revenue growth 3% and operating EBITA margin 8.5%
- Full year gross revenues €3.2 billion. Net revenues €2.4 billion, organic growth 1%
- Full year operating EBITA +6% €186 million; operating margin improved to 7.6%
- Net income from operations +11% to €101 million
- Net working capital improved to 16.9% versus 17.5% in 2016
- Net debt/EBITDA at year-end 2.1, primarily from €98 million free cash flow
- Market consultation process for CallisonRTKL started to assess viability of sale
- Proposed dividend €0.47 per share (2016: €0.43); pay-out ratio unchanged at 40%
- Confirms revenue growth and improved operating margin in 2018

Amsterdam, 15 February 2018 – Arcadis (EURONEXT: ARCAD), the leading global Design & Consultancy firm for natural and built assets, reports full year results 2017. Net revenues totaled €2,437 million and increased organically by 1%. Net income from operations increased 11% to €101 million (2016: €91 million).

CEO STATEMENT

Peter Oosterveer, CEO Arcadis comments: “In 2017, we focused strongly on organic growth and on reducing our cost and working capital. I am pleased that we improved our financial performance as the year progressed. Our fourth quarter results were strong, with organic net revenue growth of 3% and a higher operating EBITA. This led to solid cash flow generation and reduced debt.

While our primary focus is on organic growth, we will continue to look for opportunities to further expand our digital and data expertise as evidenced by the recent acquisitions of E2 ManageTech and SEAMS. As a next step in the strategic review of CallisonRTKL, our architectural business representing approximately 10% of our global revenues, we started a market consultation to assess the viability of a sale.

In the coming years we expect to see the benefits from our updated strategy “Creating a sustainable future”, which we presented end of November 2017. Our strategy is based on three pillars: people & culture, innovation & growth, and focus & performance. Global trends like climate change, sustainable industries and expanding cities are creating opportunities for Arcadis.

Our strategic priorities are clear:

- Invest in people to build the workforce of the future
- Become a digital frontrunner in the industry
- Focus on selecting profitable clients and on improvements in project delivery
- Choose geographies, businesses and projects where we can lead

We see a positive outlook for most of our markets, and I am convinced that the execution of our strategy will deliver further revenue growth and operating margin improvement in the years ahead.”

REVIEW OF PERFORMANCE

Key Figures

in € millions Period ended December 31	FULL YEAR 2017	2016	change	FOURTH QUARTER 2017	2016	change
Gross revenues	*3,219*	*3,329*	*-3%*	*805*	*854*	*-6%*
Organic growth	*-1%*			*0%*		
Net revenues	2,437	2,468	*-1%*	595	608	*-2%*
Organic growth	*1%*			*3%*		
EBITDA	200	207	*-3%*	51	50	*1%*
EBITA	161	166	*-3%*	41	40	*2%*
EBITA margin	*6.6%*	*6.7%*		*6.8%*	*6.5%*	
Operating EBITA[1)]	186	175	*6%*	51	35	*46%*
Operating EBITA margin	*7.6%*	*7.1%*		*8.5%*	*5.7%*	
Net income	71	64	*10%*			
Net income per share (in €)	0.82	0.76	*8%*			
Net income from operations	101	91	*11%*			
NIfO per share (in €)	1.18	1.08	*9%*			
Dividend (proposal) per share (in €)	0.47	0.43	*9%*			
Avg. number of shares (millions)	85.9	84.1	*2%*			
Net working capital %	16.9%	17.5%				
Days sales outstanding	88	91				
Free cash flow [2)]	98	80	*22%*	85	102	*-17%*
Net debt	416	494	*-16%*			
Backlog net revenues (billions)	2.1	2.2	*-7%*			
Backlog organic growth	*2%*			*1%*		

[1)] *Excluding acquisition, restructuring and integration-related costs and excluding the release of Hyder related litigation provisions of €19.4 million in 2016*

[2)] *Cash flow from operating activities minus investments in (in)tangible assets*

REVIEW OF PERFORMANCE IN 2017

Net revenues totaled €2,437 million and increased organically by 1%. North America, Continental Europe, the UK, and Australia delivered organic growth, compensating for a decrease in other regions.
Operating EBITA increased by 6% to €186 million (2016: €175 million), as higher results in North America and Continental Europe compensated for lower results mainly related to the Middle-East. The operating EBITA margin was 7.6% (2016: 7.1%). Non-operating costs were €25 million (2016: €29 million), of which €20 million is mainly related to restructuring in Brazil and Continental Europe, and €5 million to acquisitions & divestments. EBITA decreased by 3% to €161 million compared to €166 million in 2016, the latter including a €19 million litigation provision release.

