The One
Ho Chi Minh City, Vietnam

Langdon & Seah is supporting Bitexco Group to deliver a luxury five-star, city-center hotel for the Ritz Carlton Hotel Group. Inspired by the ancient Vietnamese legend of the two dragons, the unique design of the US$ 500 million complex will feature twin towers in the shape of dragons to symbolize strength and prosperity. The One is due to open in 2015 and will comprise offices in the lower half of the towers, with the Ritz Carlton Hotel situated above.
The Executive Board
(From left to right): Renier Vree (Chief Financial Officer), Neil McArthur (Chief Executive Officer), Stephanie Hottenhuis, Friedrich Schneider, Steve Blake, Zack Smith (appointee).
DEAR READER

In 2012, we continued to deliver on our vision of improving quality of life by creating places of distinction and sustainable solutions that enhance the built and natural environments. We are proud to present this overview of our business and its performance, and to showcase some of the most exciting projects we have worked on in the year.

The theme of this Annual Review is ‘Global Reach’, which conveys the tremendous steps we have taken to further strengthen our footprint in promising growth markets in Asia, Latin America and the Middle East. It also expresses our unique global position, which enables us to serve our clients wherever they operate and leverage expertise in a seamless way.

We welcomed almost 6000 new people to our firm in the last 15 months, an increase of 36%. This impressive growth, together with our record performance, has been achieved against a backdrop of challenging economic conditions in mature markets in the United States and Europe, where austerity measures continue to impact our business in the public sectors.

In April, we merged with project management and cost consultancy Langdon & Seah, with 2,800 people across 10 countries, to form a major platform for growth opportunities and synergies in Asia, one of the most dynamic regions in the world. This was followed by the acquisition of Swiss environmental services company BMG in July, giving us a footing in the attractive Swiss environmental market and access to large chemical and pharmaceutical multinationals with global requirements. In August, we acquired Brazil’s largest water engineering and consultancy, ETEP, thereby further expanding our position in the promising Brazilian water market.

These actions are the result of our successful ‘Leadership, Balance, Growth’ strategy, now in its third year of implementation, which has seen us continuously outperform our global peers. This is consistent with our efforts to create positive outcomes to our clients’ requirements and give them a stronger competitive edge in their respective markets. We also sharpened the strategy, with additional focus on delivering higher margin services, improving organic growth, and on being the best in our industry through improvements to our processes, performance culture, and by developing capabilities that ensure industry leadership.

The year also brought important developments in our approach to Corporate Social Responsibility (CSR), with a number of measures taken, including the establishment of a Sustainability Task Force, which resulted from our internal survey to gauge CSR awareness and effectiveness. We also made good progress in enhancing our Health & Safety capabilities and culture, delivering our best H&S performance, far ahead of industry standards.

At the same time, some 250 of our people enthusiastically applied their knowledge and skills to projects supported by the Shelter Program, our partnership with UN-HABITAT, the United Nations agency for sustainable urbanization. The Shelter Program has successfully concluded its second year of activities and continues to be enthusiastically supported by our people, and financially backed by the Lovinklaan Foundation, ARCADIS’ largest shareholder, which represents our staff.

In January, Harrie Noy, who after 12 years at the helm of ARCADIS, and 37 years within the company overall, announced he would step down as CEO. The success we enjoy today has been due in no small part to Harrie’s exemplary vision and leadership, and it is an honour to succeed him in this role.

In 2013, ARCADIS celebrates its 125th anniversary, and there could be no better tribute to the tremendous work and commitment of our people. We are entering a new and exciting stage in our development and I look forward to working closely with all our people and our clients in the months ahead, as we continue to deliver on our vision.

On behalf of the Executive Board
Neil McArthur
Chief Executive Officer
Zhujiajiao Water Town
Shanghai, China
Capturing the essence of traditional Chinese living, Zhu Jia Jiao Water Town is a 81-HA residential community that reinforces a commitment to smart growth, sustainable planning and environmentally-sensitive design.
Three core values determine everything we do: integrity, entrepreneurship, and agility. This is what these values mean to us:

- **Integrity**: we do business in an honest way, to the highest professional standards. We are a reliable partner and treat others with respect.
- **Entrepreneurship**: we drive initiatives to develop business opportunities that create value and use our resources in the best interests of our clients.
- **Agility**: we react fast to changing market conditions, are responsive to the needs of our clients and colleagues and eager to perform.

In addition to these three core values, we consider **Sustainability** to be fundamental to the way we work, as it permeates our thinking and all our activities. As experts in our fields, we provide the knowledge that can keep our planet liveable for future generations.

We have a strong **Health & Safety** culture and are proud of our performance well ahead of industry standards. Our vision to be recognized as the best in our industry demands excellence in everything that we do.
GLOBAL REACH

Our clients want the assurance that they can operate safely, professionally and consistently around the world. ARCADIS offers world class knowledge, expertise and capabilities in the places where you need them.

WHAT WE OFFER:
- Unprecedented depth and breadth of capabilities
- Unparalleled global reach
- Agile culture that mobilizes quickly and seamlessly

MORE FOR LESS

In a tough economy, operating efficiency and reducing waste is essential. Our focus is always on getting you the best value for your investments and delivering positive outcomes reliably and consistently.

WHAT WE OFFER:
- Focus on business performance metrics relevant to you
- Strong management and consultancy culture dedicated to solving problems and streamlining processes
- Integrated solutions that maximize your return on asset investments
Our services are focused on four business lines, each with individual strengths and strategies. These global business lines enable us to work across disciplines and geographies to deliver integrated solutions to complex issues anywhere in the world.

Infrastructure
Our infrastructure services create the conditions for efficient transportation and provide program management for some of the world’s most complex infrastructure projects. We work on high-quality railways, road networks (including tunnels and bridges), producing reliable energy supplies, and land development for a variety of purposes. Our professionals bring stability, mobility and a better quality of life to communities around the world.

Water
We are a global top 10 player in water services, which focus on the entire water cycle, including the analysis and design of drinking water supply systems. For the treatment of waste water, we advise on advanced treatment technologies and deliver design, engineering and management services. Our recently added ‘Water for Industry’ initiative focuses on helping industrial clients reduce their water footprint. We are also active in managing rivers and coastal zones, urban and rural water challenges, and issues related to climate change and rising sea levels.

Environment
ARCADIS is the leading environmental services provider to private industry, delivering projects that help protect the earth’s resources while meeting our clients’ economic objectives. From soil, groundwater and sediment remediation and environmental impact assessments, to consultancy on corporate energy, product stewardship, health and safety and waste management issues; our services support environmental policies for companies and governments alike.

Buildings
We help leading clients transform their business performance by planning, creating, operating and regenerating their buildings to ensure they are a source of competitive advantage, meet business needs, and generate sustaining business value. We call this Built Asset Consultancy. We deliver world-class architecture, planning, consultancy, project, program and cost management services for a wide range of building types from commercial properties to hospitals, schools, government buildings and industrial facilities. We create a balance of form, functionality and environmental stewardship.
OUR VISION

Society today faces many complex challenges that threaten to disrupt our ability to communicate, travel, connect, live, work and play. We aim to provide innovative solutions that will improve the quality of life by addressing the challenges of sustainability, urbanization, climate change, mobility, renewable energy, and water.

Our objective is to make ARCADIS the leading professional services organization for the built and natural environment. To achieve this, we rely on our core values of integrity, entrepreneurship and agility and on our long-term vision, which is based on the following elements:

- **Focus on growth markets**: our four business lines give a clear focus on growth markets and allow us to offer clients integrated solutions and one-stop shopping, while focusing on creating positive outcomes.
- **Global reach based on strong home market positions**: we globally leverage our expertise and seamlessly deliver our services to multinational, key national and local clients, giving us a competitive advantage.
- **Balance**: we seek to create balance in everything we do. In our work for clients we aim for sustainable solutions that balance different needs. At the same time, we run our business in a socially responsible way.
- **‘One firm’ concept**: we operate as one firm across the globe with a brand that reflects our mission and is recognized for quality and reliability of client outcomes.
- **Client focus**: we serve our clients, wherever they operate, with the best combination of sector know-how, professional skills and technology. In doing so we help create competitive advantages for our clients in their respective markets.
- **People are key**: the commitment, skills and entrepreneurship of our people make the difference in today’s competitive markets. Our health & safety culture is focused on ensuring that anyone involved in our projects goes home safely every night.

Because demand for our services is driven by key themes in society, our strategy creates ample opportunities for long-term growth. Our strong local presence, long-term client relationships and know-how, give us a unique position in the market. In recent years we have also focused on new growth areas in emerging markets in Asia, Latin America and the Middle East where we have successfully expanded our presence through our mergers with EC Harris (2011), Langdon & Seah (2012) and ETEP (2012).

OUR CLIENTS

We work for a broad range of clients in the public and private sectors.

In **Infrastructure**, most of our work is for governments: municipalities, cities, states, ministries, etc. We also work for utilities, project developers, contractors and other private sector firms, such as mining firms with extensive infrastructure needs.

Most of our clients in **Water** are public bodies and authorities such as municipalities, water boards, provinces and states, central governments, and utilities, which may also be privately owned. We are also a provider of water services to industrial clients looking to reduce water use, improve sustainability and meet regulatory requirements.

In **Environment**, private sector clients include the oil and gas, chemical, mining and transportation industries. Many Fortune 500 companies are longstanding clients. We also work for governments; from federal clients, such as the U.S. Department of Defense, to municipal customers.

In **Buildings**, we mainly work for owners, managers, operators or developers of real estate, both in the public and private sectors.

WE AIM TO PROVIDE INNOVATIVE SOLUTIONS THAT ENHANCE QUALITY OF LIFE
LONG TERM GROWTH DRIVERS

Our services and market position enable us to anticipate and respond efficiently and effectively to a broad range of societal trends that drive growth in our business.

- **Urbanization**: population growth and migration to cities are driving urbanization, resulting in a growing number of mega cities, especially in emerging countries, which leads to huge investments in residential, commercial and industrial areas. In more mature countries, deteriorated inner city areas are in need of redevelopment to meet ever higher standards of living and working.
- **Mobility**: all large metropolitan areas suffer from congestion that hampers economic development. Major investment programs are required to expand capacity of roads, highways and public transportation, in an affordable way. Solutions may include intelligent traffic management systems and rail systems expertise.
- **Asset utilization**: in emerging markets, we provide program, project and cost management for capital expenditure projects for new assets. In more mature markets, where the focus is on enhancing the operational performance of existing assets, our Built Asset Consultancy provides critical solutions.
- **Water**: scarcity of clean, safe, potable water is a critical issue in many parts of the world. Water is already considered as ‘the oil of the 21st century’ with a rising demand for services related to water supply, treatment and reuse. We bring best practices in water to help our clients conserve this important resource.
- **Renewable energy**: expanding populations and economic growth, along with the need to reduce emissions, creates demand for renewable energy projects. This is a growth driver for all our business lines.
- **Climate change**: rising sea levels caused by climate change represents an unprecedented challenge for delta areas, where more than 50% of the world’s population lives. This increases demand for our services to improve water management and flood protection.
- **Sustainability**: preserving resources and quality of life for future generations is of paramount importance. Sustainability is integrated in everything we do. With our specialized environmental capabilities and leadership in this field, we are well positioned to evaluate the environmental impact of projects and advise on appropriate mitigation measures.

