PARTICIPANTS

Corporate Participants

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Harrie L. J. Noy – Chief Executive Officer & Chairman-Executive Board
Renier Vree – Chief Financial Officer

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MANAGEMENT DISCUSSION SECTION

 Operator: Thank you for standing by and welcome to the Arcadis 2011 Full Year Results Analyst Conference Call. At this time, all participants are in a listen-only mode. There will be a presentation followed by a question-and-answer session. [Operator Instructions] I would now like to hand the conference over to your speakers today.

Joost Slooten, Director-Corporate Communications & IR

Welcome to this Arcadis Conference Call. We are here to discuss the company’s results for the fourth quarter and full year 2011 which were released this morning. With us during the presentation today are Harrie Noy, Chief Executive Officer; and Renier Vree, Chief Financial Officer, who will discuss the figures with you and answer any questions you may have about them. Also with us today is Neil McArthur, member of the Executive Board who will succeed Harrie Noy as CEO on May 16, 2012.

In addition, we will have a presentation on EC Harris in the second part of our call. This company will be presented by Philip Youell, Chief Executive Officer; and Matt Bennion, Chief Operating Officer of EC Harris.

The PowerPoint presentations that are being used during today’s call are available through the Publications & Presentations section of the Investor website of Arcadis for which the address is www.arcadis.com/investors. Again, the Web address, www.arcadis.com/investors.

Just a few words about procedures before we start. We will begin with formal remarks and would call your attention to the fact that in today’s session, management may reiterate forward-looking statements which were made in the press release. We’d like to call your attention to the risks related to these statements, which are more fully described in the company’s risk management reports which are also available on the website.

With these formalities out of the way, Harrie, please begin.
Thank you, Joost, and welcome, everybody, to this analyst meeting of the occasion of the presentation of the 2011 annual figures and the fourth quarter results of Arcadis. Of course, it is for myself kind of a special event because it’s the last time that we have this analyst meeting – a live analyst meeting that I’m presenting the annual results. I will still be there at the first quarter results. And after that, I’m more or less done.

I’m also very glad that we have two of our new colleagues here in the room, Phillip and Matt. They’re going to present EC Harris to you because when we had the analyst call introducing the merger but also after third quarter results, we’ve got many remarks from you why these people they’re not attending those calls because you wanted to have questions and more insights into EC Harris, that’s what we’re going to provide according to our promise today. But first, you have to listen to everything that we’re going to say with respect to the annual results, and then you get the more exciting stuff from EC Harris.

So, that’s building up expectations, Phillip. So, I’m very glad that we are able to present to you again a solid performance that we continued in 2011. I go to the first slide, if somebody pushes the button. Thank you, Renier.

Net income from operations is up by 4%. Gross revenues again ended above €2 billion, up by 1%. I want to say why is that so special because Arcadis passed already the €2 billion threshold in 2010. But keep in mind that the results in 2011 were impacted by a negative currency impact of about 3% which had, on gross revenue, an impact of about €60 million. And we sold businesses also including €60 million in gross revenues. And despite these two impacts of about €120 million, we were able to maintain gross revenues at the level of €2 billion and growing them by 1%.

Net revenues are up 5%. Organic growth of about 3% for the total year. Operational margin ended at 9.7%, close to our target of 10%. And that shows that the measures that we have taken in the past ahead of the curve, as you know, that’s our policy to try to be as much as possible ahead of the group with the measures taken. And the policy definitely has been paying off and is paying off as is reflected in our operational margin.

We proposed a dividend of €0.47 which is the same as last year and we’ll explain it a bit more later in the presentation. And we have provided in the press release and we’re going to discuss it a bit more later in this presentation an outlook for 2012 which implies an increase in both revenues and profit.

And looking at the performance in 2011, we could say that the strong performance in the United States environmental markets, the strong performance in Brazil, Chile and Asia more than compensated for the lower government spending in both Europe and the United States. So, we are impacted by government spending but we’re able to compensate that more than by good performance in the United States environmental market and in emerging markets.

Going through to the next slide. The next slide shows the strategic progress that we have made in 2011. And we have qualified that there’s strong strategic progress.

First of all, we were able to acquire the full ownership in Arcadis Logos in Brazil as you know. We acquired the remaining 50% management share, bringing our ownership in Brazil to 100% as per July 2011. That business includes the consultancy and engineering business, and that’s the business that we are going to focus on going forward. And that allows us to benefit even more from the strong growth that we are experiencing in Brazil, a strong growth that we also expect to continue going forward.
As we consolidated the Brazilian business already, because we own 50% plus 1 share, there is no impact on revenues and no impact on EBITA. There’s only an impact on net income and net income from operation as you would have noticed.

The second major strategic event in 2011 has been the merger with EC Harris that we’re going to pay lot of attention later on the presentation, a merger that was finished per November 2011. A company with gross revenues of €290 million and 2,700 people, as Philip will share us later today. And the main reason for this merger was that it brings us in a leading position in program and project management. Main reason for this merger, and we’ll elaborate more on the merger later on.

The third point is that we also sold non-core businesses. We sold the Facility Management business, AAFM, and we sold a small urban planning outfit – local urban planning outfit in the Netherlands, totaling gross revenues of €59 million and net revenues of €17 million, and that brings more focus in our business. And so, that’s also an important point. We’re expanding on one hand, but on the other hand, we are selling our businesses that do not fit in the core business anymore, and they do not deliver sufficient synergies.

And last but not least, you will have noticed in the press release, that we’ve deconsolidated the Brazilian energy projects. So, the move that we have made in July was focused on the consultancy and engineering business. At the same time, we put the energy projects, the hydropower plants and the biogas installations in a separate entity. In that entity, we still owned 50% plus one share. So, we have still the majority ownership. But we decided to deconsolidate that business by selling two shares to our partners in that business because the intent is anyhow to sell those assets. And by deconsolidating that business, we get a much clean picture both in the P&L and the balance sheet of Arcadis.

Economically, it doesn’t make any difference, of course, because we’re still going to benefit from the sale of those assets. But given the fact that it has been deconsolidated, we had to revalue the projects that’s been included in the business. And that has resulted in a gain which is included in the fourth quarter results and Renier will elaborate on that later on in more detail.

That brings me to the next slide, the main developments in 2011. We have seen solid organic growth throughout the year, very positive I think because in the year before, organic growth was still zero, with negative in the first half and positive in the second half. And that positive development has continued throughout 2011. In the United States, we have been able to expand our environmental business considerably best on more private sector spending. And we have been able to increase our market share.