The income tax rate was 19.7% (2016: 19.3%). The main reason for the reduced effective tax rate, which was 29.9% in the first half of 2017, was the US tax reform resulting in a one-time gain of €13 million from revaluation of deferred tax positions. Financing charges decreased to €26 million (2016: €29 million) due to a weaker US dollar and lower debt. Income from associated companies was a loss of €12 million (2016: loss of €3 million), related to non-core clean energy assets in Brazil. Arcadis is investing up to €20 million to optimize asset value, ahead of a future divestment.

Net income improved 11% to €71 million (2016: €64 million) or €0.82 per share (2016: €0.76). Net income from operations increased 11% to €101 million (2016: €91 million) or €1.18 per share (2016: €1.08).

CASH FLOW, WORKING CAPITAL AND BALANCE SHEET

Working capital as a percentage of gross revenues was 16.9% (Q4 2016: 17.5%). The days sales outstanding decreased to 88 days (2016: 91 days). Free cash flow improved to €98 million (2016: €80 million). Net debt at the end of December was €416 million (2016: €494 million), resulting in an improved covenant leverage ratio of 2.3 (2016: 2.5). The leverage ratio at year-end improved to 2.1 (2016: 2.3)

BACKLOG

Backlog at the end of December 2017 stood at €2.1 billion (2016: €2.2 billion), representing 10 months of net revenues. The backlog increased organically in 2017 by 2% compared to a 1% decline in 2016. The currency impact was -9% mainly related to the US dollar. Backlog grew especially in North America, the UK, Continental Europe, Asia and Australia.

STRATEGIC REVIEW CALLISONRTKL

In September 2017 we announced the decision to perform a strategic review of CallisonRTKL, our architectural business. This review is part of our effort to sharpen our strategic focus. We evaluated a range of strategic options to optimize the value of CallisonRTKL, within or outside of Arcadis, and to provide the best prospects for our people, clients and shareholders. While a final decision has not been made yet, the process is on track, and we have started a market consultation to assess the viability of a sale.

REVIEW OF PERFORMANCE FOR THE FOURTH QUARTER

Net revenues were €595 million. Organic growth was 3% and all regions except for Latin America and the Middle East contributed to this growth. The currency effect was -6% due to weaker US Dollar, Australian Dollar and British Pound.

Operating EBITA was €51 million, 46% higher (Q4 2016: €35 million, which included €10 million additional provisions). The operating EBITA margin improved to 8.5% (Q4 2016: 5.7%) as a result of organic revenue growth and higher margins in North America, Continental Europe, and improved results in Latin America.

EBITA of €41 million was in line with prior year (Q4 2016: €40 million, which included the €19 million release of a litigation provision). Non-operating costs were €10 million (Q4 2016: €14 million), consisting of €6 million restructuring in Brazil and Continental Europe, and €4 million in acquisitions & divestments.

REVIEW BY SEGMENT

AMERICAS

(31% of net revenues)

in € millions	FULL YEAR			FOURTH QUARTER		
Period ended 31 December	**2017**	**2016**	*change*	**2017**	**2016**	*change*
Gross revenues	1,175	1,227	*-4%*	293	323	*-9%*
Net revenues	751	768	*-2%*	175	187	*-7%*
Organic growth	*-2%*			*1%*		
EBITA	36.0	26.3	*37%*			
Operating EBITA[1)]	47.5	36.1	*31%*			
Operating EBITA margin	*6.3%*	*4.7%*				

[1)] Excluding acquisition, restructuring and integration-related costs

The organic net revenue decline of 2% consists of 2% growth in North America and a 26% decrease in Latin America due to Brazil. The operating EBITA improved 31% mainly due to the return to organic growth in North America. Operating EBITA margin in North America increased to 8.1% (2016: 7.1%). Latin America recorded an operating loss of €6 million (2016: -€8 million).