LEADERSHIP POSITIONS

Our strategy aims to further strengthen our leadership positions.

**Our Positioning**: Differentiation in our highly competitive markets has never been more important. ARCADIS is an established, innovative and respected business leader and for over a century, has stood apart through steadfast commitment to its values and an emphasis on quality and sustainability. Today, more than ever, our work is vital to solving the challenges facing our clients and communities across the world in a sustainable way, and this provides us with further opportunities to distinguish ourselves.

Our position in the market is further defined by:

- Our full range of services within each business line, including consultancy, design, engineering and management services.
- Our commitment to clients and the benefit they gain from our sector knowledge and the collaboration of our talented professionals.
- Our solid client relationships and thorough knowledge of local market conditions, which allow us to compete in the regions where we work.
- Our ability to deliver global services to multinational clients in a seamless way, particularly in environmental services, as well as the water and real estate markets, where few companies can compete globally.
- Our robust risk management expertise, which allows us to handle new types of contracts requiring a broad, multidisciplinary service offering.
Our Strategy

ARcadis’ ‘Leadership, Balance, Growth’ strategy aims to further build and strengthen leadership positions in each of our business lines for the period 2011-2013. In 2012, our strategy continued to evolve with a sharper focus on key areas that enable us to meet our objectives. Our strategy of growing high added-value services and divesting low margin businesses has been successful, and today ARcadis is focused on business lines with long-term growth potential. In the period 2005 – 2012, our gross revenues rose from €1 billion to €2.5 billion, a compounded annual growth rate of 14.3%. Net income from operations increased in that same period by almost 17.8% each year, while margins throughout the period were at or close to our goal of at least 10%. These results have been achieved despite the economic crisis, which impacted our business since 2008.

Acquisitions added substantial value
Since 2005, we have divested low margin businesses with combined revenues of around €170 million. In that same period, through a series of acquisitions and mergers, we have added almost €1.3 billion in revenues. These acquisitions have delivered synergies by leveraging client relationships, knowledge, experience and capabilities.

Key success factors
Today ARcadis is well positioned as a premier international professional services firm. The factors that have contributed to this success and which remain fundamental to our strategy are as follows:

- Broad spread of geographies (developed and emerging), clients (public and private) and business lines.
- Solid organic growth through focus on client outcomes and internal synergy.
- Shift towards activities higher in the value chain.
- Acquisitions that have added value.
- Stable financial performance with good access to financial markets.
- Focus on operational excellence, margin discipline, cash flow and working capital.
- Strong leadership and management, a health & safety focus, a great culture and talented staff.

While maintaining these factors, ARcadis has further sharpened its strategy and has put more emphasis on moving higher in the value chain. In addition, more focus has been put on improving organic growth. Finally, the company has expressed Being the Best as a strategic ambition. ARcadis strives to be the best in all of its activities by strengthening its capabilities to better serve client needs, further improve its performance culture, ensure industry leadership through operational excellence and market sector proficiency, and by instilling strong leadership skills in its people.

Key Client Trends

We anticipate changing client needs by partnering with clients and other parties in the supply chain. This creates opportunities for larger projects and contracts, providing ARcadis with a competitive advantage in the market.

- Public-private partnerships: governments with depleted finances seek to create conditions that attract private money to (co)finance infrastructure investments. We advise on structuring and managing these schemes, and bring investors to projects or projects to investors.
- Globalization of industry: multinational companies seek service providers with global capabilities. Many have vendor reduction programs to safeguard quality standards and increase efficiency across their operations. We have responded by increasing our footprint in the Middle East and Asia and by strengthening our multinational client program.
- Outsourcing and privatization: companies are focusing on their core businesses and outsourcing more non-core functions, such as environmental management. A similar trend is visible in the public sector where budget pressures have heightened the focus on policy making, while execution, including design and engineering, is outsourced to the private sector. We enhanced our consulting capabilities in response.
- Supply chain integration: clients demand alternative delivery methods to enhance integration across the supply chain. This includes Design/Build and Design, Build, Finance and Operate (DBFO) approaches, whereby one party or a consortium takes wider responsibility for a project to reduce errors, lower costs, share risks and optimize projects over their lifecycle. We advise the client on implementing the project.
- Front end services: client interviews demonstrate an increasing demand for front end services to help them achieve their business objectives. This includes strategic consulting, describing and structuring investment programs, and managing projects, programs and processes.
- Risk participation: clients increasingly ask or require their suppliers to take on certain project risks, which may include project fees being dependent on performance. ARcadis has internal procedures to control the risks involved. We can offer Guaranteed Outcomes, fixed price solutions where we have mastered the technology to successfully deliver positive outcomes for clients.
WHAT WE DO: HELPING CREATE A BETTER WORLD

INFRASTRUCTURE

ARCADIS’ infrastructure professionals create the conditions for a better quality of life in communities around the world. We apply balance and customer focus to deliver efficient transportation systems that provide greater stability, mobility and a better quality of life to communities around the world. This business line includes services for transportation, land development, energy and mining.

The market mainly serves national, regional and local governments, as well as railway companies, utilities, mining firms, developers and contractors. We have developed in-depth local knowledge of conditions and client needs, in addition to strong positions in our home markets. This enables our specialists to anticipate market developments, deliver tailored solutions, and leverage our specialist expertise globally. To achieve this, we focus on:

Public transportation - with investments in public transportation continuing to be prioritized, our unique combination of civil engineering and rail systems expertise means we can provide the more efficient integrated solutions.

Large transportation corridors and PPP - we have a strong track record in large transportation projects, and considerable experience in Public-Private Partnerships (PPP) and Design-Build. This experience allows us to leverage our ability to develop smart, integrated solutions, tailored to local conditions.

Ports and waterways – with our strong front-end consultancy and design capabilities, we can become involved in the early phases of projects.
Metropolitan development
Santiago, Chile

With more than 2 million passengers per day, the metro infrastructure in Santiago, Chile, is already one of the largest in South America and expanding rapidly. As part of the city’s Urban Transport Plan, which aims to improve the roads and public transport network, the state-owned Metro de Santiago has continually developed its system during the last 20 years to serve Santiago’s growing population of around 7 million people, spread across 37 districts.

It is currently constructing two new lines — Line 6 and Line 3 — that will increase network capacity by 30 percent, benefitting 1 million people.

Line 6 will connect the metropolitan districts of Providencia in the center of the city, with Cerrillos in the south-west, and is due to become operational in 2016. The additional 15 km of track will intersect seven districts and bring the Metro service to two of those districts for the first time.

Line 3 will introduce 18 new stations to the network across 20 km from the northern metropolitan district of Quilicura, to La Reina in the east of Santiago. The line will be operational in 2018 and service three new districts for the first time.

ARCADIS is working as part of a consortium to provide engineering consultancy on both lines, and is also responsible for supervising construction on Line 3. Tunnel design represents a particular challenge on both lines as they will intersect several existing lines and operational stations. ARCADIS is working with experts in tunnel design to overcome this issue and has performed a detailed analysis of the potential for disturbance during construction by using 3D models.

As a result of these projects, ARCADIS is recognized by Metro de Santiago as a leading service provider in this field and in a good position for the tender of later development stages.

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Gross revenue Infrastructure
in € million

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<th>Year</th>
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EBITA-margin Infrastructure
in %

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Intelligent traffic systems — as congestion threatens mobility across urbanized areas, demand for traffic systems is increasing. We possess specialist expertise to devise solutions for this market.

Our global infrastructure business has continued to experience robust growth, despite the impact of government austerity measures. Our strategy to grow our presence in emerging markets continued to pay off, with strong organic growth in Brazil and Chile which offset the declines seen in most European countries, except for France, where our involvement in large infrastructure projects has grown.
We are a global top 10 player in this area, and our renowned Dutch heritage and levee experience makes us well positioned to respond to the growing need for water services around the world. Our skills and expertise covering the whole water cycle, with comprehensive services across the business line – from clean water supply, waste water treatment and water management of rivers and coastal zones, to issues related to climate change, rising sea levels, and water footprint reduction.

The international water market is driven by a number of long-term trends and issues, including the increasing scarcity of potable water, and the effects of climate change through sea level rises and changing precipitation patterns. We became a top 10 global water consultant in 2009 following our merger with U.S.-based Malcolm Pirnie, and one of the few to cover the full water cycle. In 2012, we enhanced our position in the fast-growing Brazilian market with the acquisition of ETEP. We have excellent client relationships, vast experience and a global network of strong local positions. To maintain this competitive edge, we must:

Expand services to industrial clients – with water becoming scarcer and an integral part of the sustainability footprint, industrial clients are interested in making their water systems future proof.
Adjust our delivery mechanism for water treatment in the United States – the important US market is shifting towards design-build and maintenance upgrades of collection and distribution systems. We meet this trend by successfully delivering "outside the fence" services to our municipal clients.

Leverage our Dutch water management capabilities – the success of our work in New Orleans demonstrates the importance of focusing on coastal regions and rivers, particularly in the United States, Europe, Brazil and Asia, where delta areas are under threat.

Expand into selected new regions – we are using our US-based experience and reputation to expand internationally, with an initial focus on Brazil, Chile and the Middle East, with further opportunities in drinking water treatment in the Netherlands and Belgium.

The US water market has begun to stabilize compared to last year, supported by industrial water projects and local municipalities. ARCADIS was also involved in a number of emergency projects resulting from hurricane Sandy. We saw strong growth in the Chile, Brazil, while the Middle East, UK and Netherlands all generated growth in water treatment. However, pressures on government spending continue to make funding a problematic issue in water management.

Industrial wastewater expertise
Global

When Merck (known as MSD outside the United States and Canada) identified a need for international wastewater expertise to evaluate and develop strategies for more efficient water use and treatment at their facilities, ARCADIS was well positioned to accept the challenge. For us it was a perfect fit. We already had a strong global relationship within the company, particularly in environmental services consulting and our global footprint was closely aligned with their facilities. As part of the project, we are providing evaluation and design services for sites in the U.S., Europe and Asia. Innovations identified by this portfolio of projects are driving sustainable water use at Merck while reducing operating costs.
ENVIRONMENT

ARCADIS is the world’s leading environmental services provider to private industry. Much of this market is driven by legacy issues related to soil, groundwater and sediment contamination, and the decommissioning of industrial operations. This business line also covers environmental impact assessments, site closure and reuse, product stewardship, climate change issues – including carbon footprint reduction - health and safety issues, noise abatement, and solid waste disposal, companies and governments alike.

