Mr. Slooten: Thank you, Patricia, good morning and good afternoon. My name is Joost Slooten and I am the Director of Investor Relations for ARCADIS. I would like to welcome you to this ARCADIS analyst meeting and webcast. We are here to discuss the company's full year 2014 results, which were released this morning. With us here in the meeting are Neil McArthur, Chief Executive Officer, and Renier Vree, Chief Financial Officer. The PowerPoint presentation that is used is available through the investor section of the ARCADIS website, for which the address is www.arcadis.com/investors. Again, the address is www.arcadis.com/investors.
Disclaimer

Statements included in this presentation that are not historical facts (including any statements concerning investment objectives, other plans and objectives of management for future operations or economic performance, or assumptions or forecasts related thereto) are forward looking statements. These statements are only predictions and are not guarantees. Actual events or the results of our operations could differ materially from those expressed or implied in the forward looking statements. Forward looking statements are typically identified by the use of terms such as "may," "will," "should," "expect," "could," "intend," "plan," "anticipate," "estimate," "believe," "continue," "predict," "potential" or the negative of such terms and other comparable terminology.

The forward looking statements are based upon our current expectations, plans, estimates, assumptions and beliefs that involve numerous risks and uncertainties. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. Although we believe that the expectations reflected in such forward looking statements are based on reasonable assumptions, our actual results and performance could differ materially from those set forth in the forward looking statements.

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

With these formalities out of the way, Neil, please begin!

Mr. McArthur: Thank you, Joost, and welcome everybody to our webcast and to those who are live here in the room. I am going to start with an apology. My voice sounds very strange, because I am unfortunately suffering from a very heavy cold at the moment, so there will be some coughing during this presentation. If my voice gives up completely Renier Vree, our CFO, is going to take over.
What do we have in store today? I am going to give you a quick overview of the annual results and then Renier is going to go into the detail of the fourth quarter and the financials for the full year. I will then come back and talk about our strategic progress to date, one year into our strategy. I will talk about Performance Excellence, a core cornerstone of our strategy going forward and what we are doing with North America and give some comments on our outlook for 2015. Then we will move into Q&A.
We delivered good fourth quarter results and a strong year in 2014. Net revenues were up 7% and we were able to deliver organic growth of 1% globally. That is a tale of two parts: we delivered 5% organic growth outside of North America and, as you will have seen in the press release, for the full year we had a negative organic growth in North America of minus 5%. But overall, organic growth was plus 1% for the year.

Operating EBITA was up 8% with the full year operating margin at 10.1%. Net income from operations was up 11% at EUR 123.6 million. In ONEurope we achieved our target, generating 10.2% operating margin in the fourth quarter.

Free cash flow exceeds net income, free cash flow being EUR 103.4 million. On the basis of the performance in the year, we are proposing a 5% increase to our dividend at EUR 0.60 per share.

Looking a little bit forward into 2015 and beyond. The backlog was up 41% with an organic increase across all business lines and regions at plus 7%. Our outlook for 2015 is a significant increase in both revenues and profit.
If we look at the portfolio, on the left hand side geographically and on the right hand side by global business lines, you see North America 35% of our net revenue. We suffered a decline in revenues but a higher backlog and still good margin in North America. We will talk a little bit more about that towards the end of the presentation. Emerging markets, high growth across both the Middle East and Asia and strong margin at 11.1% for the year. In Continental Europe, we are seeing a return to organic growth – 3% for the year – and margin reached, as I said, 10.2% in the fourth quarter, reaching our target. The United Kingdom showed good growth and margin improved to 9.9%.

If we have a look by global business lines and infrastructure, we see 27% of net revenues in 2014. We had growth in all markets, except Latin America, due to the continued decline in capex spending in mining. We improved our margin.

Water: weak in the mature markets but strong growth in the emerging markets and stable margins at 8.8%.

Environment: now 25% of our net revenues, a decline due to the strong competition as we are guiding for in the US but good but declining margins, still at above 10%.

In terms of building, now 34% of our net revenue, we had growth in all regions and good and improved margins at 10.5%.
Significant strategic progress during 2014

Sustainable growth
1. Organic growth
   - Significant investments (EUR 9 million) including 35 new global leaders to drive organic growth: Big Urban Clients, Global Market Sector and Core Value Proposition leaders
   - Good progress outside North America, +5%
2. Acquisitions
   - Two major deals strengthen our design and engineering capabilities globally, Hyder Consulting and Callison
   - Two small deals further expand our core: inProjects (Asia) and Franz (Canada)

Performance
- Global performance excellence diagnostic complete
- Quick wins being implemented

Collaboration
- New operating model Europe improves operating margin from 3.2% to 10.2% in 18 months
- Regional operating model implemented in UK, Middle East, Latin America and Asia
- Evolved operating model for North America

Remember we launched our strategy of sustainable growth and at the core of everything that we do, is that little picture on the top right hand side. It is very important and is at the core of everything that we do, performance and collaboration. We made significant progress during 2014 on all dimensions.

Sustainable growth, organically: we invested EUR 9 million in 35 new leaders on a global basis to drive organic growth, those being in our Big Urban Clients initiatives focusing on 12 major cities around the world, global market sectors – 6 of those -- and our Core Value Proposition leaders – 18 of those – to help drive organic growth globally. We believe we are making very good progress outside of North America where we delivered 5% organic growth, as I said earlier.

In terms of acquisitions a key part of the strategy for the 3-year period: we had two major deals strengthening our design and engineering capabilities globally, both Hyder and Callison, and two smaller deals expanding our core business with inProjects in Asia and Franz Environmental in Canada.

Under performance Performance Excellence diagnostic was completed on a global basis in June, the first half of the year. Quick wins are already being implemented in some of the major regions. I will come back and talk about Performance Excellence later.
In terms of collaboration, you see the new pan-European operating model improved our margin from 3.2% in Continental Europe at 10.2% in just 18 months. The regional operating model is also being implemented in the UK, in the Middle East and in Latin America, announced from 1st January this year combining Landon & Seah and EC Harris in Asia and going forward as ARCADIS Asia.

We have also evolved our operating model in North America. Again, when I talk about North America, towards the end of the presentation I will give some more details around that.

ONEurope achieves goal: 10.2% operating margin in Q4

ONEurope, we achieved our goal, as I said of 10.2% operating margin in the fourth quarter. We originally had a savings target of EUR 25 million of cost out. We upped that to EUR 32 million and we actually did EUR 33 million.

In terms of restructuring it took a little bit more, EUR 22.9 million in total for making the cost savings that we have been able to deliver.

On the bottom right you can see the very nice improvement in our margins, from first half of 2013 3.2% to the second half in 2014 being 9.2% and the fourth quarter being 10.2%, giving us an 8.5% margin, excluding the impact of the Hyder acquisition in the fourth quarter in Germany.
With that, I would like to hand over to Renier Vree, our CFO, to take us through the fourth quarter results and the full year in more detail.