In Brazil and Chile, we have seen strong development driven by mining and energy investments. RTKL has been quite successful in Asia and the Middle East. And even in Europe, it’s not all doom and gloom because in Europe we have been able to grow our business organically both in France and Germany. For different reasons, we will come back to that later. But for different reasons, we have been able to expand our business and thus to major European countries.

In the UK, we have seen a stronger recovery. We were loss-making in the first half, but in the second half really turned to a situation of profitability. And in the fourth quarter, our margin in the UK, even recovered to a level of close to 10%. So, our business in the UK is back on track, you could say.

We are impacted by less public spending particularly in Europe, and that caused the decline of our business in Belgium, in Central Europe particularly in Poland, in the Netherlands and also in the United States water market. And if you look to it from a different angle, you could say that both the private sector and emerging markets are driving growth in Arcadis. That’s highlighted in the next two slides, first one with respect to the private sector.
So, private sector growth more than compensates for public sector declines. The graph on the top of the slide shows you, for each of the three client categories, revenue development in 2011 compared to 2010. And you see that the public sector went down from about €700 million to probably €550 million; rough numbers. So, that’s a decline of €150 million in one year. So, that’s a real substantial decline of revenue with public sector clients. The positive news is that that has been more than compensated by a similar or even a bit stronger growth in the private sector. Private sector grew from around €900 million to, let’s say, €1.50 billion.

And utilities, which are clients that provide the public service, and those clients can be either private or public. And so, for example, water utilities, energy companies, healthcare institutions, those types of clients are all included in utilities. That’s more or less stable, it grows a little bit, but all-in-all, it’s stable. And that development is also reflected in the pie charts at the bottom of the slide, you see that the private sector clients have gone up from 46% of total revenues to 52% in one year, a major shift in our client base which is responsible for the continued growth of our business.

If you look to the fourth quarter of 2011, that’s at the bottom of the slide, then that became even stronger because in the fourth quarter, the private sector made up 54% of revenues compared to 52% for the total year. And that shows you that this trend has not been finished yet.

The next slide is about strong growth in the emerging markets. And again, you see that on the top of the slide in terms of revenue. Revenues have developed, in two years’ time, from a little bit over €150 million to, let’s say, about €275 million. So, I wouldn’t say that revenues doubled in two years’ time but we are not far from that situation, which is a very strong growth mainly driven by Brazil and Chile but also supported by expansion in Asia.

That’s also visible in the head count shift. And of course, these revenue developments are annualized figures. The head count gives you the situation at the end of the year. At the end of 2010-2011, 23%, that’s almost 25%, of our total staff is located in emerging markets compared to 17% a year ago. On a revenue basis, the percentage of revenue coming from the emerging market is much less for two reasons, these annualized figures and the one is an end-of-year figure. And we see strong growth in emerging markets at the end of year 2010. It gives more, let’s say, an indication going forward.

And secondly, the revenue per staff member in emerging market is still low. In some cases, yield is substantially lower than in the western world, British strongly growing. So, even if we don’t expand our activities, that we still have a sound basis for growth in emerging markets because the added value per staff member in emerging markets really grow substantially going forward, assuming that the economic development in those countries continues.

Then, short-term of views, the main developments this fourth quarter, organic growth in fourth quarter continued. In the United States, we also continued environmental growth, but it was for the first time in the offset by the decline in the Water business. And we’ll come back to that later in the presentation.

The integration of Malcolm Pirnie was completed. Actually, integration was on a three phases. We indicated the management stoic in the financial systems for the 1st of January 2011. Then, let’s say, in the August-September period, the overhead functions were fully indicated, resulting in significant cost reductions. Actually, the cost reductions that we communicated with you, were overachieved. So, I think we’ve said between $5 million and $10 million, and I think the cost savings that we eventually achieved are more in the magnitude of $13 million. And they definitely also contributed to our margin in 2011.

And the last phase of the integration was completed in December when we fully indicated both front offices organizationally, and it also had some impact on our performance in December and might also impact a little bit our performance in January of this year.
Strong growth in South America continued in the fourth quarter. In Europe, we continued growth in France and Germany. We had a strong recovery in the UK as already mentioned. Poland was down as much as you can imagine which had an impact on both revenues but also on profitability. So, we had a serious loss in Poland both in the total year but also in the fourth quarter.

And EC Harris that joined us for the 1st of November was performing in line with expectations. And looking at the revenue development of the total calendar year of 2011, we are very glad to report that EC Harris experienced in 2011, in the calendar year 2011, an organic growth of about 4% which is even a bit stronger than the organic growth that Arcadis experienced in the same period. So, EC Harris is fully developing in line with expectations.

Having said so, I want to give the floor to Renier to explain everything with respect to the financials to you.

Renier Vree, Chief Financial Officer

Okay. Harrie, thank you very much. Then let me start with slide number 10 where we see the P&L overview for the fourth quarter. You see there that we show growth in terms of gross revenues as well as significant growth in net revenues. The EBITDA number was negative for the quarter, but that includes the cost delayed to the acquisition of EC Harris, €4.8 million which are non-recurring. So, therefore, recurring EBITDA improved by 5%. Net income from operations is up 12%. And because we increased the number of shares related to the merger with EC Harris and the buyout of the remaining shares in Logos, the number of shares increased, and, therefore, earnings per share went up by 8%.

When you look at the development of revenues over the year, then on this slide you can see how this has developed. 2007 with very high growth especially the organic growth in the yellow bar in the graph, you can see how much organic growth has been started to come down in the course of 2008, negative in 2010. And in the course of 2010, the numbers became flat, so organic growth returning. And in 2011, we are pleased that we are back at organic growth.

Acquisition growth was relatively limited in 2011. Of course, the impact of EC Harris could only be felt for two months, while the divestments already happened earlier in the year. Of course, if you make the calculations, then the expectation is that the growth of full revenues from EC Harris will be significant for the numbers of 2012.

When we zoom in on the developments of the business lines, you can see here the trend of the organic quarterly growth. Taking them one by one, Environmental business remained strongly positive, although not as much as in the third quarter. The main reason is not so much a slowdown in the fourth quarter, as well as that fourth quarter in 2010 was extremely high and yet a very high growth from a number of projects that we’ve just started in that quarter. Infrastructure continued to be positive. Downsizing of activities in the European countries more than offset by growth in South America, and we’ll show some more details of that later on.

Buildings became more positive in the fourth quarter, was just below zero, while Water remained negative, and in fact, fully caused by the slowdown of spending by U.S. municipal governments on Water projects.