Our competitive strength lies in the global network and resources that enable us to serve multinational clients; our advanced and cost-effective remediation technology; our Guaranteed Outcomes program for guaranteed remediation solutions; and our strong health and safety culture. In 2012, our acquisition of BMG in Switzerland has provided us with a premier position in this market and global access to several major multinational chemical and pharmaceutical clients.

To continue responding effectively to emerging client requirements, especially in the private sector, and strengthening our position in new markets, we are committed to:

Growth in current geographies – focus on serving key national and multinational clients, using our advanced remediation skills to drive growth in Europe and South America, while further expanding our position in the United States. Special attention is given to mining and energy sector clients and the US Department of Defense internationally.

Building select new geographies – we are prioritizing promising markets in Canada, Middle East, Asia and Australia, where we can deliver services to multinational clients.

Diversifying capabilities – while remediation continues to be a large and attractive market, we are increasing our focus on D4 (Deactivation, Decommissioning, Decontamination and Demolition); Environmental Permitting and Planning; and Strategic Environmental Consultancy. We also continue to strengthen our capabilities in related sustainability services.

This business line saw good growth in private sector environmental work in the United States and several European countries, while the mining and energy businesses in South America also drove demand. While economic uncertainty has led to cautious investments by many private sector clients, oil and gas clients, our biggest client sector in this field, continued contributing to growth.

Seamless environmental auditing

The European Commission, Brussels and Luxembourg

The European Union’s Eco-Management and Audit Scheme (EMAS) is a voluntary management tool designed to help companies and other organizations evaluate, report and improve their environmental performance. More than 4,500 organizations and around 7,800 sites in the European Union and the European Economic Area (EEA) are currently EMAS registered.

In 2012, ARCADIS in Belgium extended its longstanding framework service contract for internal audits with its client, the European Commission (EC), to cover the 2012-2014 cycle. Having audited some 60 EC buildings as part of the 2009-2011 contract, the new cycle has been extended to include the Commission’s Joint Research Centers (JRCs). These JRCs are the EC’s in-house science services, providing knowledge for policy decisions to ensure that the EU achieves its Europe 2020 goals for a productive economy, and a safe, secure and sustainable future.

ARCADIS in Belgium set up an international team to perform these audits, in liaison with environmental compliance experts from ARCADIS in Germany, the Netherlands, Italy, and the United Kingdom. Together they conduct the audits in line with EMAS regulation, providing specific advice on the functioning of the tool in a yearly report to the EC.
Hurricane Sandy clean-up
New Jersey and New York, United States

On October 29, 2012, Hurricane Sandy wreaked havoc on the east coast of the United States, devastating communities across New Jersey and New York. It was one of the worst storms to ever hit the country, and at considerable cost to human lives, through damage to homes, and loss of business.

In the months following, the clean-up operation to remove the estimated 12 million cubic yards of debris Sandy left in her wake has been a large and arduous process. ARCADIS has been at the heart of these efforts, working with the U.S. Army Corps of Engineers and state and local governments to manage and track the clearing of debris to reduce costs and increase efficiencies.

ARCADIS has extensive water management capabilities dating back to its origins in The Netherlands. Now a global practice, the New Orleans Hurricane and Storm Damage Risk Reduction System to the design of which ARCADIS delivered a substantial contribution, was tested by Hurricane Isaac in 2012 and worked. ARCADIS is eminently qualified to help authorities in urban delta’s around the world think about preventive measures against storm events and rising sea levels. As early as 2009, ARCADIS participated in a design exercise to explore storm surge solutions for New York City that could mitigate impacts as caused by Hurricane Sandy.
BUILDINGS

In today’s fast changing environment clients require their built assets to drive value for their business and not just to provide shelter or accommodate business processes. At ARCADIS, we help leading clients transform their business performance by planning, creating, operating and regenerating their buildings to ensure they are a source of competitive advantage, meeting business needs, generating and sustaining business value. Working across a wide range of sectors including Financial Institutions, PharmaChem, Automotive, Oil and Gas, Conglomerates, Retail, Health, Education, Housing, Local and Central Governments and Municipalities we help our clients solve problems like how to access capital in ever more constrained markets, how to respond to changes in demographics and demands for social infrastructure, how to harness technology and changing generational expectations on work practices and respond to the fact that resources are scarce and energy is expensive. For example, as work and living habits change, ARCADIS helps real estate owners, investors and operators to find innovative ways to create and use existing space, while enhancing productivity and returns, by finding the right balance between efficiency, functionality, experience and brand. In all instances our aim is to get the best possible outcome from the money that our clients invest or spend on their built assets.

ARCADIS designs, plans and manages the construction of buildings, cities and communities that improve quality of life, raise standards of living, and address local needs, all while also conserving important resources. Our passion for and belief in sustainability by design and the creation of great places to work, live or play is the drive behind our creativity.

Our focus in this business line is on three main pillars:

- Expanding front-end capabilities and program Management – this allows us to be more involved in earlier phases of projects and win larger assignments. The mergers with EC Harris and Langdon & Seah have significantly enhanced our front end consultancy and project/program management capabilities.
- Expanding in to Asia, Middle East and Brazil – these geographies offer strong growth potential. EC Harris has strengthened our footprint in Asia and the Middle East, while Langdon & Seah has brought us a leading position in a broad range of Asian markets.
- Growing Healthcare and Workplace – in Healthcare, we have a unique combination of skills, including high-level design, installations expertise, equipment planning and experienced project management. In Workplace, we use our multinational client program to develop and leverage relationships with these sizeable clients who benefit from our seamless global service delivery.

Ready for kick-off

São Paulo, Brazil

Buoyed by having won the race to host two prestigious global sporting events, Brazil is quickly implementing its infrastructure investment program to cope with increasing passenger demand ahead of the 2014 World Cup and the 2016 Olympic Games.

At Guarulhos Airport, in São Paulo, Brazil, a new terminal building is being built to double the number of passengers that can be accommodated at what is already the country’s largest airport. It is scheduled to open in 2014, along with improvements made to car parks, runways, and access roads.

ARCADIS Logos is providing project management consultancy services on behalf of Concessionária do Aeroporto Internacional de Guarulhos S.A., and counts on the expertise of professionals from ARCADIS group company EC Harris, to support the project with its expertise on Airport Terminals.

ARCADIS Logos will supply planning, procurement, construction supervision, executive design certification, quality control, health and safety, and environmental control. Meanwhile, EC Harris will carry out airport design reviews, capacity assessment, master planning, and stakeholder management, among other activities.
Hyundai Department Store
Daegu, South Korea

Eager to elevate its position within a competitive retail market and capture a greater share of the market, the client tasked RTKL with providing a complete overhaul of its existing brand strategy. RTKL began the repositioning process by looking at Hyundai’s diverse demographics, which include 30-50 year-old women on week days, teens and young adults in the evenings, and families on the weekends. Using a customer focused approach, the team then crafted experiential, design and programmatic elements to “shift” Hyundai Department Store in a new direction.

RTKL’s reimaging focuses on changing people’s perceptions. Rather than selling products, it now sells a lifestyle. Rather than being oriented around products, it is now oriented around people. Supplanting the outmoded “high-end classic” design aesthetic for a “luxury modern” look and feel, the team created a retail-led destination environment that exudes Hyundai’s new branded identity. The new location is the largest department store for both Hyundai and the southeast region of Korea.

Gross revenue Buildings
in € million

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<thead>
<tr>
<th>Year</th>
<th>Revenue (€ million)</th>
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<td>388</td>
</tr>
<tr>
<td>08</td>
<td>451</td>
</tr>
</tbody>
</table>

EBITA-margin Buildings
in %

<table>
<thead>
<tr>
<th>Year</th>
<th>Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>9.9</td>
</tr>
<tr>
<td>11</td>
<td>7.0</td>
</tr>
<tr>
<td>10</td>
<td>8.6</td>
</tr>
<tr>
<td>09</td>
<td>8.0</td>
</tr>
<tr>
<td>08</td>
<td>9.3</td>
</tr>
</tbody>
</table>

Operational

2012 brought strong growth from the EC Harris (2011) and Langdon & Seah (April 2012) acquisitions as well as significant synergy benefits. Our extensive Asian network now provides an excellent platform to serve our multinational clients, while strong urbanization and social infrastructure development in the region are major drivers for growing demand in all our business lines. In addition, multinational Langdon & Seah clients who invest outside of Asia are now also supported by ARCADIS in other regions. Growth was notably slower in the developed markets in Europe and the US, with the notable exception of London, where demand for high end residential property development increased.
OUR RESULTS REACHED RECORD LEVELS OF GROWTH

ARCADIS delivered record revenues and profits on the back of organic growth in emerging markets and a growing contribution from acquisitions, despite the challenging market conditions in the United States and Europe. Gross revenues grew 26%, reaching over €2.5 billion, while net income from operations (before amortization and non-operational items) increased by 29% to €105.1 million. Our performance was achieved through a combination of acquisitions and strong organic growth in emerging markets. The strongest growth was in our Buildings business in property markets in the UK, Asia and the Middle East while organic growth came mainly from infrastructure work in South America. Government austerity measures continue to impact more developed markets in Europe and the United States.

REVENUE AND PROFIT

After the merger with Built Asset Consultancy EC Harris in November 2011, another important merger was realized in April 2012 with cost and project management consultancy Langdon & Seah in Asia. The acquisitions of environmental consultancy BMG in Switzerland and water consultancy ETEP in Brazil also contributed to the revenue increases from acquisitions and the overall growth of 26%. Organic gross revenue growth was 3% and for net revenue 4%. This difference reflects reduced subcontracting following the completion of the Floriade project in the Netherlands.

Building New Partnerships

UK

Lloyds Banking Group is the largest retail bank in the UK, with more than 2,900 branches serving around 30 million people. Including its offices and data centers, Lloyds has one of the largest and most diverse banking property portfolios in the UK.

In 2012, Lloyds challenged its design and construction team to simplify their supply chain. As one of four consultants providing support to Lloyds, EC Harris was able to respond and adapt its offering and in April became Lloyds’ sole professional services provider, in an alliance model consisting of themselves, and five main contractors. Lloyds’ focus has been on the creation of a high performing alliance, with all parties acting as “one team” due to run until 2015. EC Harris’ core responsibilities include cost and commercial management, project management, program support, capital planning, and construction design management coordination in the UK to support their network of banks, office buildings and critical facilities.