NORTH AMERICA

Higher net revenues were driven by Environment, Buildings and Infrastructure. Organic revenue growth in the fourth quarter was 3%, from all business lines. Backlog increased by 5% due to overall good order intake. A strong performance was delivered by E2 ManageTech, which was acquired earlier in 2017.

- Environment: revenue growth and margin improvement through better project delivery
- Water: return to organic growth in the fourth quarter
- Infrastructure: significant revenue growth at higher margins
- Buildings: higher margins with good revenue growth

LATIN AMERICA

Net revenues in the fourth quarter were in line with the third quarter, 24% below last year. The operating results in Q4 were close to break-even.

- Brazil: further restructuring caused headcount reduction of ~400 to ~850 at year end
- Brazil: economy gaining traction, evidenced by good order intake in Q4
- Chile: stable performance; Peru: profit improvement

EUROPE & MIDDLE EAST

(46% of net revenues)

in € millions	FULL YEAR			FOURTH QUARTER		
Period ended 31 December	**2017**	**2016**	*change*	**2017**	**2016**	*change*
Gross revenues	1,337	1,398	*-4%*	340	353	*-4%*
Net revenues	1,113	1,117	*0%*	282	279	*1%*
Organic growth	*4%*			*4%*		
EBITA	74.0	67.0	*10%*			
Operating EBITA[1)]	84.3	83.9	*0%*			
Operating EBITA margin	*7.6%*	*7.5%*				

[1)] *Excluding acquisition, restructuring and integration-related costs*

Organic net revenue growth of 4% included an increase of 6% in Continental Europe and 7% in the UK, which more than compensated for a 10% decrease in the Middle East. Higher operating EBITA in Continental Europe was offset by lower results in the Middle East and a weaker British Pound, causing the operating EBITA to stay flat.

CONTINENTAL EUROPE

Net revenues increased organically by 6% to which all countries contributed, and operating margin improved to 7.3% (2016: 6.8%). The private sector drove growth in revenues and order intake.

- Buildings: strong revenue growth from project wins in the Netherlands and Germany
- Infrastructure: slightly higher revenues; rail work compensated for highways slowdown
- Environment: solid growth and better order intake for remediation and consultancy
- Water: limited growth with increased backlog especially in conveyance

UNITED KINGDOM

Organic net revenue growth at 7%. The win of many strategic pursuits contributed to backlog growth. Operating margin was 9.2% (2016: 10.0%), and declined due to a high level of bidding activity.

- Infrastructure: strong, as rail investments continue
- Buildings: revenue growth, supported by automotive clients and commercial developers
- Water: good growth following earlier wins with large utilities
- Environment: higher revenues driven by strategic environmental consultancy

MIDDLE EAST

Organic net revenue declined 10% and operating margin decreased to 4.7% (2016: 8.6%). Revenue and backlog came down due to selective bidding and lower demand.

- UAE: revenue growth from large commercial development projects
- Qatar: revenue decline; key milestones reached, significant cash payments received
- KSA: significant revenue decline; contractual obligations for a few completed projects expected to be honored

ASIA PACIFIC

(14% of net revenues)

in € millions	FULL YEAR			FOURTH QUARTER		
Period ended 31 December	**2017**	**2016**	*change*	**2017**	**2016**	*change*
Gross revenues	387	378	*2%*	98	97	*2%*
Net revenues	344	338	*2%*	85	84	*1%*
Organic growth	*2%*			*8%*		
EBITA	30.1	30.7	*-2%*			
Operating EBITA[1)]	30.7	31.3	*-2%*			
Operating EBITA margin	*8.9%*	*9.3%*				

[1)] Excluding acquisition, restructuring and integration-related costs

Organic net revenue growth in Asia Pacific was 2%, as 12% organic growth in Australia more than offset the 2% decline in Asia. Operating margin declined somewhat.

