Annual Results 2010

Harrie Noy, Chief Executive Officer
Renier Vree, Chief Financial Officer
Amsterdam, the Netherlands, 7 maart 2011
DISCLAIMER

Statements included in this presentation 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.
Profit increases; gross revenues above € 2 billion

- Net income from operations up 6%
- Gross revenue 12% higher
- Return organic growth: 5% in fourth quarter
- Organic activity growth in all segments, except in buildings
- Margin at target level despite weaker Europe
- Dividend proposal: to € 0.47 (2009: € 0.45)
- Outlook 2011 cautiously positive

Continuous growth from diversified portfolio, focus on added value, successful acquisitions and strict cost controls
Main points 2010

- After 7 quarters decline, again organic growth
- Recovery US environment: more private spending
- Chili and Brazil booming: mining and energy
- Growth RTKL in Asia and Middle East
- Europe lower, mainly pressure in local markets
- Integration MP on schedule; >100 million synergy
- Strategy review: “Leadership, Balance, Growth”
- More focus in Brazil, sale energy projects
Developments in Q4

- Organic gross revenue up 5%, net revenue 3%
- Strong growth US environmental market, also from start execution large projects
- Big contracts Brazil: Angra ($65 million) and Votorantim Cimentos ($37 million)
- Also growth in Chile, Germany and Belgium
- Rest Europe incl. Netherlands lower due to less demand local markets; delays in Poland
- Acquisition GFÖB Germany (15 employees) and Rise International US (180 employees)
- Corporate headquarters moved to Amsterdam
Income
Q4 2010
€ 23.7 million

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
<th>△</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross revenue</td>
<td>540</td>
<td>484</td>
<td>12%</td>
</tr>
<tr>
<td>Net revenue</td>
<td>350</td>
<td>322</td>
<td>9%</td>
</tr>
<tr>
<td>EBITA</td>
<td>39.7</td>
<td>35.5</td>
<td>12%</td>
</tr>
<tr>
<td>Income(^1)</td>
<td>23.7</td>
<td>23.5</td>
<td>1%</td>
</tr>
<tr>
<td>EPS(^1,2)</td>
<td>0.36</td>
<td>0.35</td>
<td>2%</td>
</tr>
</tbody>
</table>

Currency effect: 6% on revenue; 8% on EBITA; weaker euro against other relevant currencies

1) Net income from operations before amortization and non-operational items
2) In 2010 based on 65.9 million shares outstanding (2009: 66.4 million)
Organic growth returning

![Bar chart showing organic, acquisitions, and total growth trends from 2007 to FY10 with currency effects]

- Organic: -4%, -3%, +1%, +1%, +1%, +1%, +1%, +4%
- Acquisitions: +1%, +1%, +1%, +1%, +1%, +1%, +1%, +1%
- Total (excl. currency effect): +1%, +1%, +1%, +1%, +1%, +1%, +1%, +1%

Based on gross revenue
Recovery in environment and buildings

Organic growth of net revenue

<table>
<thead>
<tr>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1 2008</th>
<th>Q2 2008</th>
<th>Q3 2008</th>
<th>Q4 2008</th>
<th>Q1 2009</th>
<th>Q2 2009</th>
<th>Q3 2009</th>
<th>Q4 2009</th>
<th>Q1 2010</th>
<th>Q2 2010</th>
<th>Q3 2010</th>
<th>Q4 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Infrastructure</td>
<td>Water</td>
<td>Environment</td>
<td>Buildings</td>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
EBITA Q4 increased 12%

- Acquisitions/divestments on balance negative due to sale infrastructure activities Germany end of 2009
- Contribution carbon credits € 1.8 million (2009: € 0.1 million)
- Reorganization charge € 2.0 million (2009: € 0.2 million)
Income full year 2010 € 78.4 million

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
<th>△</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross revenue</td>
<td>2,003</td>
<td>1,786</td>
<td>12%</td>
</tr>
<tr>
<td>Net revenue</td>
<td>1,375</td>
<td>1,218</td>
<td>13%</td>
</tr>
<tr>
<td>EBITA</td>
<td>135.9</td>
<td>121.6</td>
<td>12%</td>
</tr>
<tr>
<td>EBITA recurring</td>
<td>135.9</td>
<td>123.8</td>
<td>10%</td>
</tr>
<tr>
<td>Income¹)</td>
<td>78.4</td>
<td>74.3</td>
<td>6%</td>
</tr>
<tr>
<td>EPS¹,²)</td>
<td>1.19</td>
<td>1.18</td>
<td>1%</td>
</tr>
</tbody>
</table>