To date, the alliance has achieved a year-on-year cost reduction, from the capital plan baseline, by implementing a program of integrated innovation that will continue for the next two years. By adopting a more effective and simplified consultancy model, Lloyds has seen a significant cost reduction on their consultancy spend, enabled by the automation and reduction of reporting, and the simplified processes and ways of working across all parties in the alliance.
The organic growth was driven mainly by growth in South America, where in addition to continued demand from the private sector, public sector work is also increasing. In developed markets in Europe, revenue declined due to challenging conditions for public sector clients. Nevertheless, France and Germany realized revenue growth on the back of a strong performance in rail work and environmental consulting respectively. US revenues were 1% higher with growth in private sector work being partly offset by environmental and water services to public sector clients.

Our strategy of expanding presence in emerging markets already paid off in 2011, but did even more so in 2012. Continued strong organic growth in Brazil, Chile, Asia and the Middle East, combined with growth through acquisitions of EC Harris in Asia and the Middle East, Langdon & Seah in Asia and ETEP in Brazil raised the contribution from emerging markets to gross revenues to 21% (2011: 14%). Revenues in the Netherlands declined, resulting from government spending reductions and difficult conditions in the buildings market. Other European countries grew from the merger with EC Harris, offsetting an organic decline. The relative size of US activities in our total mix declined to 45%.

The margin (recurring EBITA as % of net revenue) was at 9.1% (2011: 9.8%). Excluding reorganization and integration costs, the underlying operating margin came to 10.0%. This compares to 9.7% in 2011 and reflects mainly improved profitability in the UK.

CASH FLOW AND BALANCE SHEET

Net cash from operating activities increased to €158.0 million (2011: €79.6 million). Free cash flow, after regular investments in ongoing business, was €124.4 million (2011: €44.9 million).

There were substantial investments in mergers and acquisitions, namely the merger with Langdon & Seah, the acquisition of BMG, and the acquisition of ETEP. Mergers and acquisitions, including the expansion of interests in smaller consolidated companies, associates, and after payments, resulted in a cash investment of €73.0 million (after deduction of acquired cash) and an additional after payment obligation of €15.8 million.

Balance sheet total rose to €1,771 million (2011: €1,559 million), mainly resulting from acquisitions and exchange rate differences. Goodwill increased to €515 million (2011: €444 million), €76 million caused by acquisitions and the remainder by currency effects.

Balance sheet ratios remained strong at year-end 2012:

- net debt to equity ratio was 0.5 (2011: 0.6);
- net debt to EBITDA ratio was 1.3 (2011: 1.5);
- interest coverage ratio was 8 (2011: 7).

Building design award

ASML, Veldhoven, the Netherlands

Netherlands-based ASML is a global leader in the design and production of next generation photolithography machines, capable of producing the world’s smallest semiconductor chips for tablets, mobile phones and laptops. It recently expanded its production capacity to meet growing global demand, building new cleanrooms in which it could work with extreme ultraviolet light (EUV) – the only company with the technology to do so.

Smaller chips mean larger machines and so the surface area required for the new EUV machines was also greater compared to the previous generation, impacting the design of the building.

As a preferred supplier to ASML for over 15 years, ARCADIS has advised the company on a number of construction projects. In 2007, it began work on the cleanroom facilities, associated offices and energy buildings, in close cooperation with ASML’s partners, delivering the project on time and within budget in July 2012.

In October 2012, ARCADIS received the ‘National Steel Award 2012’, the biennial prize for the best Dutch project in steel, for the construction and design of the cleanroom building.
## SELECTED FINANCIAL DATA

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross revenue</td>
<td>2,544</td>
<td>2,017</td>
<td>2,003</td>
<td>1,786</td>
<td>1,740</td>
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<tr>
<td>Net revenue</td>
<td>1,878</td>
<td>1,443</td>
<td>1,375</td>
<td>1,218</td>
<td>1,162</td>
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<tr>
<td><strong>Operating results</strong></td>
<td></td>
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<tr>
<td>EBITA</td>
<td>166.4</td>
<td>144.4</td>
<td>135.9</td>
<td>121.6</td>
<td>131.8</td>
</tr>
<tr>
<td>EBITA recurring</td>
<td>188.8</td>
<td>139.0</td>
<td>144.0</td>
<td>131.1</td>
<td>121.6</td>
</tr>
<tr>
<td>EBITA margin, operational (in %)</td>
<td>10.0</td>
<td>9.7</td>
<td>10.5</td>
<td>10.8</td>
<td>10.5</td>
</tr>
<tr>
<td>Operating income</td>
<td>151.5</td>
<td>139.0</td>
<td>129.6</td>
<td>114.4</td>
<td>119.6</td>
</tr>
<tr>
<td>Associates</td>
<td>(3.1)</td>
<td>0.3</td>
<td>0.7</td>
<td>_</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Net income from operations</td>
<td>105.1</td>
<td>81.6</td>
<td>78.4</td>
<td>74.3</td>
<td>70.0</td>
</tr>
<tr>
<td>Net income</td>
<td>89.0</td>
<td>79.5</td>
<td>73.9</td>
<td>72.8</td>
<td>57.3</td>
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<tr>
<td><strong>Capital employed</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance sheet total</td>
<td>1,770.9</td>
<td>1,559.0</td>
<td>1,424.5</td>
<td>1,315.2</td>
<td>1,058.4</td>
</tr>
<tr>
<td>Average invested capital</td>
<td>898.3</td>
<td>739.1</td>
<td>670.3</td>
<td>538.4</td>
<td>478.2</td>
</tr>
<tr>
<td>Return on average invested capital (in %)</td>
<td>13.5</td>
<td>13.6</td>
<td>13.9</td>
<td>15.4</td>
<td>18.1</td>
</tr>
<tr>
<td>Total equity</td>
<td>536.7</td>
<td>455.4</td>
<td>411.2</td>
<td>368.5</td>
<td>219.9</td>
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<tr>
<td>Total equity as % of balance sheet total</td>
<td>30</td>
<td>29</td>
<td>29</td>
<td>28</td>
<td>21</td>
</tr>
<tr>
<td>Interest coverage ratio</td>
<td>8</td>
<td>7</td>
<td>7</td>
<td>10</td>
<td>7</td>
</tr>
<tr>
<td>Net debt to EBITDA ratio</td>
<td>1.5</td>
<td>1.4</td>
<td>1.4</td>
<td>1.0</td>
<td>1.3</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>158.0</td>
<td>79.6</td>
<td>91.8</td>
<td>152.5</td>
<td>80.5</td>
</tr>
<tr>
<td><strong>Total shares outstanding at December 31 (in thousands)</strong></td>
<td>71,588</td>
<td>69,338</td>
<td>66,066</td>
<td>66,493</td>
<td>60,101</td>
</tr>
</tbody>
</table>

**Data per share (in euros)**

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<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income from operations</td>
<td>1.49</td>
<td>1.23</td>
<td>1.19</td>
<td>1.18</td>
<td>1.16</td>
</tr>
<tr>
<td>Net income</td>
<td>1.26</td>
<td>1.20</td>
<td>1.12</td>
<td>1.15</td>
<td>0.95</td>
</tr>
<tr>
<td>Dividend proposal</td>
<td>0.52</td>
<td>0.47</td>
<td>0.47</td>
<td>0.45</td>
<td>0.45</td>
</tr>
<tr>
<td>Shareholders’ equity</td>
<td>7.23</td>
<td>6.34</td>
<td>5.80</td>
<td>5.20</td>
<td>3.35</td>
</tr>
</tbody>
</table>

**Personnel**

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Average number of contract employees</td>
<td>19,507</td>
<td>15,589</td>
<td>14,590</td>
<td>13,519</td>
<td>13,180</td>
</tr>
<tr>
<td>Average number of employees total</td>
<td>20,283</td>
<td>16,486</td>
<td>15,531</td>
<td>14,417</td>
<td>13,977</td>
</tr>
<tr>
<td>Total number of employees at December 31</td>
<td>21,696</td>
<td>18,427</td>
<td>15,905</td>
<td>15,195</td>
<td>14,101</td>
</tr>
</tbody>
</table>

**Carbon footprint per FTE (in metric tons of carbon dioxide equivalents)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto transport</td>
<td>1.94</td>
<td>1.93</td>
<td>1.97</td>
<td>1.94</td>
<td>2.13</td>
</tr>
<tr>
<td>Air transport</td>
<td>1.08</td>
<td>1.06</td>
<td>1.06</td>
<td>0.78</td>
<td>0.94</td>
</tr>
<tr>
<td>Public transport</td>
<td>0.09</td>
<td>0.08</td>
<td>0.09</td>
<td>0.08</td>
<td>0.08</td>
</tr>
<tr>
<td>Office energy use</td>
<td>1.66</td>
<td>1.82</td>
<td>1.94</td>
<td>2.00</td>
<td>2.16</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4.77</td>
<td>4.89</td>
<td>5.06</td>
<td>4.80</td>
<td>5.31</td>
</tr>
</tbody>
</table>

In millions of euros unless otherwise noted

1) Operational margin: recurring EBITA as a percentage of net revenue, excluding impact of energy projects in Brazil, carbon credit and restructuring costs
2) Net income excluding amortization and non-operational items
3) The headcount includes the total number of employees of proportionally consolidated companies
4) Including temporary staff
5) Comparative figures adjusted for consistency with GRI Guidelines

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## RECORD GROWTH AND PROFITS
Wrocław Central Train Station
Wrocław, Poland

Built in the mid-19th century, the central station in Wrocław, Wrocław Główny, has been integral to the development of the city, with trains serving routes linking it to districts throughout the south of Poland. Today there are 11 tracks and five platforms, with connections available across the border to Budapest, Hamburg, and Prague, among others.

However, the building was severely damaged during Second World War, and had slowly fallen into disrepair, despite a number of renovation efforts. Modernizing the station became a priority for Polish State Railways after Wrocław was named as one of the host cities for Euro 2012 and ARCADIS was contracted to carry out the necessary works; bringing the station in line with current standards, while preserving and reconstructing its historic quality.

ARCADIS served as project engineer, supervising the construction and reconstruction of buildings, roads, parking lots, and landscaping. It was also responsible for civil engineering, and installing telecommunications cables, water and heat systems, CCTV, and fire protection systems.
OUR OUTLOOK: OPPORTUNITIES AND FURTHER GROWTH

In the Infrastructure market, our involvement in many multi-year large projects, and our strong position in Brazil and Chile provide a good basis for continued growth. Although mining clients pace their investments in these countries, public sector work is on the rise. Government budget cuts in continental Europe are likely to also impact investments in large projects, which may affect our growth. Projects using alternative financing and delivery concepts, like PPP, and increased government outsourcing provide opportunities to combat this.