The swing sheet for the fourth quarter of EBITA. You see there the main elements of how the EBITA moved from 2010 into €41.7 million in 2011. Acquisitions have a positive impact and, again, EC Harris being the explanation. Carbon credits were lower this quarter, and carbon credits can be lumpy. Some quarters you have them, some quarters you don’t.
The energy business, strongly positive. And as was mentioned because we deconsolidated the business, we had to revalue the assets in the energy business at fair value. And the outcome of that was a gain of €3.4 million overall.

Then the restructuring and reorganization charges, almost level with 2010. That means that the other organic business – the other organic EBITA, as a matter of fact, the underlying profitability declined by 6%. And here, the lower results in Europe and the losses made in Poland were only partly compensated by the recovery we saw happening in the UK. And the profits that were made and are growing in Asia and Brazil.

Then switching to full year 2011 with revenues – in fact all numbers are positive showing that they have grown the P&L on accounts and more of the details will be in some of the slides later on. But I think good to focus your attention recurring EBITA that’s up 4% has been income from operations while earnings per share are up 3% also on the back of slight increase in the number of shares that we have on average for the full year 2011.

In the five-year trend of EBITA during the last years with a record EBITA in 2011 [ph] is over (22:30) €42 million currency and a negative impact as the [ph] dollar who was at the most (22:38) mostly weaker than the year before. Otherwise, it would have been a plus of 7%. And it’s also visible from the spreadsheet that explains the EBITA going from 2010 to 2011. And next to the currency effect that I mentioned, there’s the net positive acquisition effect of 2%, I see carbon credits are slightly higher in 2011 than the year before adding 1%.

The energy business of course has been a very important driver of profitability because of the divestments of energy assets that happened earlier in 2011 plus the gains that we recorded in the fourth quarter, and all in all bringing a gain of €12.6 million compared to a loss that we had in 2010. Restructuring charges were also higher last year as you know because there was already two restructuring projects that were initiated in the course of the year particularly in the third quarter.

Overall, growth in the emerging markets and in U.S. was positive, but they were offset by lower profitability in Europe and that’s why overall, the other organic EBITA has declined by 3% which is also why you see on this page which shows the quarterly operational EBITA so when we strip out all positive and negative non-recurring events that the EBITA for the full year was earlier mentioned 9.7% so just shy of our target to be at 10%. But for the quarter, we were indeed at the mentioned 10% target level.

Some other financial details. The financing charges came in at €5 million for the quarter, a bit higher than 2010. More loans because of the expansion that we did through acquisitions but also the interest rates are a touch higher on the back of the refinancing that we did in the middle of 2011.

The tax rate was at 28%, so lower than the prior year. And of course, this was helped by the earlier mentioned divestment of Arcadis Aqumen which was a non-taxable event and also the fair value adjustment of the energy assets is taken after tax. So there is no tax element to be included in that line of the P&L. What goes the other way is the development of the tax asset related to stock options for U.S. employees. That’s an IFRS rule that you may be familiar with, we didn’t invent it. But the consequence was that we have to reduce that asset by €2.7 million in the fourth quarter. Because the share price at the end of 2011 was significantly lower than it was at the beginning of the year. Then you have to reduce the best credit related to that.

Then we come to net income from operations, going up year-after-year to also a record high of €81.6 million for 2011 which equates to €1.23. So, you see here a nice development despite the difficult markets that we are facing and have been facing. But year-on-year, we have been able to improve the earnings per share.
Looking at the cash flow, cash flow remained above €100 million in 2011. Cash flow from operations went down somewhat because of the increased use of working capital. You’ll see that on the next slide, there’s a summary of the working capital development which was an increase of €32 million for the year. There’s some effect of increase of activities, so that needs more working capital. Usually when there are group projects, we have advanced payments. And since there were no group projects in the market, we didn’t have any new advanced payments coming in.

But also, overall, payment terms are not going down. And we already mentioned earlier that we initiated working capital projects specifically focused on accounts receivable. In the meantime, that project is being rolled out throughout Arcadis, and we expect that we will see working capital going the right way, which means down in 2012.

The balance sheet, our net debt by year-end was at €268 million, so it’s €60 million higher than the year before on the back of the buy-out of the minority shareholders in Logos and the merger with EC Harris. But the net debt to EBITDA, which is the key ratio that the banks used to look at our financial strength, remained at the level of 1.4 equal to the end of 2010 and an improvement compared to where we were at the end of the third quarter.

The other part of this slide shows the graph for the maturity profile of our debt. And there you see that – as you already know, we have diversified our funds, our sources of funding during 2011, but also when you look at the maturity of our loans and that’s a nice spread over time, meaning that we have every year some work to do on the refinancing our debt, but we are not in the position that we have to refinance in the next few years any big amounts suddenly.

Which brings me to the return on invested capital, the percentage came at 13.6% return, that’s calculated based on the shareholder equity as well as the net interest bearing debt. As you know, when you do an acquisition, typically the ratio starts first to go down. And after a while, then that asset becomes more profitable, the return increases.

The dividend per share is also good to show you here that although the proposed dividend for 2011 is equal to what we had in 2010, representing 40% of net income from operations. It’s, again, a year where we maintain our dividend level in the long track record since 1995, since Arcadis got listed in Amsterdam.

Now, let me zoom in on the business lines. The development of the business lines, especially here and on the back of the organic growth of the Environmental business and Infrastructure business, those became relatively more important during the last year while the Water business came down and Buildings came down a little bit because also EC Harris which has about three quarters of its activities in the business line Buildings could only contribute for eight weeks to the revenues.

Based on popular request, we have added some more details on the development of revenues and margin of the business lines and regions, and I will show you some more details of that. It shows here also graphically that gross revenues increased particularly on our two largest business lines, Infrastructure and Environment. And you see between brackets, the organic percentage, so 6% for Infrastructure and 8% for Environment for the full year. While in Water, developments were negative with organically minus 12% and also in Buildings, just negative by 2% for the full year.

If we look at the operational margin of the business lines, then some important points to bring here. Infrastructure came down compared to 2010; now, at an EBITA percentage of 9.2% in its operational EBITA, so taking out the one-offs. The main reason here is the developments in Poland and lower profitability overall in Infrastructure in Europe.

On the other hand, the Environmental business remained nearly flat at 12.2%. You see on Water a very strong improvement. And I think that’s quite remarkable when you think about the negative development of revenues. And it shows that the integration of the back office of the Water activities...
in the U.S. have been very successful by taking out costs of the back-office for finance, HR, IT, legal. And therefore, we were able to improve margins in the Water business much higher than it has been before. And the Buildings business also there, coming down, and the main reason for this is the UK, by the beginning of 2011, losses were recorded.