Mr. Vree: Thank you, Neil. Let’s have a look at the performance in the fourth quarter.
Good performance in the fourth quarter

<table>
<thead>
<tr>
<th>€ millions</th>
<th>Q4 2014</th>
<th>Q4 2013</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross revenues</td>
<td>600</td>
<td>643</td>
<td>+26%</td>
</tr>
<tr>
<td>Organic gross revenue growth</td>
<td>-7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net revenues</td>
<td>600</td>
<td>488</td>
<td>+30%</td>
</tr>
<tr>
<td>Organic net revenue growth</td>
<td>+9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBITA</td>
<td>50.0</td>
<td>44.9</td>
<td>+13%</td>
</tr>
<tr>
<td>Operating EBITA</td>
<td>60.7</td>
<td>50.5</td>
<td>+20%</td>
</tr>
<tr>
<td>Operating EBITA margin</td>
<td>10.0%</td>
<td>10.8%</td>
<td></td>
</tr>
</tbody>
</table>

- Currency effect: Gross revenues +5%; Net revenues +5%; EBITA +7%
- Restructuring and integration costs: €9.0 million (Q4 2013: €6.5 million), mainly Europe
- Acquisition-related costs: €2.1 million (Q4 2013: nil)
- Margin somewhat diluted by Hyder

On this slide, you see good growth across all financial parameters, revenues, EBITDA and operating EBITA. This quarter is also helped by the currency developments. That is a significant change compared to prior quarters and prior years. In the quarter, we recorded EUR 8 million of restructuring charges, most of those for finishing the work on the ONEurope programme. We also had to pay for the final piece of the acquisition-related charges related to the Hyder transaction.
On this slide, we see the development of the operating EBITA in a graphical way. You see how currency contributed with EUR 3 million in the quarter and that the acquisitions added almost EUR 12 million to this. Organically, there was a decline and that decline was a consequence of two factors. On the one hand, there was significant improvement of the margin in Continental Europe and, as we have seen also in other pieces of information, Neil just mentioned with lower revenues and margin in North America the net impact is a decline in terms of organic EBITA development.
Full year 2014 net income from operations up +11%

<table>
<thead>
<tr>
<th>€ millions</th>
<th>FY 2014</th>
<th>FY 2013</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross revenues</td>
<td>2,635</td>
<td>2,516</td>
<td>+5%</td>
</tr>
<tr>
<td>Organic gross revenue growth</td>
<td>0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net revenues</td>
<td>2,016</td>
<td>1,933</td>
<td>+7%</td>
</tr>
<tr>
<td>Organic net revenue growth</td>
<td>+1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBITA</td>
<td>174.5</td>
<td>167.7</td>
<td>+4%</td>
</tr>
<tr>
<td>Operating EBITA</td>
<td>202.9</td>
<td>196.4</td>
<td>+0%</td>
</tr>
<tr>
<td>Operating EBITA margin</td>
<td>10.1%</td>
<td>10.0%</td>
<td></td>
</tr>
<tr>
<td>Net income from operations</td>
<td>123.5</td>
<td>111.1</td>
<td>+11%</td>
</tr>
<tr>
<td>EPS (in €)</td>
<td>1.66</td>
<td>1.54</td>
<td>+8%</td>
</tr>
</tbody>
</table>

- Currency effects: Gross revenues 0%; Net revenues -1%; EBITA -1%
- Restructuring and integration costs: €15.1 million (FY 2013: €19.6 million)
- Acquisition-related costs: €13.3 million (FY 2013: €1.1 million)
- Margin somewhat diluted by Hyder and performance excellence initiatives

Here, we see the figures for the full year. We are pleased to see that we have increases on all of the lines: 5% on gross and 7% on net revenues, with EBITA improvement. Net income from operations is even growing by 11%, also helped by lower interest charges for the year. Earnings per share were up 8%, also taking into account the increased number of shares that we have outstanding by the year.

In the end we had EUR 15 million of restructuring and integration charges for the full year and the total charges made for the major transactions, particularly for Hyder and Callison, added up to EUR 13 million.

The margin on a year-for-year comparison was somewhat impacted by Hyder but also for the cost we made on Performance Excellence, as Neil will allude to later on.
Operating EBITA full year 2014

- Acquisitions relate to Hydor, Callison, inProjects, Franz
- Organic EBITA growth up in Continental Europe and UK, partially offset by North America

Also here, graphically. For the full year, the currency impact was very close to zero. Acquisitions had a positive impact. For the full year, the organic of EBITA was positive and here both Continental Europe and the UK did well with some offset from the North American activities.
Here, we have the spaghetti chart as Neil calls it, where you see the development of the organic growth of the four business lines. What is clear from this is that Buildings did very well and organic growth contributed to basically all regions of ARCADIS, including the acquisitions made in the past. You see that Infrastructure and Water were slightly below zero and I will give some more details in the upcoming slides, while the Environmental business was the one that was dragging down organic growth and has particularly a consequence of the developments in North America.
Here we have an overview of the operating EBITA margin over the last twelve quarters. You see here that our margin is really resilient, also again in the fourth quarter at 10%, somewhat impacted by the effect that I just mentioned, but if we take the three-year view it is resilient. Nevertheless, we are aiming at the over 11% target and that is also why this Performance Excellence programme – of which we will give more details in a minute – is so important for ARCADIS.
The free cash flow was at a good level, despite the fact that our working capital increased to over 18%. The main reason for that increase was the impact of the acquisitions. Hyder and Callison have significantly higher working capital needs than ARCADIS, partly because of the way they do their management of the working capital and partly because of their client base and geographies they are active in. As mentioned in the past year, we have seen that clients in the natural resources sector, like mining and oil and gas, have delayed making payments, which also impacted our working capital. As part of the integration process we will help the acquired companies to get their working capital level closer to where we were as a company prior to the acquisitions.

Net debt increased because of the loans we took out to fund the acquisitions but also the stronger US dollar in the fourth quarter had an impact: approximately EUR 20 million of impact was seen from the currency.
Our net debt ended at EUR 522 million. That means that if you calculate your net debt over EBITDA per year-end taking the full year impact of the acquisitions into account, we ended at the level of 2.0, which is equal to what we have guided for towards the end of last year. The average for the year, the total we calculate for our bank covenants -- we calculate the figure per the end of June and the end of December and then take the average – was at the level of 1.5.

The graph on the lower half of the page shows how our facilities with our lenders and banks are in terms of timing and the types of funds. You see there a good diversification of our funds. Also the spread of the maturities is attractive.

We have a bridge loan in place remaining for Hyder of still EUR 119 million outstanding. We have until October. We do not take the option to extend that, to refinance that loan. You can imagine this is one of the priorities that we are working on to take care of that.
Let's move to the overview of the business lines.

**Business lines**

**INFRASTRUCTURE**

**WATER**

**ENVIRONMENT**

**BUILDINGS**

---

Growth across all business lines

---

**Gross revenues Full Year ($ billion)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Water</th>
<th>Energy</th>
<th>Engineering</th>
<th>Buildings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>2.62</td>
<td>15%</td>
<td>33%</td>
<td>19%</td>
</tr>
<tr>
<td>2012</td>
<td>2.54</td>
<td>25%</td>
<td>34%</td>
<td>16%</td>
</tr>
<tr>
<td>2013</td>
<td>2.62</td>
<td>28%</td>
<td>33%</td>
<td>15%</td>
</tr>
<tr>
<td>2014</td>
<td>2.63</td>
<td>25%</td>
<td>14%</td>
<td>32%</td>
</tr>
</tbody>
</table>

CAGR 9%  

+ 6%  

+ 4%  

+ 0%  

+ 31%}

---

1. **CAGR** - Compound Annual Growth Rate
This is an overview of the last four years of the developments in ARCADIS. We see that gross revenues has a CARG of 9% whereby the most significant increase has been in the Buildings business line, when the Compound Annual Growth Rate has been 31%. Also, there was growth in Infrastructure and Water.