In the Water market tight government budgets are causing revenue pressure, although in some markets, such as the US, we are able to offset this with private sector work (water for industry) and projects for network improvements. Flood protection work, such as related to Hurricane Sandy may offer additional opportunities. In addition, we target further expansion in selected markets in Europe and are capitalizing on opportunities in the Middle East. In South America, especially in Brazil and Chile, recent investments in water companies have considerably strengthened our position and create new avenues for growth.

The Environmental market is growing slightly, driven by the private sector. In the US, we benefit from the trend that private sector firms outsource non-core activities, but we still face challenging public sector conditions. Our advanced technology allows us to bring contaminated sites to closure quicker and at lower cost. We believe that we are gaining market share, especially in complex projects and portfolios of sites and our Guaranteed Outcomes offering should help us maintain a strong position in these markets. Mining, energy and manufacturing projects drive demand for environmental services in Brazil and Chile. In Europe, demand from the private sector is picking up, compensating for a decline in government work.

In the Buildings market, we now have a strong position with excellent opportunities for synergies and global growth. The commercial real estate market in Europe is in decline while the US market is starting to recover. In London, Asia and the Middle East we have a strong position where we see significant growth potential. We are well positioned to help our clients with large investment programs and provide built asset consultancy to maximize value throughout an asset’s lifecycle.

EUROPE

ARCADIS announced the introduction of a new pan-European operating model that is directed at better serving our multinational, large national and local clients, by leveraging our best practices and capabilities. The model combines client proximity at the country level with a pan-European leadership team and shared services in support functions. These initiatives are expected to generate annual cost savings of €25 million, which should bring Continental Europe to an EBITA margin of 10% by the fourth quarter of 2014 (compared with 5% in 2012). Total restructuring charges in 2013/2014 are expected to be approximately €20 million.

We have excellent potential for continued synergies with newly acquired companies and stronger positions in key growth markets. Our backlog developed in line with revenue growth and is steady at 11 months of revenue. We expect continued growth in infrastructure and buildings, a stable market in environment, and a further recovery in water. Maintaining, and where possible, improving our margin is an important priority. We have developed a clear path for margin improvement in Europe, which should help us achieve overall target levels, also in 2013. Further strengthening our position through acquisitions remains on the agenda. For full year 2013 we expect a further increase of revenues and profit. This is barring unforeseen circumstances.
OUR PEOPLE

At ARCADIS, we aim to be an employer of choice by offering an international and inspiring workplace that provides ample opportunity for personal growth. In doing so, we create an environment in which a strong business commitment and a high degree of professionalism are the standard.

People are attracted to ARCADIS because of our:

- Core values of integrity, entrepreneurship and agility.
- Innovative and challenging projects that make a positive contribution to society.
- Long-term relationships with clients who recognize and reward the added value we provide.
- Culture, which meets the expectations of high-level professionals and focuses on autonomy, entrepreneurship and personal and professional development opportunities.
- Increasingly international career opportunities.
- Sharing and rewarding success appropriately.
- Healthy and safe work environment.
- International and diverse workforce at all levels of the organization.

Increase in total number of employees

The total number of employees at year-end 2012 increased to 21,020 (2011: 17,605). Including temporary staff, capacity at year-end 2012 increased by 17.7% to 21,696 (2011: 18,427). Employee growth came mainly as the result of our merger with Langdon & Seah, which added 2,800 more people, based across 10 countries in Asia, and the acquisitions of BMG and ETEP, which added 50 and 300 people respectively. At the same time, organic growth of the business drove an increase of 260 people (close to 1.5%).

Increasing shift towards emerging markets

A growing number of our people are based in emerging regions such as Asia and the Middle East, as a result of the acquisitions and mergers of recent years. By year-end 2012, some 36% of our staff was located in these markets, compared to 23% a year ago.

Helping clients access Asian markets

Lumut, Malaysia

More than 2 billion tons of iron ore are mined throughout the world each year. The raw material can be found in many of the products we use every day, in the form of steel.

The market is driven by China, the world’s largest steel producer, which imported around 743 million tons of iron ore in 2012. In order to cater for this growing demand Vale is investing in an integrated worldwide production and logistics system. The construction of a US$ 1.4 billion iron ore transshipment hub in Teluk Rubiah, Lumut, western Malaysia, is a key component in the company’s strategy.

The distribution center (hub) will consist of a deep water jetty and an onshore stock yard. Initial capacity for imports and exports will be 60 million dry weight tons per year, although depending on future expansion plans, it has the potential to handle up to 200 million tons. The hub will receive iron ore from Vale’s iron mines in Brazil and distribute it to customers across the Asia Pacific region.

ARCADIS has been a valued partner to VALE for more than 30 years. Together with TOWELL, it is providing construction management services on the building of the distribution center - the first phase of the Vale’s project in Lumut. The facility is set to become operational by 2014.
Sharing our knowledge
We actively encourage cross-company collaboration and knowledge sharing among our people on an ongoing basis through web events and social networking. One of our most important programs for achieving this is Quest, which strengthens our network by offering our people the opportunity to work in and learn from various operating companies around the world. Also in the year, we launched Global Shapers (www.arcadisglobalshapers.com), a new program designed to help our young professionals improve their knowledge sharing by making international connections.

Developing talent and leadership
We implement development and leadership programs on an ongoing basis to ensure we have the people we need as we continue to expand globally. The ARCADIS Leadership Model is central to our efforts and we use it to select, assess and develop our current and future leaders. In 2012, we enhanced and redesigned several aspects of our leadership programs aimed at junior and senior levels, to help us to be better prepared for the opportunities that lie ahead.

Fostering innovation
Although innovation at ARCADIS usually takes place in close collaboration with our clients, we also seek to stimulate innovation through our global ‘Imagine…’ competition. In 2012, 75 entries were put forward for consideration by the jury from several countries.

Working for a more sustainable future
In 2012, we marked the second year of our Shelter Program, ARCADIS’ three-year partnership with UN-HABITAT, the United Nations agency for human settlements. Through this Program, ARCADIS employees are able to apply their knowledge and skills in a range of projects, assessments, trainings and site visits that help UN-HABITAT achieve its goals for sustainable urbanization. The Program has more than 250 volunteers from across ARCADIS and is supported financially by the Lovinklaan Foundation.

Ann & Robert H. Lurie
Children’s Hospital of Chicago
Chicago, Illinois, United States

Lurie Children’s Hospital (formerly Children’s Memorial Hospital) in Chicago is the only independent, free-standing pediatric specialty hospital in the State of Illinois. It has grown to be the region’s largest provider of inpatient pediatric services, and in 2006, launched a US$ 915 million capital improvement program to replace and expand its facilities to 1.2 million square feet over 23 stories on a constrained urban site.

As overall Program Manager, ARCADIS was responsible for defining project goals, establishing costs, developing a master schedule for the main design and construction milestones, and delivering a process to build commitment and consensus among stakeholders at all levels. It also recommended and developed a Project Management Plan outlining processes and procedures for all performance-related tasks.

Activities were coordinated through an integrated Lurie Children’s/ARCADIS team which developed a strong working relationship based on mutual trust and expertise-based credibility. The ARCADIS team comprised leaders with more than 25 years of experience managing major projects within the healthcare industry and important urban high rise developments in Chicago.

The project was completed six weeks ahead of schedule and US$ 70 million under budget in June 2012, and includes a rooftop heliport, inpatient care, diagnostic and treatment space, clinical support, logistical, medical office and clinical operations.
Prague, Czech Republic

Congestion around Vít zné (Victory) Square in Prague, the Czech Republic, will soon be eased thanks to an extension to the city’s metro service that will cut the number of buses in operation by 50 percent. Work is already underway to add 6.5 kilometers of track to Line A, which runs from the city centre to Dejvická, with customers currently relying on buses, taxis or their own cars to continue their journey further west.

The line will comprise four extra stations, ending at Motol; providing a more convenient route to the country’s largest hospital facilities. Expanding metro access will also mean a significant reduction in road transport, thereby lessening Prague’s environmental impact.

Before the project began, ARCADIS carried out an overall engineering-geological survey of the site. Construction started in 2010, and since then ARCADIS has been performing complete geotechnical monitoring to detect any compliance and risk issues. Monitoring has been continuous, with data successfully transmitted remotely – a new innovation in the Czech market. The BARAB® database system, developed by ARCADIS, was also used for the collection, storage and presentation of monitoring results.

Another concept introduced for the first time in the Czech Republic, by main contractor METROSTAV, is the use of tunnel boring machines, which incorporate earth pressure balance shields to hold soft ground together while a section of the two single-track tunnels is excavated.

Once this stage of the project is operational in 2014, Prague Public Transport Company plans to extend Line A again to connect Václav Havel Airport, Prague, to the metro network.

Sharing the success
Since 2001, the Lovinklaan Foundation, ARCADIS’ largest shareholder representing the employees, has facilitated an employee share purchase program. This allows employees to purchase ARCADIS shares from the Foundation, at a discount, thus stimulating share ownership among employees and increasing their involvement in the company. By the end of 2012, almost 3,600 employees participate in the program.

Geographical spread personnel

1) total number of employees including temporary staff

<table>
<thead>
<tr>
<th>Region</th>
<th>Number of Employees</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>6,234</td>
<td>(29%)</td>
</tr>
<tr>
<td>Emerging Markets</td>
<td>7,747</td>
<td>(36%)</td>
</tr>
<tr>
<td>Europe*</td>
<td>5,291</td>
<td>(24%)</td>
</tr>
<tr>
<td>The Netherlands</td>
<td>2,424</td>
<td>(11%)</td>
</tr>
</tbody>
</table>

*excluding the Netherlands

Corporate Social Responsibility
ARCADIS recognizes the principles of sustainable development and acknowledges the challenge of balancing the needs of business with the needs of the environment. As a member of the U.N. Global Compact, we are committed to sustainability at every level. Our goal is to reduce our ‘corporate’ impact on the environment through our Global Sustainability Program. In 2008, we set a five-year goal to reduce our carbon footprint by 50%, on a full-time equivalent basis, and benchmarking our progress against it each year. Although we remain committed to making continuous progress towards the reduction of our carbon footprint each year, our recent strong growth in emerging markets has required us to reassess this goal, and re-align it to the reality of our business in 2013.

ARCADIS ANNUAL REVIEW 2012
North/South metro line
Amsterdam, the Netherlands

Connecting the suburbs north of the River IJ with the Amsterdam Zuid transport interchange by metro line has been planned since the inauguration of the city’s metro system in the 1960s. The North/South line will provide alternative transportation to the frequent ferries that currently serve the route, when it opens in 2017.