ASIA

Net revenues declined organically earlier in the year, while in the fourth quarter Asia returned to organic growth and increased backlog. The operating margin improved to 8.8% (2016: 8.6%).

- China: revenues slightly lower while order intake was strong
- Hong Kong: growth and stronger backlog in Buildings and Infrastructure
- Singapore: better Q4 performance did not fully compensate slow start of the year
- Brunei: business divested

AUSTRALIA PACIFIC

- Organic net revenue growth was 12%, fueled by major Infrastructure project wins. Higher revenues from delivering large Infrastructure, Buildings and Environmental projects across major urban areas
- Operating margin lower at 10.3% (2016: 11.0%) due to underperforming projects in the first half of 2017

CALLISONRTKL

(9% of net revenues)

in € millions	FULL YEAR			FOURTH QUARTER		
Period ended 31 December	**2017**	**2016**	*change*	**2017**	**2016**	*change*
Gross revenues	320	326	*-2%*	73	81	*-10%*
Net revenues	229	244	*-6%*	53	58	*-8%*
Organic growth	*-3%*			*0%*		
EBITA	20.8	22.9	*-9%*			
Operating EBITA[1)]	23.9	24.3	*-2%*			
Operating EBITA margin	*10.4%*	*9.9%*				

[1)] Excluding acquisition, restructuring and integration-related costs

Net revenues declined organically by 3% largely driven by adverse developments in US commercial real estate and healthcare markets.

- Q4: stable organic revenue after a weak Q3, supported by China
- Operating EBITA margin improved after cost reductions earlier in the year

PRIORITIES 2018

We will execute our strategy against the background of a positive market outlook. Considering the progress made in 2017 we expect to grow revenues and improve operating margin in line with our financial objectives as communicated in our strategic update.

Our priorities are:

- Deliver financial objectives as per the strategic framework 2018-2020
- Select projects, businesses and geographies where we can lead
- Improve project delivery
- Continue to invest in people and culture to build the workforce of the future
- Innovate to become a digital frontrunner in the industry
- Contribute significantly to the United Nations Sustainable Development Goals
- Conclude the strategic review process of CallisonRTKL

FINANCIAL CALENDAR 2018

19 April 2018	Trading update Q1 2018
24 April 2018	Annual General Meeting of Shareholders
26 July 2018	First half year results 2018
24 October 2018	Trading update Q3 2018

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ANALYST MEETING

Arcadis will hold an analyst meeting and webcast to discuss the full year results for 2017. The analyst meeting will be held at 10.00 hours CET today. The webcast can be accessed via the investor relations section on the company's website at https://www.arcadis.com/en/global/investors/.

ABOUT ARCADIS

Arcadis 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. We are 27,000 people, active in over 70 countries that generate €3.2 billion in revenues. We support UN-Habitat with knowledge and expertise to improve the quality of life in rapidly growing cities around the world. www.arcadis.com.

REGULATED INFORMATION

This press release contains information that qualifies or may qualify as inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

FORWARD LOOKING STATEMENTS

Statements included in this press release that are not historical facts (including any statements concerning investment objectives, other plans and objectives of management for future operations or economic performance, or assumptions or forecasts related thereto) are forward-looking statements. These statements are only predictions and are not guarantees. Actual events or the results of our operations could differ materially from those expressed or implied in the forward-looking statements. Forward-looking statements are typically identified by the use of terms such as “may,” “will”, “should”, “expect”, “could”, “intend”, “plan”, “anticipate”, “estimate”, “believe”, “continue”, “predict”, “potential” or the negative of such terms and other comparable terminology. The forward-looking statements are based upon our current expectations, plans, estimates, assumptions and beliefs that involve numerous risks and uncertainties. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, our actual results and performance could differ materially from those set forth in the forward-looking statements.