**Strong performance in Buildings and Infrastructure**

<table>
<thead>
<tr>
<th>Infrastructure</th>
<th>Water</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>€ millions</td>
<td>FY 2012</td>
</tr>
<tr>
<td>Gross revenues</td>
<td>849.3</td>
</tr>
<tr>
<td>Net revenues</td>
<td>624.7</td>
</tr>
<tr>
<td>Operating EBITA</td>
<td>42.2</td>
</tr>
<tr>
<td>Operating margin</td>
<td>0.9%</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>€ millions</td>
<td>FY 2012</td>
</tr>
<tr>
<td>Gross revenues</td>
<td>398.5</td>
</tr>
<tr>
<td>Net revenues</td>
<td>236.4</td>
</tr>
<tr>
<td>Operating EBITA</td>
<td>26.7</td>
</tr>
<tr>
<td>Operating margin</td>
<td>5.3%</td>
</tr>
</tbody>
</table>

Here, you see the performance over the last three years of the business lines. Let me focus here on the margin development. In Infrastructure we see two years in a row of increasing performance in the margin. The largest contribution here came from Continental Europe, the ONEurope programme significantly improved the margin there. Water had a relatively stable level of just below 9% in 2014. In Environment we see a drop in margin. Again, the developments in North America are the main reason for this reduction. Buildings, which now became our largest business line, has the highest operating EBITA-margin at 10.5%, improving from the performance last year.

Let me go into some more details of the four business lines, starting with Infrastructure.
In overall growth, Hyder will significantly contribute to our revenue development.

**Infrastructure (25% of gross revenues)**

- Hyder acquisition drives growth in UK, Continental Europe, Asia, Middle East and Australia Pacific
- Organic net revenue growth nearly flat
- Organic growth generated in UK, Continental Europe and North America
- Latin America suffered from low levels of capital investments by mining clients
- Operating margin up at 9.9% (2013: 8.8%)
That will take place in the UK, Continental Europe, Asia and the Middle East, and also the new region, which we now call Australia Pacific. For the year 2014, the organic developments of net revenue was nearly flat. We had growth in the UK where especially Rail was developing very well. Also in Continental Europe, which we think is a very positive development in a market, which is still not easy. Also good growth in North America, which is also a reason why we think we can do even better in focusing on infrastructure in North America. Latin America, as we have seen earlier, was impacted by the fact that the mining clients are spending less in capital investments, which overall had a negative impact on organic growth. Backlog was up by 5% organically.

Moving on to the Water business, we see here a nice picture of the Big U-project in New York.
We have seen very strong growth of the Water activities in Latin America. In North America the municipal market, despite the pent-up demand that everybody is seeing did not show overall revenue growth yet. Continental Europe was slightly down, while in the UK we saw a flat development of our revenues. Overall, already in the fourth quarter we did see the impact that Hyder made in the Water activities in the UK and also in the Middle East.

We had some nice project wins, even iconic ones, in North America and Continental Europe. You may have seen some of the press releases we have issued about this. The backlog for Water went up by 7% organically.
Let’s move on to the Environmental business.

Environment (29% of gross revenues)

- North America revenues decline
- France strengthens position Canada
- US Federal market soft, competition private sector still strong
- Continental Europe relatively stable
- Lower revenues in UK
- Strong growth in Latin America
- Operating margin at 10.3% lower due to increased competition US (2013: 12.2%)
In North America revenues declined. We did make an investment in the Environmental business in Canada with a company called Franz last year. Throughout the year, we saw that the federal market in the US has been soft and as a consequence you probably know that our position in a federal market is not a very significant one. Many of our competitors are and therefore, competition intensified in the private sector environmental business in North America. In Continental Europe revenues were stable and slightly lower in the UK, while Latin America also here was able to grow significantly. The backlog for Environment went up by 4% organically.

Finally, Buildings.

- Plan, design, create, operate and regenerate buildings
- Sustainability by design, built asset consultancy, large scale program, project and cost management
Here also, acquisitions played a role in growing the top line. Callison is fully active in Buildings, Hyder has significant activities in this area and also inProjects, the company we acquired last year in Asia is also working with buildings' surfaces.

The emerging markets had the strongest organic growth here, particularly the Middle East did very well but also Asia had significant growth. In Continental Europe we were able to grow our Buildings activities and also in the UK, not just in London but also in the neighbouring cities like Manchester we have seen good growth. In North America, we saw the Buildings business developing well and also architectural services in all three of our business lines within Architecture, which is commercial, work place and healthcare, were picking up. The backlog organically improved also at a good rate of 10%.
Let me give you an overview of the regions.

**Strong organic growth in emerging markets; largest region by headcount**

- **Gross revenues Full Year (€ billions)**
  - 2011: 21.2
  - 2012: 21.5
  - 2013: 21.6
  - 2014: 21.9

- **Headcount at December 31st (thousands)**
  - 2011: 18,412
  - 2012: 19,709
  - 2013: 21,719
  - 2014: 21,912

**CAGR**
- **Europe**
  - 1.1%
- **Continental Europe**
  - 4%
- **United Kingdom**
  - 52%
- **Emerging Markets**
  - 25%
- **Work Services**
  - 15%

**Notes**
- CAGR: Compound Annual Growth Rate
- **NA** includes Americas and Pacific

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When you look at how gross revenues have developed over the last years, you can see that there are two regions that most significantly have grown. On the one hand that is the emerging markets, where there was a CAGR of 35% and on the other hand the United Kingdom with a CAGR of almost 50% growth year on year.

In terms of headcount the picture is a bit similar because of the different wages in those countries. It is slightly different where the impact in headcount is even the largest in the emerging markets at 44% average growth rate.

Europe returns to growth, investments made globally to grow organically and for performance excellence

<table>
<thead>
<tr>
<th>North America</th>
<th>Emerging Markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross revenues</td>
<td>1,144</td>
</tr>
<tr>
<td>Net revenues</td>
<td>759.4</td>
</tr>
<tr>
<td>Operating EBITA</td>
<td>91.7</td>
</tr>
<tr>
<td>Operating margin</td>
<td>12.2%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Continental Europe</th>
<th>United Kingdom</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ millions</td>
<td>$ millions</td>
</tr>
<tr>
<td>Gross revenues</td>
<td>530.3</td>
</tr>
<tr>
<td>Net revenues</td>
<td>451.0</td>
</tr>
<tr>
<td>Operating EBITA</td>
<td>22.5</td>
</tr>
<tr>
<td>Operating margin</td>
<td>5.0%</td>
</tr>
</tbody>
</table>

On this slide, we see the regional overview in terms of margin, where North America was the one that reduced its margin by just over one percentage point in 2014, mostly because of the impact of lower revenues and also the environmental business, which has within North America the highest margin. There was also a mix impact from that. In the emerging markets, still being at a good level but somewhat lower, the impact is felt from the investments that were reduced by our mining clients in Latin America, where we typically do high-margin projects. In Continental Europe margin improved significantly. As Neil already said, the 8.1% includes the loss that Hyder made in the fourth quarter in Germany. Without it, it is the 8.5% that we saw earlier on in the slide on ONEurope. Finally, the United Kingdom, which based on the good growth that was achieved and the Performance Excellence Initiative already taken there, moved to almost 10% margin.