Currency effect: 4% on revenues and 5% on EBITA

Recurring EBITA 2009 is excluding € 2.2 million one-off costs for share participation program Lovinklaan Foundation

¹) Net income from operations before amortization and non-operational items
²) In 2010 based on 66.1 million shares outstanding (2009: 63.1 million)
Compounded annual growth rate 2005-2010: 19%

EBITA recurring

<table>
<thead>
<tr>
<th>Year</th>
<th>In € million</th>
<th>Change</th>
<th>Ex. currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>78.8</td>
<td>+38%</td>
<td>+38%</td>
</tr>
<tr>
<td>2007</td>
<td>105.9</td>
<td>+34%</td>
<td>+38%</td>
</tr>
<tr>
<td>2008</td>
<td>131.8(^1)</td>
<td>+25%</td>
<td>+28%</td>
</tr>
<tr>
<td>2009</td>
<td>123.8</td>
<td>-6%</td>
<td>-8%</td>
</tr>
<tr>
<td>2010</td>
<td>135.9(^2)</td>
<td>+10%</td>
<td>+5%</td>
</tr>
</tbody>
</table>

\(^1\) Including contribution of € 6.8 million from sale energy projects Brazil

\(^2\) Including negative effect of € 3.2 million from losses energy projects Brazil, partly offset by sales proceeds.
Recurring EBITA 10% higher

- 8% contribution Malcolm Pirnie to acquisitions partly offset by acquisition costs and divestments
- Reorganization charges € 6.8 million (2009: € 7.8 million)
- Improved profitability in U.S., Brazil and at RTKL
- Lower profits Europe from revenue declines and price pressure
## Margin level maintained

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>9.9%</td>
<td>9.6%</td>
<td>9.5%</td>
</tr>
<tr>
<td>Q2</td>
<td>10.2%</td>
<td>9.9%</td>
<td>9.7%</td>
</tr>
<tr>
<td>Q3</td>
<td>10.7%</td>
<td>10.1%</td>
<td>9.9%</td>
</tr>
<tr>
<td>Q4</td>
<td>12.5%</td>
<td>11.0%</td>
<td>10.9%</td>
</tr>
<tr>
<td>year</td>
<td>10.8%</td>
<td>10.2%</td>
<td>10.0%</td>
</tr>
</tbody>
</table>

Cost reorganization/integration € 6.8 million (2009: € 7.8 million)

Margin: recurring EBITA as % of net revenue

1) Excluding impact sale energy projects Brazili
2) Excluding impact energy projects Brazil (project losses, partly offset by sales proceeds in Q3)
3) Excluding contribution carbon credits
Some financial details

Contribution carbon credits started again:
- Q410: € 1.8 million; 2010: € 1.9 million
- Q409: € 0.1 million; 2009: € 0.4 million

Financing charges excluding derivatives:
- Q410: € 4.6 million; 2010: € 18.3 million
- Q409: € 4.1 million; 2009: € 11.1 million

Higher financing charges due to acquisitions, a higher dollar exchange rate and higher interest charges Brazil

Tax rate 31.1% (2009: 32.7% after correction cost share participation plan), lower due to optimization financing structure

Minority interest larger due to higher profits from Brazil
Net income from operations and EPS

Before amortization and non-operational items

Compounded annual growth rate 2005-2010: 19%

Change
Ex. currency
+50%
+25%
+12%
+6%
+6%

Earnings per share (in €)
Cash flow at good level
**Balance sheet and return**

- Working capital as % of gross revenue: 13.0% (2009: 12.9%)  
- Net debt € 207 million (2009: € 174 million), € 24 million from currency effects  
- Net debt/EBITDA: 1.4 (2009: 1.0)

1) 2008, 2009, 2010 calculated conform bank covenants

**Return on capital invested**

- Invested capital: shareholders equity + net interest bearing debt

1) basis: average quarterly balance sheets  
2) based on net income from operations
Business lines