-TABLES FOLLOW-

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December

In € thousands	2017	2016
GROSS REVENUES	3,218,889	3,328,762
Materials, services of third parties and subcontractors	(782,383)	(860,790)
NET REVENUES	2,436,506	2,467,972
Personnel costs	(1,865,613)	(1,897,323)
Other operational costs	(371,252)	(367,929)
Depreciation and amortization	(39,586)	(41,078)
Amortization other intangible assets	(30,979)	(37,668)
Impairment charges	–	(15,000)
Other income	857	4,669
TOTAL OPERATIONAL COSTS	(2,306,573)	(2,354,329)
OPERATING INCOME	129,933	113,643
Finance income	12,022	9,122
Finance expenses	(44,229)	(36,597)
Fair value change of derivatives	6,241	(1,564)
NET FINANCE EXPENSES	(25,966)	(29,039)
Result from investments accounted for using the equity method	(11,619)	(2,641)
PROFIT BEFORE INCOME TAX	92,348	81,963
Income taxes	(20,481)	(16,367)
PROFIT FOR THE PERIOD	71,867	65,596

PROFIT ATTRIBUTABLE TO:

Equity holders of the Company (net income)	70,804	64,154
Non-controlling interests	1,063	1,442
PROFIT FOR THE PERIOD	71,867	65,596

EARNINGS PER SHARE (IN €)

Basic earnings per share	0.82	0.76
Diluted earnings per share	0.81	0.76

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December

In € thousands	2017	2016
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX		
PROFIT FOR THE PERIOD	71,867	65,596
ITEMS THAT MAY BE SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS:		
Exchange rate differences for foreign operations	(87,729)	(46,435)
Exchange rate differences for equity accounted investees	(3,984)	3,940
Effective portion of changes in fair value of cash flow hedges	1,760	(852)
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS:		
Changes related to post-employment benefit obligations	5,101	(13,108)
Other changes	(2,098)	–
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX	**(86,950)**	**(56,455)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**(15,083)**	**9,141**

TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Equity holders of the Company	(16,098)	8,048
Non-controlling interests	1,015	1,093
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**(15,083)**	**9,141**

NON-GAAP PERFORMANCE MEASURE

In € thousands	2017	2016
NET INCOME FROM OPERATIONS[1]		
Profit for the period attributable to equity holders (net income)	70,804	64,154
Amortization identifiable intangible assets, net of taxes	24,473	30,605
Impairment charges, net of taxes	–	15,000
Valuation changes of acquisition-related provisions, net of taxes[2]	–	(20,985)
M&A costs	4,035	482
Lovinklaan employee share purchase plan[3]	1,703	1,700
NET INCOME FROM OPERATIONS	**101,015**	**90,956**

NET INCOME FROM OPERATIONS PER SHARE[1] (IN €)		
Basic earnings per share	1.18	1.08
Diluted earnings per share	1.15	1.07