With that, Neil, I give it back to you.
Mr. McArthur: Thanks, Renier. I am going to go through four things, our strategic progress.

ARCADIS has a clear strategy

**OUR STRATEGY**

- SUSTAINABLE GROWTH
- PERFORMANCE COLLABORATION
- Expand the core
- Focused growth
- M&A

**OUR TARGETS**

2014 – 2016

**GROWTH**

- Organic revenue growth > 5% CAGR
- Inorganic revenue growth > 5% CA DR

**MARGIN**

- Operating EBITA margin > 11%

**CASH**

- Free Cash Flow > Net Income

**RETURN**

- Return on Invested capital > 13%
I will also talk about Performance Excellence as one of the cornerstones of our strategy, North America and then the outlook. Then we will take Q and A.

So first of all, this is the same slide, no changes from what we presented at the Capital Markets Day back in December 2013. We have a clear strategy of sustainable growth and at the core of everything we do performance and collaboration. Sustainable growth had three components. One was expanding our core, so getting muscle also on the places that we already were, the second was a focused growth strategy around 7 priorities and not anything other than the 7 priorities on a truly global basis and the third was focusing our M&A around expanding our core and focus priorities and then the targets that we set over the period for 2014 through 2016.

**Major acquisitions fully aligned with our strategy ...**

<table>
<thead>
<tr>
<th>Focused growth priorities</th>
<th>Hyder</th>
<th>Callison</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expand the core</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Emerging markets</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Big urban clients</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Natural resources</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Environment and water for industry</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Program management</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Business advisory</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Design</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

The major acquisitions that we have done this year are both Hyder and Callison. They are very much fully aligned with the strategy. In terms of expanding the core Hyder clearly improves our business in the UK, in the Middle East and in Asia and Callison clearly in China and in North America. They are also very much aligned with at least 6 out of the 7 focused priorities that we had. So, in terms of emerging markets, Hyder very strong in the Middle East and in Asia, Callison – as I said – in China, Big Urban Clients between Callison and Hyder. We very much enjoy the ability to now bring additional capabilities in half of our Big Urban Clients focused to these, so Los Angeles, New York, London, Doha, Jeddah and Shanghai.
In terms of natural resources, Hyder has some capabilities there that we are able to leverage. Both through program management and business advisory not as a core but also are very much involved in developing that with their clients. And then very much in terms of architectural design and detail engineering design, both significantly complement our capabilities as ARCADIS.

...Improving balance across regions and GBL's

It also improves the balance across our regions and our local business lines. What we have here on the left is a snapshot by region and on the right by global business line, taking three moments in time: going back to 2011 when our gross revenues were EUR 2 billion, two years later at EUR 2.5 billion in 2013 and then pro forma following the two acquisitions in October of what ARCADIS would look like on a pro forma basis giving us EUR 3 billion. So, the first point to note in the three- to four-year period of time, we have grown 50%. If you look at the grey area in the emerging markets, you see that this was 14% of EUR 2 billion gross revenues just three to four years ago and now pro forma at 27% of EUR 3 billion.

Why is that important? Strategically, we said that two thirds of the capital expenditure over the next three to five years is going to be spent in the emerging markets. That is where we want to play our part in. The acquisitions that we have done help us significantly in that respect.

The second point to note is the light shading next down from that, the United Kingdom. We had a relatively small business, not known as one of the leaders in the UK market, which is a
big and growing market, not just for the capabilities that we have in terms of design and engineering, program management and business advisory but it is also the home to many global multinational clients. So again, with first of all EC Harris and later with Callison and with Hyder we have been able to grow on a pro forma basis to 14% of our gross revenue. If you then look at Continental Europe, we are pretty flat in terms of the absolute size. With North America again in terms of absolute size, small growth through that period.

If you then look at the shape of the business, back in 2011 we were very much over-rotated on Environmental. If you look at the growth we have had over this period, pro forma, the biggest one is in Buildings, 39% CAGR through that period and a significant part of our business today.

Infrastructure, which was 27% of EUR 2 billion, is now 27% of –pro forma – EUR 3 billion through the acquisitions that we made.

Water is also growing in absolute terms with a CAGR of 7% through this period, again, complemented most recently by the Hyder acquisition. Then you can see that in line with the type of growth in the mature markets in Environment, we continue to growth the Environmental business around 2%.

So, a much better balance in terms of region where the growth is and in terms of the solutions that we provide through our global business lines.

### Making good progress on strategic targets

<table>
<thead>
<tr>
<th>Strategic targets 2014-2016</th>
<th>2014</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Growth</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organic revenue growth &gt;0% CAGR</td>
<td><strong>1%</strong></td>
<td>North America -5%, rest of world +4%</td>
</tr>
<tr>
<td>Inorganic revenue growth &gt;5% CAGR</td>
<td><strong>6%</strong></td>
<td>Acquired ~450 million in gross revenues during 2014</td>
</tr>
<tr>
<td><strong>Margin</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating EBITA margin &gt;11%</td>
<td><strong>10.1%</strong></td>
<td>Clear path to improve margins through merger synergies and performance excellence</td>
</tr>
<tr>
<td><strong>Cash</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Free cash flow &gt; net income</td>
<td><strong>1.4x</strong></td>
<td>Cash management best practices program will enhance cash flow</td>
</tr>
<tr>
<td><strong>Return</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Return on invested capital &gt;13%</td>
<td><strong>13.7%</strong></td>
<td></td>
</tr>
</tbody>
</table>

*Including acquisitions made in 2014 & 2015*
Let me come back to our strategic targets that we set for the three-year period. One year into the strategy, we believe that we are making very good progress. The five targets that we set for ourselves: organic growth greater than 5% CAGR over the three-year period, we are giving ourselves 'orange' at the moment. That is really a mixture of strong green one-year in outside of North America and red at minus 5% for North America in this first year. In inorganic growth, full green, we delivered in 2014 6%. Clearly, we acquired nearly EUR 500 million of gross revenue in 2014, so that target is clearly met for the whole period.

We delivered 10.1% in margin in 2014. We have a clear path through the amount of synergies and Performance Excellence to achieve our target of greater than 11% by 2016.

Free cash flow greater than net income at 1.1 this year. Our cash management best practices will enhance cash flow moving forward.

Return on invested capital: we delivered 13.7 excluding the acquisitions and 12.2 including the acquisitions in the fourth quarter.