INFRASTRUCTURE
WATER
ENVIRONMENT
BUILDINGS
Strongest growth in Water & Environment

In gross revenues € million ( ) = organic

Infrastructure +2% (-4%)

Water +44% (0%)

Environment +16% (+6%)

Buildings -2% (-5%)
Infrastructure

2010: +2%
organic: -4%; acquisitions: 0%; currency: +5%

- Organic net revenue rose 3%, difference from less subcontracting Brazil and NL (winter)
- Strong growth Brazil and Chile, mining, energy
- In Europe, revenue and price pressure from reduced spending in local markets
- Some activity growth in NL and Czech Republic
- Revenue US seems to stabilize
Water

2010: +44%
organic: 0%; acquisitions: 40%; currency: +4%

- Growth mainly from merger Malcolm Pirnie
- Organic increase net revenue 3%
- Growth slowed: government budget pressure
- More water management in Europe, but less in US due to completion New Orleans in 2011
- Growth Malcolm Pirnie in water treatment US
- Expansion in Chile aided by Malcolm Pirnie
- Project losses Netherlands and Brazil pushed margin down
Environment

2010: +16%
organic: +6%; acquisitions: +5%; currency: +5%

- Contribution acquisitions from Malcolm Pirnie
- Organic increase net revenue 1%
- Growth in US, Brazil; strong demand corporates
- Extra impulse US from large remediation projects with substantial subcontracting
- Government market Europe under pressure and demand private sector still stalled
- Sharp decline revenue and profit UK after completion large projects
Buildings

2010: -2%
organic: -5%; acquisitions: +1%; currency: +3%

- Annual net revenue decline was 6%
- End to revenue decline in second half 2010
- Strong recovery RTKL: work Asia/Middle East
- Market in England stabilized
- Increasing industrial demand in Belgium
- Growth project management Germany
- Decline public sector due to budget pressure
- Profit improvement from restructuring and at RTKL
Margin in line with target

*) Until 2008 including water

Effect sale energy projects

ARCADIS
Regional developments

Netherlands
Europe excluding the Netherlands
United States
Rest of world
Regional revenue development

( ) = organic

In gross revenue € million

Netherlands: -5% (-6%)

Other Europe: 0% (-2%)

United States: +23% (+2%)

Rest of the world: +23% (+3%)
Regional EBITA & margin

In € million

- **Netherlands**
  - Margin 9.8%
  - Graph showing values from 2006 to 2010

- **Other Europe**
  - Margin 3.7%
  - Graph showing values from 2006 to 2010

- **United States**
  - Margin 11.4%
  - Graph showing values from 2006 to 2010

- **Rest of the world**
  - Margin 15.3%
  - Graph showing values from 2006 to 2010
Geographical mix

2009

- Netherlands: 24%
- Other Europe: 18%
- Rest of World: 9%
- United States: 49%

2010

- Netherlands: 20%
- Other Europe: 17%
- Rest of World: 10%
- United States: 53%
Private sector increases

In Q4 2010: Public sector 32%, Utilities 19%, Private sector 49%
Outlook and strategy summary
Energy projects Brazil

- Revised strategy Brazil: focus on core activities
- Sale of self-developed energy projects
  - Biogas business
  - Portfolio of hydropower plants
- Agreement to sell large part Biogas
- As soon as final: deconsolidation and valuation at market rates
- Proceeds depend on gas production, among other things
- Effect net income from operations 2011: €3 to 5 million
Strategy 2011 – 2013

Summary

• Builds on successful track record
• Ambition: building global leadership positions in each of our business lines by:
  ➢ Focusing on key clients
  ➢ Leveraging capabilities globally
  ➢ Growing selected emerging markets
• Ambitious goals: growth 15%; margin > 10%
• Organically outperforming market: target 5-7%
• Clear plans & targets for each business line
• Actively pursuing acquisitions in a consolidating industry
• Becoming a leading global brand, attractive for clients & staff
Outlook per segment

Infrastructure – pressure on public budgets in Europe and US
- Many multi year projects with committed financing
- More demand PPP and intelligent traffic systems
- Brazil & Chile strong growth; Soccer and Olympics give Brazil impetus

Water – relatively stable due to utility character
- US new work on upgrades; also demand for process optimization
- Recent floods put water management high on the agenda
- Growth with Malcolm Pirnie in Chile, Brazil and Middle East