1 Non-GAAP performance measure, to provide transparency on the underlying performance of our business. Reference is made to the Glossary for the definition as used by Arcadis
2 For further details see note 27
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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In € thousands	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	–	–	–	–	64,154	64,154	1,442	65,596
OTHER COMPREHENSIVE INCOME:								
Exchange rate differences	–	–	–	(39,466)	(2,680)	(42,146)	(349)	(42,495)
Effective portion of changes in fair value of cash flow hedges	–	–	(722)	–	–	(722)	–	(722)
Taxes related to effective portion of changes in fair value of cash flow hedges	–	–	(130)	–	–	(130)	–	(130)
Re-measurements on post-employment benefit obligations	–	–	–	–	(14,031)	(14,031)	–	(14,031)
Taxes related to re-measurements on post-employment benefit obligations	–	–	–	–	923	923	–	923
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAXES	**–**	**–**	**(852)**	**(39,466)**	**(15,788)**	**(56,106)**	**(349)**	**(56,455)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**–**	**–**	**(852)**	**(39,466)**	**48,366**	**8,048**	**1,093**	**9,141**
TRANSACTIONS WITH OWNERS OF THE COMPANY:								
Acquisitions	–	–	–	–	–	–	–	–
Dividends to shareholders	–	(30,514)	–	–	(21,673)	(52,187)	(1,811)	(53,998)
Issuance of shares	43	30,471	–	–	–	30,514	–	30,514
Share-based compensation	–	–	–	–	11,384	11,384	–	11,384
Taxes related to share-based compensation	–	–	–	–	6,169	6,169	–	6,169
Purchase of own shares	–	–	–	–	(14,951)	(14,951)	–	(14,951)
Share options exercised	–	–	–	–	2,122	2,122	–	2,122
TOTAL TRANSACTIONS WITH OWNERS OF THE COMPANY	**43**	**(43)**	–	–	**(16,949)**	**(16,949)**	**(1,811)**	**(18,760)**
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	–	–	–	–	70,804	70,804	1,063	71,867
OTHER COMPREHENSIVE INCOME:								
Exchange rate differences	–	–	–	(91,665)	–	(91,665)	(48)	(91,713)
Effective portion of changes in fair value of cash flow hedges	–	–	1,561	–	–	1,561	–	1,561
Taxes related to effective portion of changes in fair value of cash flow hedges	–	–	199	–	–	199	–	199
Re-measurements on post-employment benefit obligations	–	–	–	–	6,116	6,116	–	6,116
Taxes related to re-measurements on post-employment benefit obligations	–	–	–	–	(1,015)	(1,015)	–	(1,015)
Other changes	–	–	–	–	(2,098)	(2,098)	–	(2,098)
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAXES	**–**	**–**	**1,760**	**(91,665)**	**3,003**	**(86,902)**	**(48)**	**(86,950)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**–**	**–**	**1,760**	**(91,665)**	**73,807**	**(16,098)**	**1,015**	**(15,083)**
TRANSACTIONS WITH OWNERS OF THE COMPANY:								
Acquisitions	–	–	–	–	–	–	–	–
Dividends to shareholders	–	(21,002)	–	–	(15,476)	(36,478)	(971)	(37,449)
Issuance of shares	27	20,975	–	–	–	21,002	–	21,002
Share-based compensation	–	–	–	–	10,838	10,838	–	10,838
Taxes related to share-based compensation	–	–	–	–	284	284	–	284
Purchase of own shares	–	–	–	–	(8,343)	(8,343)	–	(8,343)
Share options exercised	–	–	–	–	7,612	7,612	–	7,612
TOTAL TRANSACTIONS WITH OWNERS OF THE COMPANY	**27**	**(27)**	**–**	**–**	**(5,085)**	**(5,085)**	**(971)**	**(6,056)**
BALANCE AT 31 DECEMBER 2017	**1,748**	**372,533**	**(1,525)**	**(89,058)**	**694,188**	**977,886**	**2,691**	**980,577**

CONSOLIDATED BALANCE SHEET

as at 31 December - before allocation of profit

In € thousands	2017	2016
ASSETS		
NON-CURRENT ASSETS		
Intangible assets and goodwill	1,074,262	1,170,364
Property, plant & equipment	92,643	100,427
Investments accounted for using the equity method	22,807	24,730
Other investments	607	656
Deferred tax assets	33,310	30,332
Pension assets for funded schemes in surplus	1,754	–
Derivatives	3,892	–
Other non-current assets	28,921	30,683
TOTAL NON-CURRENT ASSETS	**1,258,196**	**1,357,192**
CURRENT ASSETS		
Inventories	236	235
Derivatives	6,088	6,156
Trade receivables	579,135	621,601
Work in progress (unbilled receivables)	486,352	518,491
Corporate tax receivables	25,165	26,222
Other current assets	79,819	78,559
Assets classified as held for sale	4,417	–
Cash and cash equivalents	267,942	260,032
TOTAL CURRENT ASSETS	**1,449,154**	**1,511,296**
TOTAL ASSETS	**2,707,350**	**2,868,488**