**Leadership priorities 2015**

1. Deliver acquisition synergies through co-creation processes
   - Design to Lead: Callison
   - Evolve to Win: Hyder
   - Canada: Combine SENES, Franz, into ARCADIS Canada

2. Performance Excellence
   - Deliver quick wins
   - Design changes required to further drive performance

3. Return North America to growth, improve margins

What does that mean in terms of leadership priorities for 2015? There are three priorities that we are very much focused on, not just the Executive Board but the whole Senior Management Committee. I am going to talk about each one of these in turn on the next pages.
First of all, deliver acquisition synergies through what we call the co-creation processes of bringing those companies into the full ARCADIS model, so Design to Lead architectural together with Callison, Evolve To Win in the market place for design and engineering with Hyder, and combining SENES in France into ARCADIS Canada.

The second very important pillar is Performance Excellence, where we need to deliver on the quick wins that we have identified but then also design the changes for further improvement. I will talk a little bit about that in a while.

The third is to return North America to growth and improve the margins.

Before we go to Q&A we are going to talk about each one of these three leadership priorities, first of all on the acquisitions.

1. Acquisitions: Callison

- Excellent capabilities and leadership team
- Strong client synergies with RTKL
- Slowdown in China, good growth elsewhere
- Early wins: Callison/RTKL synergy projects:
  - Expansion of Swedish Neuro Institute at Swedish Medical Cherry Hill Campus
  - Meraas Development: Villa Interiors design, Dubai
  - Store locations design for Spanish retailer in the US

Excellent capabilities and leadership team, strong client synergies with RTKL, a real buzz around creating the leading architectural capabilities in the world. There has been a bit of a slow in the tier 3 and tier 4 cities in China but good growth elsewhere. We have early wins on the synergy side, three examples of which are there. The first one was a client relationship that Callison had and we brought in RTKL. We were able to design the overall extension of this medical facility.
The reverse is true on the second one where RTKL had the client relationship doing the design and they brought in Callison to do the interior design.

The third one is where since the relationships that we had in Europe with a Spanish retailer we are able to do now both the retail design and the program management of their store roll-out program in North America including a flagship store in New York.

1. Acquisitions: Hyder

- Excellent capabilities and leadership, including global design excellence centers
- Strong synergy potential in all regions
- Overall business on track with strong performance in UK balancing underperformance of Germany
- Early synergy wins:
  - Crossrail 2 feasibility study, London, UK. Combined project win by Hyder, ARCADIS and EC Harris
  - BIM strategy roll-out for Transport for London
  - Two high rise towers for Chinese developer in Shanghai. Concept architecture being delivered by RTKL and detailed design by Global Design Centre in Manila
  - Lima Airport, design services by Global Design Centre, Manila
  - Welsh Government: Brynglas Tunnel and Procurement advice

Excellent capabilities and leadership, including global design excellence centers. Those really are world class. I have been to both of them in Bangalore and in Manila last year. They are fantastic people and fantastic capabilities, highly-qualified engineers that do great work for our clients on a truly global basis seamlessly.

Strong synergy potential and there is a long list of opportunities that we have that we are closing on.

In terms of the business performance: overall on track with strong performance in the UK, balancing some underperformance that we still have in Germany, but very, very large and significant synergy wins between the capabilities of EC Harris, legacy design engineering capability in ARCADIS and Hyder. The most prominent one that we announced recently is Crossrail 2, the technical and engineering feasibility study and cost study for Crossrail 2, which is a GBP 20 billion expansion in London. We beat out all world class competition there in the UK. That we would never have been able to do that without the combination of
the new ARCADIS with EC Harris’s cost and program management and business advisory expertise, Hyder’s reputation in detailed engineering design and our expertise in tunnelling and engineering design. We beat world class competition for that.

The second is the Business Information Management Strategy roll-out for Transport for London. They run, among other things, the London Underground and EC Harris’s business advisory and Hyder’s technical capabilities won us that piece of work.

The third is RTKL. We have already placed and are working today in Manila on the detailed architectural design of two 68-story towers in Asia being done out of the design center in Manila. Lima Airport, as you will have read about, we won the engineering design for the expansion of Lima airport. Already the order has been placed for approximately 50 people in the design centers as part of the global integrated team. So, we were able to do that on a truly global basis to serve those clients. The last is tunnel and procurement advice, EC Harris and Hyder together with our tunnelling expertise from ARCADIS in Continental Europe, again a great win. So, fantastic acquisitions!

2. Performance: Being the best in all we do, continuous improvement

Core and Enabling Processes
- Clients: Client selection and management, tender and pricing management, sector research
- Value Propositions: Innovative and sustainable solutions, expertise and knowledge management
- Operations: Health & Safety, project management, utilization, access to low cost resources
- Enablers: People development, business steering, innovative technology, marketing
- Partner of choice for key clients
- Recognized as employer of choice
- Top quartile shareholder returns

The second element of the leadership priorities for the year is performance and Performance Excellence. Again, this is the identical slide that we presented at the end of 2013 on our Capital Markets day. What we want to do with performance is be recognised as the best in everything that we do. That requires two things. That requires a willingness to learn from one another and a willingness to share best practices on a truly global basis and
to change the mindset at the continuous improvement that somewhere in ARCADIS that we can learn from one another in order to do everything that we do a little bit better every day.

2. Performance excellence: diagnostic complete, clear path to margin improvement

<table>
<thead>
<tr>
<th>Year</th>
<th>Diagnostic</th>
<th>Quick Wins/Design</th>
<th>Implement</th>
<th>Sustain</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>Global team mobilized</td>
<td>Global diagnostic complete</td>
<td>Performance drivers</td>
<td>Continuous improvement</td>
</tr>
<tr>
<td></td>
<td>Prioritized initiatives</td>
<td>Quick wins</td>
<td>Design performance drivers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pilot quick wins</td>
<td></td>
<td>US</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td>Quick wins</td>
<td>Continental Europe</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Implementation</td>
<td>UK</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
<td>Rest of world</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Architecture</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td></td>
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So what did we do? As you remember, we appointed Curt Cramer as the director of Performance Excellence at the end of 2013. The first thing that Curt did was mobilise a global team and completed over the first half of 2014 a global diagnostic. That meant the team went out and touched and talked to groups of Arcadians worldwide and touched 85% of our revenue. A lot of travel, a lot of detailed workshops and discussions about how do we actually perform work today and the differences in how we perform work today around the world, in coming up with very concrete recommendations about how we can share those best practices and improve both the revenue side of the business, how we interact with our clients and also on the cost side how we actually organise ourselves internally to effectively deliver our solutions for our clients.

In the second half we prioritised those initiatives into a set of quick wins that we piloted during the second half of 2014. A quick win was defined as something that we could easily implement during 2015 that would give us a bottom line improvement and then a set of what we call performance drivers that needed to have longer design, that require perhaps IT-enablement or would take us longer to get to in terms of getting out of leases for offices, et cetera. We call those the performance drivers, so the focus in 2015 is to implement quick
wins in our budgets in 2015 in the three biggest regions, the UK, Continental Europe and the US while at the same time designing those longer-term performance drivers that need more work that will then be implemented in 2016 and move into sustaining those improvements in 2017.

What are those performance drivers that we are talking about?