The metro line will start above ground in Amsterdam-Noord and then run 7.1 kilometers (km) underground, beneath the River IJ and Amsterdam city centre, before resurfacing at the existing train and metro station Zuid. The average journey time is expected to be 16 minutes, with the service running at a four-minute interval during peak times.

Work on the 9.7 km line began in 2012 and ARCADIS is playing a prominent role in the engineering and systems integration of the technical installations. This involves the engineering of the rail system and related facilities across the whole metro line, and the completion of all metro stations. It also includes installations such as escalators, elevators and lighting. The completion of the North/South line will increase the system route to around 80 km, with the potential to eventually extend the north-south route further to Schiphol Airport and Hoofddorp.

Our CSR policy
Our high standards for responsible business conduct are outlined within our Corporate Social Responsibility policy, which forms the foundation of our business practices. It applies to all employees and contains clear guidelines on the fundamentals of our approach: integrity, transparency, accountability and maintaining the highest ethical standards. We conduct regular internal surveys to gauge internal awareness of our CSR policy and key initiatives. In 2012, the results of this survey led to a number of new actions, including the establishment of a Sustainability Task Force.

The standards of our CSR policy foster respect for employees, local cultures and the environment, and can be summarized as follows:

Integrity and corporate governance
Integrity is a core ARCADIS value. We have developed and endorsed a clear set of General Business Principles directives to promote this value across the Company. More than just a single action or belief, integrity lies at the foundation of our business and is the fulfilment of our responsibility to our clients and the cultures and countries in which we operate. Integrity also implies transparency, accountability and proper supervision. We have therefore adopted a Corporate Governance structure that is aligned with the best practices and principles of the Dutch Corporate Governance Code.

Customer and supplier selection and contract terms
We are a reliable partner for our clients and aim to carry out our services without jeopardizing the interests of our stakeholders. We achieve both goals simultaneously by working for our clients in accordance with a wide range of compliance and risk management practices. We aim to make sure that our values and independent judgment are never compromised by the terms of a contract. Furthermore, as we purchase goods from a wide range of suppliers globally, we also encourage them to adopt high standards of CSR.

Compliance with local laws and customs, and community involvement
ARCADIS complies with the laws and respects the cultures of the countries in which it operates. We recognize our responsibility to be a good corporate citizen and aim to give back to the societies and communities in which we work through regular sponsorship of community projects, either by ARCADIS or one of its shareholder-based foundations.
Equal opportunity, health and safety and a culture of personal growth

ARCADIS values its employees and strives to create a work environment that encourages communication, engagement and responsibility, as well as personal development that recognizes the optimum use of talents. Within ARCADIS, no form of discrimination or harassment is tolerated and every employee has an equal opportunity for personal recognition, advancement, career development and compensation, regardless of personal background or beliefs. As part of this commitment, we seek to create a healthy, safe and secure work environment that protects staff from injury, illness and harassment. We approach health and safety in a systematic way that reduces and manages risks throughout the company. This approach is outlined in our Health and Safety vision and policy, which is led by management and supported by a global management system of internationally recognized standards. In 2012, we implemented 22 new Health & Safety standards in addition to a number of initiatives designed to significantly increase internal awareness in this area.

OUR COMMUNITY

At ARCADIS, we recognize that everything we do has an impact on the people around us, whether they are employees, clients, shareholders, suppliers or the residents of the communities in which we work. In addition to the important work we do, we seek to play a positive role in community initiatives by supporting programs that address societal needs and by sponsoring and actively participating in community projects. In some countries, we also encourage our employees to co-contribute to community projects.

The Shelter Program

We have completed the second year of our partnership with UN-HABITAT, the United Nations agency for sustainable development in rapidly growing cities around the world. This partnership is represented by the Shelter program, which supports the goals of UN-HABITAT’s mission through a number of initiatives.

In 2012, the program was extended to be active in 19 countries and more than 25 cities around the world, and supported by more than 250 volunteers. We completed our 31st Shelter mission, with return missions to the Philippines, Sri Lanka, Indonesia, and a follow up mission to Haiti. In addition, we launched the 2nd Annual Shelter Academy in Amsterdam and participated in the 6th World Forum in Naples.
Building for the future
Doha, Qatar

The State of Qatar is undertaking one of the largest building programs in the world as part of the Qatar National Vision 2030 for economic, social, human and environmental development. One of the cornerstones of this strategy is to meet the growing demand for public facilities and infrastructure from the nation’s expanding population and economy, and to prepare for the hosting of the FIFA World Cup in 2022.

Ashghal, the public works authority responsible for all of Qatar’s governmental departments, has appointed a joint venture team from EC Harris and Mace to deliver a £72 million program for building projects across the country between 2012 and 2017.

The joint venture will carry out all the program management activities required for planning, procurement, and management of the design, supervision, and construction contracts for a wide range of project types, including educational and healthcare facilities, ports and waterfront development; public tourism, sports and assembly amenities, and parks and recreational facilities.

With a working relationship that spans more than 20 years, EC Harris and Mace have established a strong reputation as a joint venture, and previously delivered the region’s second largest mall, Doha Festival City. The five-year program will be coordinated from the venture’s new Qatar office, and may be extended by a further two years.

Sustainable mining
Confidential location

As demand for raw materials continues to grow, mining companies are focused on developing strategies that maximize mineral extraction while managing their environmental footprint. One example of this is the reuse of water in pit lakes, which develop in previously mined areas and are often left unused due to poor water quality. Since 2010, ARCADIS has been engaged in helping one of its mining clients design and test a cost-effective, alternative treatment capable of securely removing trace elements from surface water.

An innovative treatment solution proposed by ARCADIS is to be implemented within the lake, using chemical additions to transform dissolved trace elements into a solid, precipitated stable form. This has already been tested successfully, following a number of proof-of-concept studies carried out by the ARCADIS team that provided a better understanding of the water chemistry. The treatment was then optimized at a larger scale in a test at the mine.

When employed on the lake, the treatment approach will avoid the generation of large volumes of water treatment residual wastes typically associated with conventional water treatment methods. The water will then be reused in the mining process. This innovative, science-based solution to water reuse will enable more sustainable mining practices with preservation of critical water resources at the mine.
Seamless delivery in Asia

Singapore

ARCADIS' mergers with EC Harris and Langdon & Seah have provided a strong foothold in Asia that combines global expertise with local knowledge. In 2012, it achieved a significant project win in the healthcare sector in Singapore, which marked the first working partnership between EC Harris and Langdon & Seah.

In October 2012, Singapore General Hospital appointed a joint team from EC Harris and Langdon & Seah to provide project management services, and assist in the procurement of the full design team, to develop the detailed Master Plan for the new Outram Medical Campus.

The development will incorporate the hospital, community health facilities, and specialist treatment centers. There will also be dedicated teaching and research units on site to deliver a true vision of ‘bench-to-bedside and bedside-to-bench’ approach across the whole campus.

By combining EC Harris’ international experience on major hospital projects, with the local expertise and relationships that Langdon & Seah has in Singapore, the hospital has the best design team in place to deliver world-class facilities for the campus.

This successful collaboration is likely to be the first of many, as both companies work closely to find new ways to leverage their international and local healthcare expertise and respond to client challenges.
Damansara City
Kuala Lumpur, Malaysia

Damansara City is the first integrated development project in the exclusive Damansara Heights enclave of Kuala Lumpur in Malaysia. This area is one of the key entry point projects under the Economic Transformation Programme to convert Malaysia into a high-income nation by 2020, and has been identified as a key catalyst to drive rapid growth in Greater Kuala Lumpur/Klang Valley.

The project is located adjacent to the Damansara Town Centre and will be developed on a prime freehold site of 8.5 acres, with a total development area of about 2.3 million sq ft. It will encompass unique business, residential and retail properties, built with a strong focus on sustainability through advanced ecological features. The iconic landmark will include two luxury condominium blocks, two corporate office towers, a lifestyle mall and an international-class hotel.

Langdon & Seah was engaged by leading regional developers Guocoland Malaysia Bhd to provide complete quantity surveying services, spanning from feasibility during the inception stage up to final contractor payments at the end of project contract period. Langdon & Seah, in close collaboration with the design consultants, is utilizing its cost management experience and is on course to achieve the completion of this highly acclaimed project within the set budget.

Part of the Singapore-based GuocoLand Ltd, Guocoland is a leading property developer in Malaysia and throughout the region with established operations in China, Malaysia, Singapore and Vietnam.

The project has already won the prestigious Asia-Pacific Awards 2012 in the Residential High-Rise category and a highly commended award in the Retail Development category. Construction began in late 2011 and is expected to be completed by 2015.

New health facilities in Dalian
Liaoning, China

In December 2012, EC Harris’ Health Sector team secured its most significant healthcare project to date in China, with a built asset consultancy mandate from private healthcare and preventative care services provider China Vitup Healthcare Holdings.

The team was engaged to help the group expand its current healthcare operations with new Rehabilitation and Senior Care facilities in Dalian, a major city in Liaoning province in the north east of the country. The project includes supporting the development of their joint venture structure and helping to build the business case for their new and existing facilities to attract international developers and funders.

EC Harris is drawing from international best practice across the Health sector and Asset Performance and Facilities Management service line, and will also apply its extensive knowledge of developing new health facilities through private funding. This is combined with local knowledge and delivery, using the company’s strong links with developers, lenders and the investment community.
Enhancing customer experience
Paris, France

Roissy Charles de Gaulle airport is the second busiest passenger airport in Europe. However, as it has grown, the layout of the buildings and its operations has become more difficult for passengers to use. As part of the airport’s overall expansion plans, and to facilitate connections, a new boarding area between terminals 2A and 2C was opened in March 2012, which incorporated a new first class and business lounge for Cathay Pacific; Hong Kong’s premier airline.

The 600 m2 lounge is located on the top floor of the intersecting building and can seat 120 people. Facilities include four shower suits, an IT zone, free Wi-Fi and power sockets throughout, and a self-service buffet area. The lounge opening coincided with the launch of Cathay Pacific’s additional daily flight pair between Hong Kong and Paris.

Initially contracted to provide project management services, ARCADIS was able to build a seamless and winning solution by integrating world class design from RTKL and French engineering teams. “This unique combination of skills is addressing a gap in the market that we were agile enough to capture and foster into a winning proposition,” says Patrick Leniston, Head of Buildings, ARCADIS France.

Together, the team overcame a number of challenges to deliver the project on schedule, within five and a half months, while not affecting the everyday running of the airport. “Through the ARCADIS OpCo Building program, we were able to give our client the best combination of project management and design, with a team that mixed international design experience with local technical knowledge,” says Danièle Brouiller, Head of Cross OpCo Integration, ARCADIS France.