	2017	2016
EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	**977,886**	**999,069**
Non-controlling interests	2,691	2,647
TOTAL EQUITY	**980,577**	**1,001,716**
NON-CURRENT LIABILITIES		
Provisions for employee benefits	50,896	70,234
Provisions for other liabilities and charges	26,699	23,331
Deferred tax liabilities	66,909	79,055
Loans and borrowings	474,429	700,464
Derivatives	1,134	2,565
TOTAL NON-CURRENT LIABILITIES	**620,067**	**875,649**
CURRENT LIABILITIES		
Work in progress (billing in excess of cost)	284,198	286,932
Current portion of provisions	15,031	23,739
Corporate tax liabilities	31,753	26,225
Current portion of loans and (short-term) borrowings	214,266	55,279
Derivatives	5,418	8,037
Bank overdrafts	1,805	865
Accounts payable, accrued expenses and other current liabilities	552,971	590,046
Liabilities classified as held for sale	1,264	–
TOTAL CURRENT LIABILITIES	**1,106,706**	**991,123**
TOTAL LIABILITIES	**1,726,773**	**1,866,772**
TOTAL EQUITY AND LIABILITIES	**2,707,350**	**2,868,488**

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December

In € thousands		2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
PROFIT FOR THE PERIOD		71,867	65,596
ADJUSTMENTS FOR:			
Depreciation and amortization		39,586	41,078
Amortization other identifiable intangible assets		30,979	37,668
Impairment charges		–	15,000
Income taxes		20,481	16,367
Net finance expense		25,966	29,039
Result from Investments accounted for using the equity method		11,619	2,641
ADJUSTED PROFIT FOR THE PERIOD (EBITDA)		200,498	207,389
Change in Inventories		(43)	(15)
Change in Work in progress (unbilled receivables)		(12,239)	(37,282)
Change in Trade receivables		(11,203)	(6,010)
Change in Work in progress (billing in excess of cost)		16,972	14,406
Change in Accounts payable		8,595	27,917
CHANGE IN NET WORKING CAPITAL		2,082	(984)
Change in Other receivables		6,972	561
Change in Current liabilities		(4,703)	(6,249)
CHANGE IN OTHER WORKING CAPITAL		2,269	(5,688)
Change in Provisions		(14,217)	(25,295)
Share-based compensation		10,838	11,384
Sale of activities net of cost (AHFS)		(1,756)	–
Change in operational derivatives		(393)	731
Settlement of operational derivatives		(152)	(465)
Dividend received		712	1,274
Interest received		9,888	8,816
Interest paid		(33,771)	(32,928)
Corporate tax paid		(24,867)	(24,961)
NET CASH FROM OPERATING ACTIVITIES	(A)	**151,131**	**139,273**

In € thousands		2017	2016
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments in (in)tangible assets		(59,324)	(64,768)
Proceeds from sale of (in)tangible assets		5,865	5,530
Investments in consolidated companies		(5,141)	(9,685)
Proceeds from sale of consolidated companies		5,273	3,374
Investments in associates and joint ventures		(23,998)	(25,179)
Proceeds from sale of associates and joint ventures		9,464	19,479
Investments in other non-current assets and other investments		(4,869)	(5,395)
Proceeds from (sale of) other non-current assets and other investments		6,553	7,416
NET CASH (USED IN)/ FROM INVESTING ACTIVITIES	(B)	**(66,177)**	**(69,228)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from exercise of options		7,612	2,122
Proceeds from issuance of shares		–	–
Purchase of own shares		(8,343)	(14,951)
Settlement of financing derivatives		(139)	(3,207)
New long-term loans and borrowings		266	1,000
Repayment of long-term loans and borrowings		(454)	(27,192)
New short-term borrowings		200,000	53,210
Repayment of short-term borrowings		(213,513)	(4,255)
Dividends paid		(17,263)	(23,484)
NET CASH (USED IN)/ FROM FINANCING ACTIVITIES	(C)	**(31,834)**	**(16,757)**
NET CHANGE IN CASH AND CASH EQUIVALENTS LESS BANK OVERDRAFTS	(A+B+C)	**53,120**	**53,288**
Exchange rate differences		(46,150)	(15,209)
Cash and cash equivalents less Bank overdrafts at 1 January		259,167	221,088
CASH AND CASH EQUIVALENTS LESS BANK OVERDRAFTS AT 31 DECEMBER		**266,137**	**259,167**