2. Performance excellence: 5 key performance drivers

<table>
<thead>
<tr>
<th>Performance Driver</th>
<th>Description</th>
<th>Expected outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project management</td>
<td>• Standardised approach to project management based on best practice</td>
<td>• Improved quality of project results, improved margins,</td>
</tr>
<tr>
<td></td>
<td>• Training of project managers</td>
<td>• Improved client satisfaction</td>
</tr>
<tr>
<td>Global design</td>
<td>• Drive organic growth by scaling. Higher global design model</td>
<td>• Increased organic growth</td>
</tr>
<tr>
<td></td>
<td>• Staff and manage design &amp; engineering from most capable and cost effective design excellence center</td>
<td>• Reduced cost of delivery</td>
</tr>
<tr>
<td></td>
<td>• Seamless global delivery</td>
<td>• Seamless global delivery</td>
</tr>
<tr>
<td>Resource optimisation</td>
<td>• Improve flexibility and mobility of people</td>
<td>• Enhanced career development of our people</td>
</tr>
<tr>
<td></td>
<td>• Create larger, more efficient resource pools</td>
<td>• Simplified structure and improved utilisation</td>
</tr>
<tr>
<td>Procurement</td>
<td>• Improve approach to sub-contracting and overhead</td>
<td>• Reduced sub-contracting, more leverage resulting</td>
</tr>
<tr>
<td></td>
<td>• Leverage scale of ARCADIS globally</td>
<td>• Lower cost base, improved margins and risk management</td>
</tr>
<tr>
<td>Workplace &amp; collaboration</td>
<td>• Apply global standards and improve footprint</td>
<td>• Highly engaged staff</td>
</tr>
<tr>
<td></td>
<td>• Improve collaborative tools</td>
<td>• Increased collaboration, higher utilisation, lower cost</td>
</tr>
</tbody>
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There are five: project management, what we call global design, resource optimisation, procurement, and workplace & collaboration. Let me just take each one of those in turn.

Project management, taking a standardised approach to project management based on best practice. We have different ways of doing project management because we have acquired many different companies over the years and now taking a very standardised best-practice approach to that. We are having training and retraining of our project managers. What will that give us in terms of expected outcomes? Clearly, improved quality of project results, improved margins and improved client satisfaction. Let me just give you an example of what the diagnostics showed. One region around the world, we identified that 12% of all projects that we complete are a negative margin. That is a huge opportunity if we implement rigorously best practices and project management to give our clients exactly what they are looking for, on time and on budget. It is not just one region that had those issues; all of our regions had those issues. That is a huge opportunity for us.
Global design, driving organic growth by scaling a Hyder global design model. Staffing and managing design and engineering for the most capable and cost effective design excellence center. That will allow us to increase our organic growth. Where we do design we will reduce our cost of delivery and will give us seamless global delivery for our clients. I will give a couple of examples. The RTKL towers in China and the Lima airport. In fact, it is interesting to see that already the larger design and engineering tenders that are coming to the Executive Board for approval now have a specified percentage of global design within those tenders. That makes us much more competitive in order to win that work.

Resource optimisation: that is improving the flexibility and mobility of our people and creating a larger, more efficient resource pool. What does that mean in terms of expected outcome? Clearly, enhancing the career development of our people that they are not just pigeon-holed by they can actually develop their own capabilities more broadly, particularly early on in their career. And then a simplified structure for resource management, therefore creating improved utilisation. I give you another example. In one of the operating entities that we had, we had 18 resource managers managing a pool of 200 people. That can be improved to a much more simplified structure and that creates freeze-up senior people that are doing resource management be able to do more client work. That also creates more flexibility and ability of staff to move them and give them better experience as well.

Procurement: improve the approach to sub-contracting and overhead and leverage the scale of ARCADIS globally. Clearly, that should give us reduced sub-contracting, more in-house resourcing and a lower cost base, improve our margins and also improve our risk management, because we would be doing more in-house. Let me give you a couple of examples of that. Hyder today subcontracts out cost estimation work on a regular basis. In the future that will be to Landon & Seah and to EC Harris, as leading cost engineers. If you look at RTKL, they also sub-out detailed architectural work today. That will be done by Hyder in the global design centers. If you look at how we procure in the US our sub-contracting for environmental remediation, we have the decision rights on how that is done to low in the organisation, where individual project managers are making those decisions. We need to raise the level of decision-making authority and thinking more strategically how to bundle that work with fewer suppliers and therefore get a better deal for ARCADIS and also for our clients.

Workplace & collaboration: applying global standards and improving our footprint around our office infrastructure and improving the collaborative tools that we need in order to be able to work on a more global basis. That means that we will have highly-engaged staff in more modern offices, increased collaboration giving the opportunity to increase our win-rates and lower costs. We have actually done that very successfully. We are partly through that programme in Europe where we have had the 'open up' concept of going from a
culture that where you had to share an office but when the more senior you become you had an individual office. We have gone to complete open plan environment in Europe with increased collaboration. You have seen that in organic growth. There is more buzz around the place and we are very excited about moving towards that on a more global basis as well.

2. Performance excellence: significant opportunity will be captured in 2-3 years

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefits Capture</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cumulative Operating Margin Improvement (% INR)</td>
<td>0</td>
<td>0.5%</td>
<td>1%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Implementation Cost (€M)</td>
<td>5</td>
<td>-25</td>
<td>-25</td>
<td></td>
</tr>
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</table>

What does this mean? It means there is significant opportunity to be captured in the next two to three years. The same four-year period, diagnostic, quick wins and design in 2015, implementation and then sustaining the benefits in 2017. If you look at the chart, you can see that in 2014 it cost us money. We spent about EUR 5 million on the programme during 2014 in terms of defining what we needed to do. As we implement those quick wins they are in the budgets for 2015, we will capture some of the benefits. We are confident that they will give us a 0.5% plus of operating margin improvement. As we move into 2016 and we start implementing those performance drivers that require more work during 2015, we are confident that we will get accumulative operating margin improvement of 1% plus, meeting our target of 11% over the three-year period and then on into 2017 we are confident the cumulatively we will deliver 1.5% plus of operating margin improvement. That comes at a cost. We said it is about EUR 50 million in total implementation split equally between 2015 and 2016.
Our third priority is North America. Clearly, a very important market for ARCADIS. Over 6,500 people, 37% of pro forma gross revenues, including Callison and Hyder, about a quarter of our employees, and strong capabilities that we leverage globally in ARCADIS. The leadership of our global business line Environment, our global business line Water, and leader of our Big Urban Client initiative, all from North America. Also the technical innovation centers for our environmental business line and our water business line are in the US and the Global Health & Safety leadership. It is also home to many of our major clients: 46% of our multi-national clients are based out in the US and 40% of our largest national clients are in North America. So, an incredibly important market for ARCADIS.
So 2014: a strong historic performance by North America, difficult 2014. First macro-economically: 2014 had an uncertain start economically for the US and that impacted client spending early on in the year. The momentum picked up during the year, only to be affected by low oil prices towards the end of the year.

Environment: there has been no major new legislation. There has been less government spending and, as we have talked about before, overcapacity in the public sector and therefore, increased competition in the private sector where we are a leading player.