Environment – further growth expected
- Economic recovery drives private sector US, Brazil and Europe
- Through vendor reduction and outsourcing growth in market share
- GRiP® pipeline well filled; work from framework contracts US Army

Buildings – situation has improved
- Commercial property market stabilized; demand redevelopment grows
- Slowdown healthcare US; focus on growth Asia and Middle East
- More investments corporates; framework contracts with multinationals
Outlook 2011

- Backlog healthy and 9% higher than last year
- Government austerity gives uncertainty, especially in Europe
- Economic recovery: positive effects on environment and buildings
- Emerging markets offer a lot of potential
- Maintaining margins remains priority; also in markets with price pressure
- Further expansion through acquisitions driven by updated strategy
- On balance cautiously positive about 2011: increase of revenues/profit (barring unforeseen circumstances and currency effects)

ARCADIS ■ Leadership ■ Balance ■ Growth
Imagine the result

Thank you
Brundtland Commission
Our Common Future, 1987

“The capacity to meet the needs of the present without compromising the ability of future generations to meet their own needs.”
Presentation Outline

- An example of drivers
- Program and project examples
- Closing thoughts
Presentation Outline

An example of drivers

Program and project examples

Closing thoughts
Development of World Cities

1950

World Cities exceeding 5 million residents

Data source: U.N. Population Division

Courtesy, Paul Reiter, Exec Director, IWA
Development of World Cities

2000

World Cities exceeding 5 million residents

Data source:
U.N. Population Division

Courtesy, Paul Reiter, Exec Director, IWA
Development of World Cities

2015

World Cities exceeding
5 million residents

Data source:
U.N. Population Division

Courtesy, Paul Reiter,
Exec Director, IWA
Land Development Increases Faster Than Population in the United States

Rate of Land Development vs. Rate of Population Growth

- Population
- Developed Land

It's how and where we are growing that are driving our significantly increasing rate of land consumption, not US population growth

Data Source: U.S. Census Bureau
Projected 2000-2030 Percent Population Change: Water Rich to Water Poor

Legend
CNG_PCT
-5% - 0
0 - 25%
25% - 50%
>50%

2000 – 282,000,000
2030 – 364,000,000

Data Source: US Census

©2011 ARCADIS
Nitrogen is Impairing Coastal and Inland Waterways

NRC 2000:

Nitrogen is now the largest pollution problem in the coastal waters of the United States.

Two thirds of coastal rivers and bays are moderately to severely degraded from nitrogen pollution.

Courtesy: Paul Reiter, Executive Director, IWA
Excess Nutrients are a Global Concern

NASA Earth Observatory
Global Phosphorus Shortage Threatens Development

World Rock Phosphate Production

Production (MT)

year

1900 1925 1950 1975 2000 2025 2050
Global Phosphorus Shortage Threatens Development

- The global food supply is dependent upon input from artificial phosphate fertilizer
- We need five times more P in our fertilizer that in our food – hence the shortage
- Since the late 1700s, there has been a one-way flow of phosphorus to the ocean
- Population growth, cattle feed, and biofuels accelerate the depletion of phosphorus resources

There is every reason to consider phosphorus as a vital resource, not a waste product
Global Temperature Change (°C)
1970 – 2004

Source: IPCC 4th Report on Climate Change
Decreasing Rainfall Impact on Water Availability in Western Australia (inflow)
Global Precipitation Change

December, January, February

June, July, August

Source: IPCC 4th Report on Climate Change

Precipitations Change (percent)

-20 -10 -5 0 +5 +10 +20
Drought Frequency Projected to Increase in Europe

2020

2070

Meanwhile, sea level rise will increase flooding here.
Climate Change is affecting the water resource/water quality solution cycle

Water resource & water quality challenges

Innovative Solutions are needed to break this cycle!

Technology solutions e.g. membranes, UV, & ozone

Drought, saltwater intrusion, unpredictable weather patterns, poorer raw water quality

Increased energy consumption

Climate change

Courtesy: John Young, American Water Services
Presentation Outline

An example of drivers
Program and project examples
Closing thoughts
Approaches that Deserve Attention

- Energy efficiency and renewable energy
- Sustainable water
- Green house gases and carbon inventory
- Sustainable buildings and urban planning
- Integrated natural resources planning
- Sustainable organizations and CSR reporting
Water and Energy are Inextricably Linked
How Much Energy Does the Water Industry Use?