In infrastructure, also there, EC Harris has an impact on. Approximately 25% of the EC Harris activities are included in infrastructure. And as shared with you before, we see government spending reduced in a number of European countries including the Netherlands, the Czech Republic and especially Poland with the termination of the road project which led revenue share come down. On the other hand, this is more than compensated by the ongoing large investments in energy and mining projects in South America.

An exception in Europe is France where the government continues to invest in projects for rail and metro. But also the other large projects, for instance, in the Netherlands, continue to be awarded. And also, there are still more prospects in the market for future large projects. In the U.S. and Germany, there’s growth in infrastructure related to project management activities.

The Water business, remember that the U.S. is almost three quarters of this business. There are budget issues that local governments are facing makes them more reluctant to award new projects. But also the tapering off of the activities for New Orleans has an impact on our revenues here.

In the Netherlands, we see a pick-up of activities somewhat. You remember maybe that in Q4 of 2010, we had weak results and also some project losses. That was resolved and we saw that as a good development in Water in the Netherlands. Like in Brazil where the Brazilian companies but also the government is also working on projects to reduce spillage of water, we won some work. And industrial clients in general are the area that we see increasingly projects coming from, including in the Middle East where we had two project wins that were announced earlier in the quarter.

In the Environmental business, we saw a strong growth throughout the year of the private sector. It’s one of the markets where we also have a bit more facts and figures on the overall market developments. And it was good to know that also this confirmed what we already observed ourselves where they were gaining market share and that our growth was at least twice the growth that the market had in 2011.

In Brazil and Chile, on the back of those investments and infrastructure, there is environmental work happening which we benefit from. While in Europe, the opposite happens. There’s less infrastructure spending and therefore also less need for environmental impact assessments.

The private sector in Europe, like we mentioned before in previous quarters, is picking up. We saw that particularly in the UK with a strong rebound in the latter part of the year but also in France and Germany. We see that the private sector continues to grow.

And finally, the Buildings business line, yeah, the growth of revenues from the EC Harris activities supported the top line, but also Rise which we acquired at the very end of 2010 was in the numbers now for the full year.

In RTKL, the architectural activities continue to be very strong in the Middle East and Asia, with a number of project wins and are working on earlier won project for healthcare in the Middle East. And in China, it’s offices and mixed retail office use facilities that’s advising our growth there.

The public sector is slow in Europe but also in the U.S. I know you see that activities in Buildings in the Netherlands, UK and the U.S. came down during the year. Comparable to other business lines also here at the private sector, for instance, for laboratories or data centers that are benefiting us in terms of growth in countries like Belgium, Germany and France.
Switching to the regions. And here, you see the development of the revenues over the four regions. You see that revenues follow the head count a bit slower because the rates that we can charge for people in the emerging markets are below what we have on average for Arcadis, but at least it’s confirming the trend. And the emerging markets now became 14% of our revenues in 2011, while the impact of the Netherlands came down. And also, the U.S. has been down slightly during the year.

You see here also in this picture what the five-year trend by region, with the Netherlands down 17% nominally. Organically, it was far less. It was 3% with United States being flat as over Europe just down by 1% and emerging markets, a spectacular 36% growth, but also, when we decked out to the emerging markets, it’s 21% growth that we recorded.

And then finally, the margin development of the four regions. The Netherlands came in at 9.4% EBITA, slightly down compared to the 9.8% of the prior year. We think that given the market forces in the Dutch market, strong competition there, the fact that capacity was brought down, we are very pleased that we could maintain the margin at this level.

United States further improved its margin to 12%, more than €80 million was contributed by the U.S. colleagues to our total results. And in the other part of Europe, the percentage came down to 2.5%, so half of 2010 and these are really two factors that make a big difference, that’s the losses in the UK in the beginning of the year and the losses that were recorded in Poland in the second half of 2011.

And finally emerging markets. You can see that their contribution increased significantly over time, margin of 13%, a bit lower than it was in the prior year which also is a consequence of the fact we are investing in those markets with people with systems to make sure that we support the growth also on an ongoing basis. I think, Harrie, this is where I hand it back over to you.

Harrie L. J. Noy, Chief Executive Officer & Chairman-Executive Board

Thank you, Renier. Then I’m going to guide you through the outlook for 2012 which is, of course, also, pretty exciting. And, let me first – I have to click, okay? Somebody says I have to click.

Okay, that brings me to the outlook of the business line. First, for infrastructure where we expect continued growth, and that’s driven based on the large portfolio of projects that we have in our backlog of government projects and government spare large projects, also personal and private financing, which is going to play a more important role in most European countries. And we see also that public transportation investments are usually continuing both in the Netherlands but, for example, also in Poland, there is one, let’s say, kind of light at the end of the tunnel, there’s also investments in real infrastructure in the Polish market.

Markets in Brazil and Chile continue to be strong, in Brazil, even strengthened by the expected investments related to the 2016 Olympics. In the local markets, we don’t expect an improvement in 2012, which means that we expect price pressure to continue. So, all in all, continued growth, probably a bit slower than the 8% overall growth that we have seen in net revenues in 2011, and that’s simply because the very strong growth in Brazil cannot be continued at that level because we are not able to take in so many people and still maintain the quality of our business. So, if we slowed down a little bit but we expect continued growth.

Water, we expect that it is bottoming out with recovery in the course of the year. In the U.S., we focus very much on optimization and efficiency improvements of existing installations, also, given the fact that clients demand for solutions that lower the costs of operations of these installations.
We see lots of opportunities with industrial customers. We have seen growth, considerable growth in what serves as these industrial clients in 2011. We expect the trend to continue. In Europe, we focus on expansion in certain niche market, particularly in water supply, and we focus on further expanding our business in South America and Middle East.

On the Water management side, we think that we have good and many opportunities driven by the many floodings that took place in 2011 and also driven by the world climate change issue. So, all in all, we expect that the situation in Water gradually – that’s not at all – not happen all at once, but gradually really improve in the course of the 2012.

Environment, continued growth expected. We see that private sector companies in the United States continue outsourcing environmental issues, and we expect to be able to continue with the expansion of our market share in the United States market, also given the fact that we have advanced technology that allows us to close contaminated sites sooner, quicker and at lower cost than many of our competitors can do.