ARCADIS’ cooperation with Charles de Gaulle operator Aéroports de Paris on the Cathay Pacific project, and on previous developments, will be extended later this year when renovations are due to begin on airport terminal 2A. This will see a second floor added to the building to exclusively handle arrivals, in addition to other refurbishments. ARCADIS has also started field project management on the development of the Satellite 4 building, which will enable the airport to accommodate an extra 7.8 million passengers a year by 2015.
**Forum 66**
**Shenyang, China**

Forum 66 is destined to be a landmark building in Shenyang, the largest city in north-east China. This 855,100 square meter complex is located on a prime site on Qingnian Da Jie, known as the “Golden Corridor”, the thoroughfare that runs through the heart of Shenyang and undoubtedly one of the most desirable development sites in the city. The adjacent new metro line provides customers with convenient access directly from the station.

A four level retail mall sits atop a four level basement and provides premier shopping facilities, including the world’s top luxury brands. Forum 66 will offer two international standard hotels, one serviced apartment block, and three Grade-A office towers, two of which will be twin 360m-high mega towers and will become the tallest buildings in Shenyang upon completion.

In 2008, the office towers were awarded the “Precertification under Leadership in Energy and Environmental Design (LEED) for Core and Shell Development Gold Level” by the U.S. Green Building Council. In 2012, the shopping mall was awarded “Certification under Leadership in Energy and Environmental Design (LEED) for Core and Shell Development – Gold Level” by the U.S. Green Building Council.

In 2009, Langdon & Seah were appointed Quantity Surveying consultants by Liaoning Hang Lung Properties Ltd. The retail portions of Forum 66 opened in September 2012, while the first of the twin office towers is scheduled for completion in 2015. It is the client’s second world-class development to be built in Shenyang, following the success of Palace 66 which opened in June 2010.
THE YEAR OF
THE TOWER
Focus on great design

Asia

In 2013, ARCADIS’ architecture company RTKL will oversee the completion of eight new tall and midsize towers in Asia. Seven of these structures can be found in China and one in Indonesia. RTKL, which prides itself in performance-driven design has carved out a niche in the Chinese market a long time ago and is now reaping the benefits of that early presence.

The majority of the tower projects are mixed-use developments merging commercial office space with retail units, generous public plazas, hospitality facilities and a residential apartments.

The tallest tower is the 328m Wuxi Suning Plaza, an office-focused building with 67 floors dedicated to prime commercial space in the region’s industrial center.

Slightly smaller scale is Ciputra World, in Jakarta, Indonesia, a 250m mixed-use tower which blends elements of hospitality, retail, residential and entertainment into a highly sustainable form, encompassing insulated glass, onsite water treatment, high-efficiency mechanical systems and thermal comfort controls.

The ability to offer a diverse range of architectural outcomes sets RTKL apart from the competition. Where other firms have difficulty in current markets, RTKL does what it is really good at: focus on great design that can make the world a better place.
Connecting French cities at high speed
Tours-Bordeaux, France

France, the country that invented high speed rail travel, continues to build on its network of superfast connections. And ARCADIS continues to deliver support in the realization of these connections. In one of the largest PPP contracts ever awarded in France, ARCADIS is delivering the design of a series of design-build sub-projects within the Tours-Bordeaux South Europe Atlantic high speed railway line. The client, Vinci owned concession company (LISEA) realizes for Réseau Ferré de France (RFF), the largest high speed railway line (HSL) project launched in Europe, amounting to a total amount of €7.8 billion, which includes €6.2 billion of infrastructure works and railway equipment.

At 300 kilometers in length, the new HSL between Tours and Bordeaux will allow travelers to reach Bordeaux from Paris in 2 hours and 5 minutes and consists of approximately 400 bridges and 17 railway connections representing 40 additional kilometers. During the conception phase, ARCADIS manages the group of designers involved in this part of the project and coordinates the final infrastructure design for two of the 15 geographical segments of the line, including a rail link. ARCADIS also handles associated administrative procedures, manages geotechnics and the design of seven concrete main bridges. During the realization phase, ARCADIS manage the detail-design and external control of almost 200 bridges distributed on the whole HSL, as well as the detail-design of two segments of earth & civil works including earthworks, access restoration, hydraulics and environmental work, and two railway connections for about 50 kilometers.
## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31 Before allocation of profit

### In EUR 1,000

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>596,214</td>
<td>501,257</td>
</tr>
<tr>
<td>Property, plant &amp; equipment</td>
<td>79,176</td>
<td>73,895</td>
</tr>
<tr>
<td>Investments in associates</td>
<td>29,984</td>
<td>23,974</td>
</tr>
<tr>
<td>Other investments</td>
<td>842</td>
<td>191</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>38,441</td>
<td>34,201</td>
</tr>
<tr>
<td>Derivatives</td>
<td>25,705</td>
<td>18,341</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>770,362</td>
<td>651,859</td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>679</td>
<td>893</td>
</tr>
<tr>
<td>Derivatives</td>
<td>1,644</td>
<td>736</td>
</tr>
<tr>
<td>Unbilled receivables</td>
<td>719,180</td>
<td>691,894</td>
</tr>
<tr>
<td>Corporate income tax receivable</td>
<td>11,770</td>
<td>8,825</td>
</tr>
<tr>
<td>Other current assets</td>
<td>38,138</td>
<td>46,545</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>229,097</td>
<td>158,203</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>1,000,508</td>
<td>907,096</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>1,770,870</td>
<td>1,558,955</td>
</tr>
</tbody>
</table>

### Equity and liabilities

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders’ equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>1,481</td>
<td>1,437</td>
</tr>
<tr>
<td>Share premium</td>
<td>201,545</td>
<td>168,380</td>
</tr>
<tr>
<td>Translation reserve</td>
<td>(27,859)</td>
<td>(18,074)</td>
</tr>
<tr>
<td>Hedging reserve</td>
<td>(4,845)</td>
<td>(6,217)</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>276,266</td>
<td>230,412</td>
</tr>
<tr>
<td>Net income</td>
<td>88,974</td>
<td>79,507</td>
</tr>
<tr>
<td><strong>Total equity attributable to equity holders of the Company</strong></td>
<td>535,562</td>
<td>455,445</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>1,101</td>
<td>(94)</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>536,663</td>
<td>455,351</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions for employee benefits</td>
<td>35,162</td>
<td>38,566</td>
</tr>
<tr>
<td>Provisions for other liabilities and charges</td>
<td>24,386</td>
<td>13,175</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>24,386</td>
<td>13,175</td>
</tr>
<tr>
<td>Loans and borrowings</td>
<td>300,505</td>
<td>371,431</td>
</tr>
<tr>
<td>Derivatives</td>
<td>3,832</td>
<td>5,181</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td>405,014</td>
<td>451,181</td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Billing in excess of cost</td>
<td>177,410</td>
<td>169,227</td>
</tr>
<tr>
<td>Corporate tax liabilities</td>
<td>13,942</td>
<td>10,265</td>
</tr>
<tr>
<td>Current portion of loans and borrowings</td>
<td>68,686</td>
<td>664</td>
</tr>
<tr>
<td>Current portion of provisions</td>
<td>9,681</td>
<td>10,719</td>
</tr>
<tr>
<td>Derivatives</td>
<td>810</td>
<td>8,257</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>135,772</td>
<td>154,276</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>37,208</td>
<td>32,120</td>
</tr>
<tr>
<td>Bank overdrafts</td>
<td>51,271</td>
<td>5,509</td>
</tr>
<tr>
<td>Short-term borrowings</td>
<td>80,543</td>
<td>38,123</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>253,870</td>
<td>223,263</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>829,193</td>
<td>652,423</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>1,234,207</td>
<td>1,103,604</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td>1,770,870</td>
<td>1,558,955</td>
</tr>
</tbody>
</table>
# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross revenue</strong></td>
<td>2,544,462</td>
<td>2,017,365</td>
</tr>
<tr>
<td>Materials, services of third parties and subcontractors</td>
<td>(666,236)</td>
<td>(574,025)</td>
</tr>
<tr>
<td><strong>Net revenue</strong></td>
<td>1,878,226</td>
<td>1,443,340</td>
</tr>
<tr>
<td>Personnel costs</td>
<td>(1,382,498)</td>
<td>(1,039,318)</td>
</tr>
<tr>
<td><strong>Other operational costs</strong></td>
<td>(298,287)</td>
<td>(245,148)</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>(32,541)</td>
<td>(27,651)</td>
</tr>
<tr>
<td>Amortization other intangible assets</td>
<td>(14,910)</td>
<td>(5,384)</td>
</tr>
<tr>
<td><strong>Other income</strong></td>
<td>1,490</td>
<td>13,147</td>
</tr>
<tr>
<td><strong>Total operational costs</strong></td>
<td>(1,726,746)</td>
<td>(1,304,354)</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>151,480</td>
<td>138,986</td>
</tr>
<tr>
<td>Finance income</td>
<td>2,868</td>
<td>7,151</td>
</tr>
<tr>
<td>Finance expenses</td>
<td>(25,106)</td>
<td>(27,524)</td>
</tr>
<tr>
<td>Fair value change of derivatives</td>
<td>399</td>
<td>(2,967)</td>
</tr>
<tr>
<td><strong>Net finance expense</strong></td>
<td>(21,839)</td>
<td>(23,340)</td>
</tr>
<tr>
<td>Income from associates</td>
<td>(3,048)</td>
<td>267</td>
</tr>
<tr>
<td><strong>Profit before income tax</strong></td>
<td>126,593</td>
<td>115,913</td>
</tr>
<tr>
<td>Income taxes</td>
<td>(36,400)</td>
<td>(32,427)</td>
</tr>
<tr>
<td><strong>Profit for the period</strong></td>
<td>90,193</td>
<td>83,486</td>
</tr>
</tbody>
</table>

**Other comprehensive income, net of income tax**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exchange rate differences for foreign operations</td>
<td>(9,810)</td>
<td>2,800</td>
</tr>
<tr>
<td>Effective portion of changes in fair value of cash flow hedges</td>
<td>1,372</td>
<td>(2,274)</td>
</tr>
<tr>
<td>Changes related to post-employment benefit obligations</td>
<td>(415)</td>
<td>(4,100)</td>
</tr>
<tr>
<td><strong>Other comprehensive income, net of income tax</strong></td>
<td>(8,853)</td>
<td>(3,574)</td>
</tr>
<tr>
<td><strong>Total comprehensive income for the period</strong></td>
<td>81,340</td>
<td>79,912</td>
</tr>
</tbody>
</table>