Drinking water and wastewater consume:

- 7% of electricity globally
- 3% of electricity in the United States
- 12-19% of electricity in California

Water utility energy use varies widely from 0.25 to 3.5 kWh per 1,000 gallons of drinking water produced and delivered.

The median 50% of US water utilities serving populations >10,000 have electricity use between 1.0 and 2.5 kWh/1,000 gallons.

1. Electric Power Research Institute (Burton 1996)
2. Energy Down the Drain: The Hidden Costs of California’s Water Supply
3. AwwaRF 91201. Energy Index Development for Benchmarking Water and Wastewater Utilities
Why do Water Agencies Need So Much Energy?

Water is Heavy! 1000 Kg for every cubic meter
Energy Is a Major Focus for Water Clients

- Energy Management
- Digester Biogas
- Biofuels
- Renewable Energy

The Gloversville-Johnstown Joint WWTP (upstate NY) went “off the grid” in January 2011 (the coldest month of the year).
Sustainable Water Opportunities

- Wastewater reuse
- Stormwater – green infrastructure
- Groundwater recharge
- Conservation/Demand Mgmt
- Integrated Resource Planning
Our Utility Clients’ Role is Transitioning

Current Mission

We protect public health and the waters of our service area by treating wastewater effectively.

Future generations will inherit clean waterways and be able to keep them clean.

Future Mission

We are stewards of water and nutrient resources in an energy efficient manner to enhance the sustainability of our community.
A Sustainable Future Will Require Re-Thinking Existing Paradigms

- Keeping treatment and reuse as close as possible to the source is watershed efficient
- Holistic views of water management require interagency alliances and agreements
  - Singapore NEWater: drinking water, wastewater, stormwater/drainage
- Significant nutrient recovery requires an upstream strategy
- Energy recovery increases with decreasing “wet stream processing”
Coquina Coast: Desalination Water Supply

New alternative water supply for Northeast Florida Coast

Once constructed, one of the largest desalination facilities in the US:

- 95,000 to 190,000 m³/d by 2020
- 190,000 to 300,000 m³/d by 2050

Twelve agency stakeholders

- Suppliers
- “Ex officio”
- Water management district
Presentation Outline

- An example of drivers
- Program and project examples
- Closing thoughts
Consider Sustainability at the Beginning of the Project

Proportion of total project investment, %

Cost committed
Cost incurred

Potential to deliver sustainability

Concept  Feasibility  Detailed design  Procurement  Construction  Operations  Decommissioning

Cost of impact mitigation

Courtesy: Nick Fleming, SKM
Alexandria Sanitation Authority: Sustainability Review

Authority was faced with decreasing water supply as Chesapeake Bay water was increasingly allocated to aquaculture and tourism.

Held workshops to train staff in sustainability concepts.

Focused on creating a culture of long-term planning.

Emphasis on going above and beyond current regulations.

Developed metrics to measure achievements in sustainability.
Stepping Back - Our Position in Society

Economic Development/Quality of Life

A century ago, engineers and scientists were statesmen who created an environment for economic growth and development.
The Engineering Community is at a Crossroads...

“We can continue to support the current production – consumption model or we can apply new solutions that preserve resources and sustain the planet for future generations…”

American Society of Civil Engineers
Spit, Glue and Maybe Even Chewing Gum

Our dams, railways, levees and water systems my look impressive. As long as you don’t look too closely.

“Americans, take heed...”
The Infrastructure Challenge/Opportunity

Total projected cumulative infrastructure spending 2005-2030: $41 trillion

- Middle East: $0.9T (16%
- Africa: $1.1T (17%
- US/Canada: $6.5T (15%
- South America/Latin America: $7.4T (11%
- Europe: $9.1T (38%
- Asia/Oceania: $15.8T (28%

Water: $22.6T
Power: $9.0T
Transportation: $9.4T

Source: Booz, Allen, Hamilton (2007)
“Never has the opportunity been greater for engineers to minister to the needs of humanity.”

Malcolm Pirnie Sr. – 1948
Imagine the result