The pipeline of GRiP project is well filled. And then I will talk about GRiP projects but also other alternative delivery methods that we have in place, but they have to materialize of course, but given the size of these projects, it usually takes quite a bit of time before we come to an agreement with customers.

We expect growth in South America to continue. We are expanding from the United States into Canada where we see lots of opportunities particularly also in the mining sector. And we think that private sector work in Europe will further pick up, also pushing our business in Europe. So, all in all, continued growth in environment. Again, I think the high level of growth of 8% that we have seen in 2011 might slow down a bit, particularly given the fact that the comparison base in 2011 is, of course, substantially more difficult than in 2011, but we expect a continued growth.

Buildings, expected to be stable. EC Harris strengthens our position in that market considerably, with many opportunities for synergies. I think we have identified in the meantime, £35 million in synergy opportunities, specific synergy opportunities, have not all been materialized yet. But we expect a significant contribution from those synergy opportunities in the course of this year.

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We see the commercial markets gradually recovering, particularly in the United States. Public sector remains under pressure but we expect more corporate spending. And RTKL, our architectural design practice, continues to focus on further international expansion. So, some positives, some negatives. On balance, we expect our business to be stable.

That brings me to the outlook for the total year. The backlog is at a good level. It’s a bit lower than at the end of 2010 because the backlog in the fourth quarter was stable compared to the end of the third quarter. You’ll remember that in the third quarter, we were 3% down compared to the end of 2011. So, we have maintained that level. But our pipeline is well filled. And given the fact that we see a higher percentage of large projects in Arcadis. We are pretty positive on our overall backlog to support the organic growth in 2012.

Government budgets in the Europe and United States are expected to continue to be under pressure. Private sector spending is increasing. Emerging markets offer ample opportunities. We expect on balance a continuation of organic growth a little bit slower in infrastructure and environment. A gradual recovery in Water and stable business in Buildings is the basis for the expectation that we will be able to continue organic growth in 2012.

Maintaining the improving the margins is an important priority. So, the operational margin in 2011 came at 9.7% and our goal is definitely to go back to the 10% again. We continued to expand through acquisitions with the focus on emerging markets. And emerging markets includes both Brazil and Chile, but particularly Brazil and South America, and Asia, and the Middle East on the
other side of Europe. And on balance, we expect for 2012 a further increase of revenues and net profit, and that’s barring unforeseen circumstances.

That completes the presentation, and we are now ready to take all your burning questions.
QUESTION AND ANSWER SECTION

<Q – Kris Kippers – Petercam SA/NV>: Yes. Good afternoon. Kris Kippers, Petercam. I've got a question on your working capital. It went up significantly this year, about 15% of sales. In your comments you said it's going to be down 2012. Is that in terms of sales or the absolute number in itself? And could you shed some more light on the number of countries that your program is now being implemented?

And then I’ve got a question on – if I look at your balance sheet, I don’t see any assets classified as held for sale. So, does it imply that you do not foresee any big divestments in the forthcoming 12 months, I presume? If you look at the margins in other Europe which are significantly down 250 bps in 2011, did you foresee any divestments there or could you shed some light on those regions?

And then, of course, a question on RTKL again, could you give us the percentage of the sales or EBITA that's realized outside the U.S.? Thank you.

<A – Harrie Noy – Arcadis NV>: Renier, working capital.

<A – Renier Vree – Arcadis NV>: Yeah, that's correct. Can you switch this on? Yeah, can you...

<A – Harrie Noy – Arcadis NV>: No. Yes.

<A – Renier Vree – Arcadis NV>: Okay. Working capital. We have, by the end of 2011, rolled out the program to reduce working capital throughout Arcadis. So, every operating entity has implemented what we call a blueprint of how best to manage accounts receivable. And we expect and have also incentivized our management throughout the firm to work with lower working capital in 2012 than before.

The question what is going to be some of the impacts in absolute amounts depends on organic growth. So, I can't give you the exact outcome of that. But the principle is that the percentage would come down. And therefore, we will fund a big part of the organic growth through that lower working capital.

Maybe on the assets held for sale, that had to do with – in 2010 with Arcadis Aquamen which we had decided to divest and was in the process of that. And then for your – obliged to record it as such. And because there is nothing on the balance sheet for that right now, you’re right that there is currently no project in place regarding divestments which I think that also answered your third question, whether we should – or are we considering any divestments in other parts of Europe because that's linked to the previous question.

And on RTKL, the percentage of work coming from outside U.S. is around 60%.

<Q – Kris Kippers – Petercam SA/NV>: Okay. Thank you. And just a follow-up, your restructuring in 2011 amounted almost to €13 million, so almost times two versus 2010, can we expect a little bit of that still in Q1, Q2 or do you think it has now faded out?

<A – Renier Vree – Arcadis NV>: Well, I can – maybe Harrie can confirm or add to what this is – but I think we have done significant restructuring and reorganization during 2011. I don’t think you’re ever done, but as always, something happening somewhere which makes you need to adapt the organization, but there are no big projects running as we speak except for Poland where we are still making some further adjustments but that should not be a very big amount. So, I would expect that the amounts that you have seen in 2011 are not in – what we currently foresee for the beginning of 2012.
<A – Harrie Noy – Arcadis NV>: I think that’s great. We will have some reorganization, restructuring change, I think, in 2012, but definitely in the first half, not to the extent that we have seen it in 2011.

<Q – Teun Teeuwisse – ABN AMRO Bank NV (Broker)>: All right. Teun Teeuwisse, ABN AMRO. One more question on working capital for me because you just mentioned that the improvement should come from lowering your accounts receivable. Is that all you’re focusing on, or are you also focusing on your payable side?

And second question, you mentioned that the EBIT margin in the UK in the fourth quarter was 10%. Can you indicate what the contribution was from EC Harris there?

Then on your backlog, you mentioned that the backlog was stable compared to the third quarter. But if I recall correctly, you mentioned that in the third quarter, the backlog was down due to seasonality. So, can you give some more guess on what’s going on there?

And then a final question on your tax rate for 2012. Can you give some guidance on that one? Thank you.

<A – Renier Vree – Arcadis NV>: Well, on working capital, if you look at our type of business, then it’s really accounts receivable that makes a difference. But accounts payable is normally linked to sub-contracting, and there – when we compare ourselves with what is common in markets, there is not a lot to be gained. So, if there’s an opportunity, we would not pass it. But the big drive is around accounts receivable which is also very closely linked to our business and involves, of course project, managers, unit managers and all that to get involved in improving this. So, that’s where the focus is for the working capital reduction.