**Net income from operations**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit for the period attributable to equity holders of the company (net income)</td>
<td>88,974</td>
<td>79,507</td>
</tr>
<tr>
<td>Amortization identifiable intangible assets, net of taxes</td>
<td>11,388</td>
<td>3,620</td>
</tr>
<tr>
<td>Effects of financial instruments</td>
<td>-</td>
<td>1,460</td>
</tr>
<tr>
<td>Non-recurring 1)</td>
<td>4,158</td>
<td>(3,340)</td>
</tr>
<tr>
<td>Lovinklaan employee share purchase plan 2)</td>
<td>530</td>
<td>328</td>
</tr>
<tr>
<td><strong>Net income from operations</strong></td>
<td>105,050</td>
<td>81,575</td>
</tr>
</tbody>
</table>

**Profit attributable to:**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity holders of the Company (net income)</td>
<td>88,974</td>
<td>79,507</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>1,219</td>
<td>3,979</td>
</tr>
<tr>
<td><strong>Profit for the period</strong></td>
<td>90,193</td>
<td>83,486</td>
</tr>
</tbody>
</table>

**Total comprehensive income attributable to:**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity holders of the Company</td>
<td>80,146</td>
<td>75,917</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>1,194</td>
<td>3,995</td>
</tr>
<tr>
<td><strong>Total comprehensive income for the period</strong></td>
<td>81,340</td>
<td>79,912</td>
</tr>
</tbody>
</table>

**Earnings per share (in euros)**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic earnings per share</td>
<td>1.26</td>
<td>1.20</td>
</tr>
<tr>
<td>Diluted earnings per share</td>
<td>1.23</td>
<td>1.17</td>
</tr>
</tbody>
</table>

**Net income from operations per share** 3) (in euros)

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic earnings per share</td>
<td>1.49</td>
<td>1.23</td>
</tr>
<tr>
<td>Diluted earnings per share</td>
<td>1.45</td>
<td>1.20</td>
</tr>
</tbody>
</table>

---

1) The non-recurring result in 2012 relates to the acquisition costs of Langdon & Seah, while in 2011 the book profit on the divestment of ARCADIS Aqumen Facility Management and the acquisition costs of EC Harris were included.

2) The Lovinklaan employee share purchase plan is controlled by the Lovinklaan Foundation and the Company has no influence on this scheme. Accordingly, the Company does consider the related share-based payments expenses as non-operational expenses.

3) This is a unaudited non-GAAP performance measure, to make the underlying performance of our business more transparent.
### CONSOLIDATED STATEMENT OF CASH FLOWS
**FOR THE YEAR ENDED DECEMBER 31**

**In EUR 1,000**

<table>
<thead>
<tr>
<th>Cash flows from operating activities</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit for the period</td>
<td>90,193</td>
<td>83,486</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>47,451</td>
<td>33,035</td>
</tr>
<tr>
<td>Taxes on income</td>
<td>36,400</td>
<td>32,427</td>
</tr>
<tr>
<td>Net finance expense</td>
<td>21,839</td>
<td>23,340</td>
</tr>
<tr>
<td>Income from associates</td>
<td>3,048</td>
<td>(267)</td>
</tr>
<tr>
<td></td>
<td><strong>198,931</strong></td>
<td><strong>172,021</strong></td>
</tr>
<tr>
<td>Share-based compensation</td>
<td>7,908</td>
<td>6,788</td>
</tr>
<tr>
<td>Sale of activities, net of cost</td>
<td></td>
<td>(13,000)</td>
</tr>
<tr>
<td>Change in operational derivatives</td>
<td>356</td>
<td>(6,387)</td>
</tr>
<tr>
<td>Settlement of operational derivatives</td>
<td>(628)</td>
<td>6,044</td>
</tr>
<tr>
<td>Change in inventories</td>
<td>219</td>
<td>(251)</td>
</tr>
<tr>
<td>Change in receivables</td>
<td>24,491</td>
<td>(48,400)</td>
</tr>
<tr>
<td>Change in provisions</td>
<td>(2,530)</td>
<td>2,319</td>
</tr>
<tr>
<td>Change in billing in excess of costs</td>
<td>(14,218)</td>
<td>4,934</td>
</tr>
<tr>
<td>Change in current liabilities</td>
<td>(10,137)</td>
<td>11,202</td>
</tr>
<tr>
<td>Dividend received</td>
<td>918</td>
<td>226</td>
</tr>
<tr>
<td>Interest received</td>
<td>3,086</td>
<td>3,899</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(22,905)</td>
<td>(27,569)</td>
</tr>
<tr>
<td>Corporate tax paid</td>
<td>(27,258)</td>
<td>(32,199)</td>
</tr>
<tr>
<td><strong>Net cash flow from operating activities</strong></td>
<td><strong>158,033</strong></td>
<td><strong>79,627</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from investing activities</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments in (intangible assets</td>
<td>(34,801)</td>
<td>(35,267)</td>
</tr>
<tr>
<td>Proceeds from sale of (intangible assets</td>
<td>1,175</td>
<td>551</td>
</tr>
<tr>
<td>Investments in consolidated companies</td>
<td>(72,641)</td>
<td>(86,966)</td>
</tr>
<tr>
<td>Proceeds from sale of consolidated companies</td>
<td>5,790</td>
<td></td>
</tr>
<tr>
<td>Investments in associates and other investments</td>
<td>(11,089)</td>
<td>(101)</td>
</tr>
<tr>
<td>Proceeds from sale of associates and other investments</td>
<td></td>
<td>33</td>
</tr>
<tr>
<td>Investments in other non-current assets</td>
<td>(4,390)</td>
<td>(22,770)</td>
</tr>
<tr>
<td>Proceeds from (sale of) other non-current assets</td>
<td>3,182</td>
<td>13,992</td>
</tr>
<tr>
<td><strong>Net cash flow used in investing activities</strong></td>
<td><strong>(118,564)</strong></td>
<td><strong>(124,738)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from financing activities</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from exercise of options</td>
<td>17,889</td>
<td>3,343</td>
</tr>
<tr>
<td>Purchase of own shares</td>
<td>(28,460)</td>
<td>(21,599)</td>
</tr>
<tr>
<td>Settlement of financing derivatives</td>
<td>(6,441)</td>
<td>(4,276)</td>
</tr>
<tr>
<td>New long-term loans and borrowings</td>
<td>894</td>
<td>347,906</td>
</tr>
<tr>
<td>Repayment of long-term loans and borrowings</td>
<td>(705)</td>
<td>(322,785)</td>
</tr>
<tr>
<td>New short-term borrowings</td>
<td>80,287</td>
<td>38,103</td>
</tr>
<tr>
<td>Repayment of short-term borrowings</td>
<td>(38,089)</td>
<td>(12,049)</td>
</tr>
<tr>
<td>Dividend paid</td>
<td>(33,454)</td>
<td>(33,178)</td>
</tr>
<tr>
<td><strong>Net cash flow from financing activities</strong></td>
<td><strong>(8,079)</strong></td>
<td><strong>(4,535)</strong></td>
</tr>
</tbody>
</table>

| Net change in cash and cash equivalents less bank overdrafts | 31,390 | (49,646) |
| Exchange rate differences             | (6,258) | 4,108 |
| Cash and cash equivalents less bank overdrafts at January 1 | 152,694 | 198,232 |
| **Cash and cash equivalents less bank overdrafts at December 31** | **177,826** | **152,694** |
OUR TEAM

1. Neil C. McArthur, BSc, MBA, MIMechE, FRICS (1961), British nationality
   CEO and Chairman of the Executive Board since 2012

2. Steven B. Blake, MSc (1956), U.S. nationality
   Member of the Executive Board since 2010
   CEO ARCADIS U.S., Inc. since 2003

3. Stephanie Hottenhuis, MB, MA (1965), Dutch nationality
   Member of the Executive Board since 2012

4. Friedrich M.T. Schneider, MA, PhD (1962), German nationality
   Member of the Executive Board since 2006

5. Renier Vree, MSc (1964), Dutch nationality
   Chief Financial Officer since 2010

6. Richard Clare, BSc, MRICS (1953), British nationality
   Corporate Senior Vice President ARCADIS NV since 2012

7. Tom Haak, MSc (1956), Dutch nationality
   Corporate Director Human Resources since 2006

8. Gerard Spans, MSc (1966), Dutch nationality
   Chief Information Officer since 2013

9. Roland van Dijk, MSc, MBA (1970), Dutch nationality
   Director of Mergers and Acquisitions since 2012

10. Julien Cayet, MBA (1970), French nationality
    Director Strategy since 2012

11. Joost Slooten (1961), Dutch nationality
    Director Corporate Communications and Investor Relations since 2011
12. Bill Dee, BSCE, MSEE (1948), U.S. nationality
Global Director Water since 2010

13. Mark Fenner, BSc, MBA (1958), U.S. nationality
Global Director Environment since 2012

14. Yann Leblais, MSc (1952), French nationality
Global Director Infrastructure since 2009

15. Matt Bennion, BSc (Hons), FRICS (1971), British nationality
Global Director Buildings since 2012

16. Bartheke Weerstra, LLM (1973), Dutch nationality
General Counsel & Company Secretary since 2010

17. Manoel da Silva, MSc (1953), Brazilian nationality
CEO ARCADIS Logos Ltda. since 2008

18. Gary Coates, BSc, (1951), U.S. Nationality
COO ARCADIS U.S., Inc. since 2010

19. Rob Mooren, MSc (1956), Dutch nationality
CEO ARCADIS Nederland BV since 2009

20. Lance Josal, FAIA (1955), U.S. nationality
CEO RTKL Associates Inc. since 2009

21. Philip Youell, MBA, MCIM (1960), British Nationality
CEO EC Harris Ltd. since 2003

22. Joseph Lee, FRICS, (1953), Chinese nationality
CEO Langdon & Seah since 2005

23. David Sparrow, BSc (Hons), MRICS (1959), British nationality
Global Director Multinational Clients since 2012

GLOBAL BUSINESS LINE DIRECTORS

OTHER MEMBERS SENIOR MANAGEMENT COMMITTEE
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Lance K. Josal, FAIA

GLOBAL REACH

More Than 300 Offices In 40 Countries
Langdon & Seah is supporting Bitexco Group to deliver a luxury five-star, city-center hotel for the Ritz Carlton Hotel Group. Inspired by the ancient Vietnamese legend of the two dragons, the unique design of the US$ 500 million complex will feature twin towers in the shape of dragons to symbolize strength and prosperity. The One is due to open in 2015 and will comprise offices in the lower half of the towers, with the Ritz Carlton Hotel situated above.

The One
Ho Chi Minh City, Vietnam

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CS Blue, London, United Kingdom
ARCADiS Corporate Communications, Amsterdam, the Netherlands

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Andy Kwek (cover photo)

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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.

Cover image:
Gardens by the Bay, a Langdon & Seah project

(Photo courtesy of Gardens by the Bay Andy Kwek)