In Water municipal spending levels continued to decline in the North East. The growth is in the South West. Most of our people and assets are in the North East, so that is strategically initiative what we need to do with. There is still pent-up demand for replacement of infrastructure and there are some opportunities for water management, particularly in places like New York. Renier alluded to that with the Water business, showing photographs of the Big U in New York and the resiliency work that we are doing for private clients and again in water in New York.

In Buildings there is an improved market in North America for architecture. Government spending is low but private sector is picking up.
In Infrastructure the last three years have been pretty flat in federal and municipal spending but there is demand there for infrastructure replacement and there are investments today in North America.

3. North America: over the next two years we will transform our business

**GOAL: RETURN TO GROWTH, IMPROVE MARGINS >11%**

- Implement growth strategy
- Maintain performance culture, improve global collaboration

**3 STRATEGIC LEVERS FOR CHANGE**

- Implement revised market approach
- Deliver Performance Excellence
- Evolve the Operating Model

Over the next two years we will transform our North American business. It will be like we have done in Europe where the goal is to return to growth and improve our margins back to greater than 11%. How we are going to do that is implement our growth strategy, maintain the very focused performance culture that we have in North America but improve our global collaboration.

We have three strategic levers for change: implementing what we call the revised market approach or strategy, delivering on Performance Excellence in North America and evolving the operating model that served us very well over the last five to seven years in North America to one that will serve us equally well moving forward.
3. North America: Strategic levers for change

IMPLEMENT REVISED MARKET APPROACH

- Maintain focus on high value, high growth clients, Multi-National and Big Urban Clients
- Support evolving client needs in Environment: Complex and simple remediation, environmental consulting
- Expand growth areas in Water: Conveyance, industrial water, adopt global design, business advisory
- Capture growth in Infrastructure: Program management, rail, adopt global design
- Capture growth in Buildings: Program management, business advisory and architecture

DELIVER PERFORMANCE EXCELLENCE

- Implement identified quick wins in 2015: Resource optimization, project management and procurement
- Design performance drivers in 2015 for benefits in 2016 and beyond: Project management, global design, resource optimization, procurement and workplace & collaboration

EVOLVE THE OPERATING MODEL

- Enterprise wide client development bringing full range of global value propositions to clients
- Evolve delivery model to be more cost competitive especially for simpler solutions
- Strengthen Leadership Team

Let me give a little bit of colour to that. First of all, the revised market approach: maintain our focus on high value, high growth clients, the multi-national and the Big Urban Clients. Where we focus, we see the results of our labour.

We are going to support the evolving needs in the environmental market, which is offering the clients that we worked for not just the complex remediation work that we do – we are the leader in North America in the private sector – but also a more simple remediation request that they have. There is growth for our business in terms of environmental consultancy in North America.

In Water, expand our growth areas that we have started to grow in again, outside and in plants because there are a few treatment plants being developed but in Water Conveyancing, industrial water, adopting global design as a way of being more cost competitive in terms of any design engineering that is available and then also continue to grow in business advisory to the water sector.

We want to capture growth in Infrastructure, in Program Management like we have in rail, the high-speed rail in California and also adopt in global design where we are being able to do work with a portion of that work being done in India or Manila, this allows us again to be more cost competitive in the Infrastructure market, particularly in design & build working with contractors. So, we see growth opportunities there in 2015 and on in 2016.
And then capture growth in buildings where Program Management capability. We will continue to grow that business. Our business advisory is doing very well and growing and also, as Renier alluded to in the results for 2014, you see a resurgence of architecture in North America.

That is the first leg of the strategic levers for change. The second is delivering on Performance Excellence. We know exactly what we can do in terms of quick wins for 2014. They are in three areas: resource optimisation, project management and procurement. We are designing those performance drivers. That will take a little bit more time to design them and have systems enablement for them. As an example, in all five areas it takes a little longer in terms of leases and to optimise those into 2016 beyond across all five performance drivers, including global design, work place and collaboration in addition to project management, resource, optimisation and procurement.

Finally, evolving the operating model. We have already announced changes to our leadership team. In the US we have a new CEO and COO, John Jastrem as CEO and Joachim Ebert as COO. We have put two new leaders into the Leadership Team, taking a new leader in terms of sales on an enterprise-wide basis Catherine Tobiasinsky, one of the senior leaders – historically – from EC Harris, who has been over 2.5 years in North America building our Business Advisory business there. Very client-focused and leading that initiative. John Horst is taking on the charge of leading our Technology and Innovation in North America, further strengthening of our leadership team and people development in North America.
Those were the three priorities for leadership for 2015. Before we do Q&A I will take you through the outlook for 2015, first by business line.
Outlook per business line

**Infrastructure**
- Strong growth
  - UK, Middle East, Continental Europe, Asia and Australia Pacific benefit from growth through Hyder
  - Latin America mining remains soft; North America growth
  - UK increased government spending; Continental Europe may see increased government spending

**Water**
- Growth in all regions
  - Latin America strong backlog
  - North America a return to low growth
  - Continental Europe low growth, Middle East and UK benefit from Hyder

**Environment**
- Return to low growth
  - North America return to low growth later in the year aided by backlog and revised market approach
  - Latin American strategic consulting creates opportunities
  - UK and Continental Europe we expect further growth

**Buildings**
- Strong growth
  - Strong growth in Asia and UK driven by capex spend of Big Urban Clients
  - Higher architecture demand in North America, Middle East opportunities remain
  - Good growth in Continental Europe driven by private sector and business advisory

Infrastructure: we expect strong growth, driven by the UK, the Middle East, Continental Europe, Asia and Australia Pacific, benefitting through the Hyder acquisition. We expect Latin America mining to remain soft. As I have just said, in North America we see growth in infrastructure. We see increased UK spending, that is actually happening, we are well positioned for that with Hyder and EC Harris in ARCADIS. In Continental Europe we may see increased spending. We see strong growth in the global business line on a global basis.

In Water we see growth in all regions. In Latin America we have a strong backlog and strong growth this year. In North America during the year a return to low growth. In Continental Europe low growth, and the Middle East and the UK will benefit from the addition of the Hyder capabilities.

Environment: return to low growth and North America returning to low growth later in the year, aided by the backlog and the revised market approach that I shared with you earlier. In Latin America we see despite the good growth that we had in remediation also opportunities for our strategic environmental consulting and we expect further growth in both the UK and Continental Europe.

Buildings: strong growth in Asia and the UK, driven by urbanisation and the Big Urban Client programme in those major cities. We have seen and continue to see high demand for our architectural solutions in North America. In the Middle East in Buildings opportunities still remain, both in the architectural side but also in program management and in the design
side. We see good growth in Continental Europe, driven by the private sector and by business advisory. So, we expect strong growth in Buildings, again in 2015.