As far as UK is concerned, indeed, in the fourth quarter, the EBITDA returned to a level of around 10%. And EC Harris has contributed very much in line with what we had guided you with at the acquisition that the EBITDA is around 7%. That was what’s – was then for the eight weeks that the revenues were included.

<A – Harrie Noy – Arcadis NV>: That 7% is not included in the 10%. So, the existing Arcadis business is...

<A – Renier Vree – Arcadis NV>: Yes.

<A – Harrie Noy – Arcadis NV>: ...close to 10%, and EC Harris is 7%.

And maybe your question about backlog, you have a very good memory I’d have to say, but it’s a very good point. But because we expect that we would end the year more or less at the same level as the end of 2011, the reason that it didn’t happen has to do with big projects.

So, we had a few large projects that we expect to materialize in the fourth quarter but didn’t materialize in the fourth quarter. One of those big projects, that was a really big one, the client has decided to go to a different way of procurement so we actually signed the contract but not as one big contract. It was originally a GRiP contract, but the client decided to go to a different approach so we had the contract in place, but it’s going to be implemented through task orders. So, that means the revenue will come in but in a different way.

We had only included a small part of the originally expected backlog in the fourth quarter. So, some of those big projects were shifted, and one big project was actually materialized but not as a big project but as a number of small projects that at the end of the day, will generate the same amount of revenue that we were expecting, nut it will come in differently.
<Q – Teun Teeuwisse – ABN AMRO Bank NV (Broker)>: Can you also indicate what the backlog growth per segment was?

<A – Harrie Noy – Arcadis NV>: Renier?

<A – Renier Vree – Arcadis NV>: Yeah. The numbers are here for you. On the back of the developments in Brazil, their infrastructure grew by 7% in the quarter. So, make the number for the full year a plus 1% in Water, and backlog decreased 1%. So, that means it’s minus 5% for the full year. The Environmental business, particularly for the reason Harrie just mentioned, decreased by 5%. That means also for the year, it’s minus 5%. And Buildings went down 1%, meaning – bringing it for the full year at minus 3% and, therefore, also, total Arcadis is down 3% in backlog compared to the beginning of the year.

<Q – Teun Teeuwisse – ABN AMRO Bank NV (Broker)>: Would the impact then be of these big projects where you now get the task orders instead of having it fully in your backlog?

<A – Harrie Noy – Arcadis NV>: This was a project that we expected to be in the order of €100 million.

<A – Renier Vree – Arcadis NV>: And margin-wise doesn’t make a difference. Maybe it’s even slightly better in the way it comes in right now. But, of course, you always like to see it all committed on beforehand. But ultimately, we are quite pleased with the way this project is turning out.

<A – Harrie Noy – Arcadis NV>: So, if you look to the backlog in our Environmental business, year-on-year, it’s down. That’s particularly the impact of these big projects. So, if we exclude, let’s say, [ph] impact of (56:07) the big projects, then our backlog actually rose up. But given the fact that we have discussions going on on the other big projects, and one of those big projects is materialized or has been materialized but as task orders, our overall backlog behind a little bit then we’re fine. So, we’re not too concerned about it because we think that, overall, our Environmental business will continue to grow in 2012.

<A – Renier Vree – Arcadis NV>: Okay. Your last question on the tax rate. And then I stay away from tax impacts from moving share prices. Then we expect in 2012, the tax rate to be around 30%.

<A – Harrie Noy – Arcadis NV>: Yeah, originally, that big project was not expected to be finished in one year, but it would’ve cleared in backlog which would have been burned probably over a period of five years or something like that. We expected still that the revenue to come in, but given the fact that that’s according to task orders, we – according to our internal procedures, we don’t book it as one project. But we book it according to the task orders coming in. But we still expect that the revenue to come in more or less similarly as we originally expected, only taking into account differently in our figures.

<Q – Dirk Verbiesen – Kempen & Co. NV (Securities)>: But that still would leave a gap between your outlook for organic top line growth and what you’re actually seeing in the order book. Are you feeling more comfortable on the pipeline or on the pricing strategy or...
<A – Harrie Noy – Arcadis NV>: We feel more comfortable with the pipeline because we have good visibility on the pipeline. If you’ve really read the pipeline, particularly with respect to those big projects, and we think that we have good support for our outlook, also from both order intake and from the pipeline visibility.

<Q – Dirk Verbiesen – Kempen & Co. NV (Securities)>: And looking at the trend, Harrie, in Q4 versus Q3 where especially infrastructure improves quite substantially, would you say that the overall – how do you feel about the overall quality of the order book especially given the status on the infrastructure with some continuing price pressure here and there?

<A – Harrie Noy – Arcadis NV>: Well, I would say that the impact of pricing pressure in the order book has been included already in the order book as of 2011 because this is not a new phenomenon, the phenomenon [indiscernible] (59:09) in 2010 issue now. So, I think that that impact is included in the order book.

And one thing to keep in mind and it’s also – that’s an environment case, that’s also the case in the infrastructure business. We work on big projects. And that means also that the order intake goes a bit up and down. So, looking at it just on a quarterly basis gets more difficult once major project and major programs are going to play a more important role into our order book. We will – again, the presentation from the EC Harris colleagues in a minute, and they will show you that together with them, we increase even our opportunity to get across the major programs. So, we have really good prospects, also together with EC Harris, to really get involved in major investment programs. So, that means that the volatilities, so to speak, in the order book might increase a bit.

<Q – Dirk Verbiesen – Kempen & Co. NV (Securities)>: But looking at your guidance for the revenues, when you say, okay, organically will grow. It’s too early to say the same thing for EBITA or...

<A – Harrie Noy – Arcadis NV>: No. Let’s say...

<Q – Dirk Verbiesen – Kempen & Co. NV (Securities)>: So, what is your guidance for...

<A – Harrie Noy – Arcadis NV>: That’s a little bit early because we are leaving by the end of February, one week earlier than last year, we’ll be presenting results early March. But on the one hand, we think that organically, our net revenues will continue to increase. And on the other hand, our goal is definitely to improve our margin whenever we can and to at least maintain our margin.

Is there any substantiation for that? I think there is because if we look to the poor results in Europe outside the Netherlands, then I think that we have solved the most urgent issues. [indiscernible] (01:01:21) really having a very strong negative impact in 2011. I think we have, at this point in time, of the opinion that we have downsized the business to the level that is supported by the backlog that we have. So, we don’t expect that level of negative impact on our P&L in 2012.

UK, we have shifted – it’s turned around. And given the fact that with EC Harris, we have a much stronger position in the UK market. We are confident about that marketplace in 2012 as well. So, I think the two leaders, so to speak, will be gone in 2012 which definitely gives opportunities to improve our margin in 2012.

<Q – Dirk Verbiesen – Kempen & Co. NV (Securities)>: Could you say what the full-year loss was except the restructuring charges that you had to pay for in Poland and UK?

<A – Harrie Noy – Arcadis NV>: In Poland? Renier, can you give an indication?

<A – Renier Vree – Arcadis NV>: I’m not sure if it around to €4 million in Poland.
<A – Harrie Noy – Arcadis NV>: And in the UK?

<A – Renier Vree – Arcadis NV>: About the same amount, not taking into account restructuring.

<Q – Dirk Verbiesen – Kempen & Co. NV (Securities)>: Thank you.

<Q – Bjorn Krook – Royal Bank of Scotland NV (Broker)>: Bjorn Krook, RBS. Also from me, one on the working capital target, do you care to give us a percentage of sales you’re looking to achieve with the receivables program in place? Then on the impact of the work in New Orleans that’s slowly getting out, when will that end? When will we see a more easy comparison base for order, please? And then, the other way around, on organic growth, in environment, we saw, yeah, a slowdown of the growth there, will that persist into next year or do you feel that you have enough projects that will compensate?

And then, yeah, I’ve asked this the last couple of quarters as well, the GRiP projects, the pipeline remains well filled, but we don’t see any signings. I understand that it’s difficult, et cetera, but just a bit more color on that. And then, finally, on the pricing pressure you are seeing, I think in line with the question on the restructuring charges earlier, do you see room to cut costs further if that is necessary? Thank you.

<A – Harrie Noy – Arcadis NV>: Renier, [indiscernible] (1:03:45)?

<A – Renier Vree – Arcadis NV>: Yeah. When you look at target, something about 15% by year-end 2011. If you look at the numbers for 2010, 2009, we were, I think, around 2 percentage points lower. And I think it will be very positive if we can be back to those levels. So, I mean 13% would be a very nice achievement if we get there in the next couple of quarters.

<A>: And that’s realistic. It’s nice, of course, but it’s realistic, as well.

<A – Renier Vree – Arcadis NV>: I will say it would have been realistic.

<A – Harrie Noy – Arcadis NV>: Then your question around New Orleans, the big project, $200 million project that we acquired early 2007, and these are always nice things to acquire. But at some point, they come to an end. And this project is finished over time. It was actually – it was given back to the client, I think, in June-July already. But there’s still work going on as a kind of, how do you call it, as a candidate that we have to provide to the customers, and we’re still working on the project. But it’s clearly going down.

This was a project with a huge amount of subcontracting. And that’s also the reason why in the figures for Water, there’s such strong difference gross and net revenue because gross revenue is declining, so much stronger than net revenue that’s to a large extent due to this project.

When will it end? Yeah, I hope that it never comes to an end. But unfortunately it’s clearly ending. I think maybe one or two quarters we are still doing some work. But then, it will be totally over.

Then organic growth in environment. I’m a bit more positive than you suggested in your tone of voice because, as Renier explained, the main reasons that we went down to 6%, close to 6% – 6% organic growth is not that bad, gentlemen, but the reason is that if you look to the graph that Renier presented, then environment was strongly up in the fourth quarter of 2010 and went up about – it was about 5% in the fourth quarter of 2010.

So, the fact that we are now down to a growth level of only 6% is to a large extent explained by that fact. And if we can maintain the level of organic growth at that level, I would sign immediately. So, I think we are still doing fine in environment. And keep in mind that we are clearly increasing market share. We have some data about growth in the environmental market in the United States, and that
shows that the market growth is 3.6%. Arcadis is growing in the United States by 8% organically, so we’re really out competing in the market because we have this technology and all these other approaches that we really can beat our competitors.

And the GRiP projects, yeah, when we signed the contract – we have signed the contract, but it’s not the GRiP project anymore. And so, that’s – yeah, it’s a bit frustrating, and all of us hoped for that this contract would have been signed as a GRiP project because that goes in line with expectation. But at the last end, we had to do with all kinds of discussions with the EPA because the client decided not to go for a GRiP project but to take a bit more risks in which gave more opportunities to negotiate with the Environmental Protection Agency in the United States. We will probably do more on the contract than we initially expected because of those discussions with the EPA, only we do it phase by phase. So, our U.S. people, at least as happy as they would have been with the GRiP project.

<Q – Bjorn Krook – Royal Bank of Scotland NV (Broker)>: Just as follow-up on that, do you then see clients taking longer to make – to come to a decision or do you have any trends that could be in the favorable if you get more work out of it or more risk at the customer?

<A – Harrie Noy – Arcadis NV>: Two points. Definitely, as far as take the clients take more time. Then the other point was the U.S. Army. The U.S. Army has been silent for a period of time. That has nothing to do with the fact that they didn’t have any money to spend. But they moved the Army Environmental Center from one place at the East Coast to a place somewhere else in the States which meant that all the people had to be replaced. Because nobody moved together with the Army Environmental Center, and then their capacity to contract a project has been diminished for a period of three years.

<Q – Bjorn Krook – Royal Bank of Scotland NV (Broker)>: Yeah. Sorry for that.

<A – Harrie Noy – Arcadis NV>: So, we in the meantime have built up a nice pipeline. And we are confident that it will materialize. Then pricing pressure, yeah, pricing pressure continues. I think we have shown that we have been able to deal with that reasonably well. I don’t expect that pricing pressure is going to disappear anywhere soon, particularly not in Europe.

Do we have any other possibility to cut cost? Yes, we see additional possibilities to increase efficiency. The nearest [ph] kind of this (01:09:26) would be a project to look at our IT costs because we think that we have substantial opportunities to downsize our IT costs by more looking at Europe as an indicator business.

So, within Europe, we’ve established – have implemented the Director of Europe as of the 1st of October last year. And we are looking at substantial possibilities to reduce cost and to increase efficiency and to de-stress synergies by managing Europe more as one entity, which means that we have more possibilities to share resources, and then we also have possibilities to reduce cost. And then that will definitely increase our competitiveness in Europe going forward.

<Q – Bjorn Krook – Royal Bank of Scotland NV (Broker)>: Great.

<Q – Quirijn Mulder – ING Bank NV (Broker)>: Yeah. Good afternoon. Quirijn Mulder from ING. A couple of questions. You spoke about some synergy or cross-selling with EC Harris, £35 million as I understand...

<A – Harrie Noy – Arcadis NV>: Pound.

<Q – Quirijn Mulder – ING Bank NV (Broker)>: Yeah, sorry. Yeah, £35 million. Can you maybe elaborate, or do we have to wait for that in the next round?
<A – Harrie Noy – Arcadis NV>: You’re answering your question already yourself. Thank you for that.

<Q – Quirijn Mulder – ING Bank NV (Broker)>: With regard to the Water activities, you expect some gradual improvement, is that purely because of the easy comparison or is that you foresee some improvement in the market that such that the EPA is, let me say, granting more permission, et cetera? With regard to the breakdown of the government in the fourth quarter of 2011, did you take into account EC Harris or not in that figure at the beginning of the presentation?

And my last question is, can you give me some idea about the geographical order book?

<A – Harrie Noy – Arcadis NV>: I propose, Quirijn, that we answer the question with respect to the synergy opportunities with EC Harris in the next presentation and then either Phillip or Matt can probably elaborate on that.

The improvement that the case of improvement that we expect in the course of the year is actually two-folds. As you mentioned, the comparables get not easy, so at a certain point in time where we don’t decrease anymore then at a certain point we will be stable because of the comparables. So, that’s definitely a correct remark.

But secondly, that’s more important I think, we also expect a CAGR improvement in the marketplace because these projects that are being postponed can’t be postponed forever. And if we look to the quality of the U.S. water infrastructure, it needs investment, it needs improvement. So, at a certain point in time, these investments will pick up again also because water projects are financed out of a separate contribution that people pay for water.

The reason that there’s still pressure is because the [indiscernible] (1:12:41) has two budgets. They have a budget water projects which is financed separately, and they have the other business that they have to invest in. And there’s a lot of pressure here as they tend to be hesitant with spending there as well. But we expect also a little improvement in the Water market going forward.

Then is EC Harris included in those figures? I think so because it’s based on the total in 2011. So, EC Harris is included. And geographical order book, we don’t have that information available right now. I think we have it but not right now.

<Q – Quirijn Mulder – ING Bank NV (Broker)>: Yeah. Maybe one question then. With regard to [ph] Crouwel (1:13:27), can you maybe say how the [ph] Crouwel (1:13:32), is with its – or let me say awarding are in this moment? Is the situation changing compared to the last couple of years?

<A – Harrie Noy – Arcadis NV>: From [indiscernible] (1:13:45)?

<Q – Quirijn Mulder – ING Bank NV (Broker)>: No, there were some people who said that [ph] Crouwel (1:13:49), was very cautious with aborting orders in the last couple of months. And maybe it’s related to the winter weather or something else.

<A – Harrie Noy – Arcadis NV>: No, we don’t see a strong change in that respect. I think all the indications are still there that the Dutchville system needs investments. And the people that regularly travel that trend will definitely support those investments, I suppose. And we have a lot of people in our corporate headquarters that do so. And he is one, I would say, very experienced traveler in that respect. And, I mean, we definitely have a strong position, so we don’t expect any strong issues coming forward on the contrary affected our performance and that now, this is holding up so well. It has to do with the fact that we still do a lot of work for this important client.

Any one, last question, I think.
<Q – Dirk Verbiesen – Kempen & Co. NV (Securities)>: Dirk Verbiesen of Kempen & Co., following Quirijn’s question on [ph] Crouwel (1:15:03), – remarks in the press about behavior of the Dutch water boards that they were quite aggressive in tendering at some kind of framework contract with – in the end meant quite aggressive pricing? Also, I don’t know if it’s your strategy or from the competitors, but what’s your view on this? Do you see that as a potential threat that the big clients will move to this kind of framework contract tender strategy or is it an isolated problem? Are you not involved, in a way, to fight for your market share on that segment as well?

<A – Harrie Noy – Arcadis NV>: Three remarks on that respect. First of all, these types of issues with respect to procurement processes and typical for the type of markets circumstances that we are in. And so, this incident happened. And happened more frequently under the present market circumstances than they would happen when the markets will be booming. That’s for sure.

Secondly, we have seen that our Water business in the Netherlands has picked up in the second half of the year. And our profitability, definitely, has improved considerably. And the margins in the Water business have improved despite all the things that are going on. One of our major achievements, that despite a negative organic growth of 7% in net revenue, we have been able to improve our margins considerably. And that’s because of the integration with Malcolm Pirnie in the U.S. that has given us considerable cost savings.

And secondly, it’s because of the project losses that really promoted in Brazil and in the Netherlands in 2010 have disappeared. So, our possibility in the Netherlands has improved substantially and the business has picked somewhat. And thirdly, our policy is definitely to grow – not to grow for the business but our policy is to go for the margin. And we’ve tried to convince our clients that if they only focus on the costs when they are procuring certain projects, that it doesn’t make anybody happy because usually in those projects that cost – cost overruns on our side, it’s gives a little bit better with clients as well.

So, usually the quality is very poor, losses are being created and the client isn’t happy. So, nobody should go for that situation and that’s the argument that we try to make to our clients. And I think many clients are convinced of it and are looking for different types of procurement procedures that still give them a reasonable price but against a certain value.

Okay then, one final question, the $1 billion question.

<Q>: [indiscernible] (01:18:21) You have [ph] sold two (01:18:22) shares in there by obtaining a minority share in a new entity holding the hydro power plants and the biogas installation. You made good profit, but the flipside is that you lost to majority. So, you still want to divest those businesses, but are you still and leading the process, or have you have given that away as well?

<A – Harrie Noy – Arcadis NV>: No, no, we are fully aligned with our partners. That is the strategy. That’s how our partners are totally convinced together with us that’s in the best interest of both of us to sell the business. So, there’s not any discussion in that respect. On the contrary, we’re fully aligned. We’re still looking for other businesses where we can sell two shares and make a bookend.


<A – Harrie Noy – Arcadis NV>: Yeah. Okay. Sorry. We have an audience on line as well that I forgot to welcome at the beginning. So, if there are any questions that we might have from people that are listening in, then please, we are ready to take those questions.

Operator: You have no questions on the phone.
Joost Slooten, Director-Corporate Communications & IR

Okay, very good.

Harrie L. J. Noy, Chief Executive Officer & Chairman-Executive Board

Thank you, Joost.

Joost Slooten, Director-Corporate Communications & IR

You’re welcome.

Harrie L. J. Noy, Chief Executive Officer & Chairman-Executive Board

Then we move on to the presentation on EC Harris and I’ll start it.