**Outlook: Significant increase in revenues and net income**

- **Backlog**
  - Record Backlog +15%, +7% organic
  - Strong Backlog growth through recent acquisitions
  - All regions and global business lines showed organic growth

- **Global Economy**
  - Impact of $50/barrel oil
  - Political-economic stability: Eastern Europe, Greece, China
  - Government decisions to actually spend on infrastructure: US, Continental Europe, Australia

- **Strategic Initiatives**
  - Maximize synergies and advantages from acquisitions
  - Implement Performance Excellence to expand margin
  - Transform North American business

- **Outlook**
  - With our strong market position, strategic progress, recent acquisitions and record backlog we expect 2015 revenues and profits to increase significantly, barring unforeseen circumstances

Our outlook: significant increase in revenues and net income. In terms of our backlog a record backlog with +41%, 7% of which is organic, spread nicely across all regions and business lines. Strong growth clearly driven by our recent acquisitions as well.

There are some clouds on the global economy that clearly will influence. One is the impact of the continued $50/barrel of oil and there is the political and economic instability around Eastern Europe, particularly Greece and the landing in China. Government decisions to actually spend more rather than talk about spending more on infrastructure in the US, in Continental Europe and in Australia.

We have our three leadership priorities around maximising the synergies from the acquisitions. We are very confident about that. We are also implement the Performance Excellence to expand our margin. We have a clear path for that for the quick wins. They are programmed to get to the longer-term performance drivers and we are transforming our North American business.

So, our outlook is that with the strong market positions that we have, the recent acquisitions, our strategic progress and the record backlog that we have we expect
significant growth in both revenues and in profit, of course barring any unforeseen circumstances.

With that, I would like to hand the floor over to Joost for Q&A.

Mr. Slooten: Thank you, Neil. We will start with questions from the room and then we will go to questions in the webcast and then any remaining online questions that we may get through the system.

- Bjorn Krook – ABN AMRO

I have four questions on the US market. Is it still a question for you or is pricing now also coming under pressure, also in relation to the step down we see in the margin in Environmental?
Then on the spaghetti chart. I was trying to make sense of it but a lot of the lines are pointing down. If I look half-year on half-year, why should I not worry about that trend? I know the order book story, but the order book has been strong for a while of course.

Then on the negative impact of mining capex: why will that actually stop weighing on the results? So, when will we see a more easy comparable base?

My final question is on slide 43, just to understand what is going on there. You are talking about implementation costs of EUR 25 million and a lift in margins of 0.5%, so assuming EUR 2.5 billion in net revenues I get to still a negative impact next year from the implementation of 25 basis points. Is that correct?

Mr. Vree: Regarding the US the most significant impact is definitely the volume impact. We should also not forget that the most profitable business we have in North America is the Environmental business. The reduction there also impacts the average margin for that region. There is some price impact but if you take the three, then price is the least of the three when it comes to impact. It is also good to mention another point. Historically, we have had a number of large grip projects that we won five, seven or even longer years ago. Those were very attractive high-margin projects and quite a few of them are also ending their completion. So, the positive impact of these types of projects have had an impact on the margins we can achieve.

Why you should not worry is when you look at the investments that we have made – the Big Urban Clients, executives, the value proposition leaders, the market sector leaders – and also the order book, these indicate that we have made the investments. We have the people. When you look at the overall macro-economic developments there are some clouds on the horizon but by and large the picture has been better than it has been for quite a few years. That gives us reason to believe that organic growth will be better in 2015 than in 2014.

When it comes to mining, we are not expecting that things will become better in 2015 but we also do not expect them to go further down. We think it will be stable in terms of the services for mining clients, at the level we have seen in 2014. But it is a combination of work on infrastructure project in Latin America but also remediation projects in North America, where we also see demand.

Finally on slide 43, it is important to mention that the reference here is the performance in 2014. The net revenue level you should attach to this is approximately EUR 2 billion what we did as the portfolio of activities in 2014. If you look at the impact in terms of bottom line in 2015 you see that the one-off will be larger than the strap up you will see in margin because there is a certain pay back and that is not all within twelve months.
Bjorn Krook – ABN AMRO: Now that I get you talking, on the working capital side. It is 18.8%. I appreciate the impact that we have seen from Hyder and Callison and I get to 1% on that but in the past you have mentioned 14% as the target. Are you still willing to look at 14% as a normal number for the company?

Mr. Vree: When I look at the working capital also of our peers – we track this also from the industry in quite some detail – we are at the lower end of the range. So, there are quite a few that are higher than us. Some are also better. So, we clearly have work to do to bring it further down. The two acquisitions are the relatively easy opportunities to apply our own practices and bring them to a lower working capital matter. As mentioned, probably two thirds of the increase from 2013 to 2014 comes from the acquisitions. And then also on our organic business, we have quite a few regions that made improvements in 2014. Some setbacks from the natural resources sector. So, I think we can make further improvements in that also on the portfolio without Hyder and Callison. Let’s see where we end up without pinning we down to the number you just mentioned.

• Joost van Beek – Theodoor Gilissen

First a question on the order backlog. Can you comment on the size of the order backlog and also the phasing of the order backlog in the near future?

My second question relates to the oil price. Will it affect, as far as you can see, some of your customers or will it affect your business?

My third question is on the costs of salaries. How can you contain the possible increase in salaries? I assume you are shifting part of the work to Asia where on average salaries are lower but if the economy further takes off like in the US what is the risk of above average salary increases?

Mr. McArthur: On the size of the backlog we are between eleven and twelve months, depending gross and net, which is slightly above our historical average of the last couple of years. In terms of the backlog percentage to be produced two thirds will be produced in 2015. Again, that is in line with what we have seen historically.

If we talk about the oil price impact: of our now pro forma gross revenues about 6% is what we do in the oil and gas sector and two thirds of that is actually in soil remediation for those clients. Those are programmes that are up and running, so it is unlikely that they will slow much of that down but future spending could be impacted. In discussions with some of those clients they are talking about 10% or 15% reduction in programmes moving forward. Clearly, there is a secondary market, the biggest of which is the Middle East. I was
out in the Middle East to try and understand from our clients and from government where they were at $50/barrel oil in January. We now focus on four countries in the Middle East: the Kingdom of Saudi Arabia, Abu Dhabi, Dubai and Qatar. Each one has a slightly different story to it. The Kingdom of Saudi Arabia we believe will continue to spend on social infrastructure. They have the cash reserves to do so and we are very confident to see in fact an increased activity in the request for proposals in the Kingdom of Saudi Arabia. If you then take Abu Dhabi and Dubai it is slightly different. Dubai has Dubai Expo 2020, so they have to continue to spend on those programmes. If $50/barrel oil persists I would expect Abu Dhabi to slow down on its spending. Qatar is committed again to the World Cup 2022 and all of the programmes that we are involved in are the core of the 2022 programmes. So, in the interim we do not see an issue in the second remark that we primarily affected by oil and gas.

Mr. Vree: When it comes to the cost of salaries: this is something that always plays. There are always markets where salaries increases more strongly than in others. Of course, there are quite some countries where there is automatic indexations, where every year you can adapt your prices contractually based on price or wage inflation. That depends a bit on the type of contract. Another important measure that we always look at and which is in fact also a part of Performance Excellence to make us even better in that, is managing of what we call the pyramid: people at different levels of the organisation have different salaries and you have to make sure that your pyramid stays as wide as you can manage because that is the best way to keep your average cost of delivery down. Also, what Neil alluded to, on the global design concept gives us now a third tool to find ways to deal with price pressure or cost pressure in the case of salary increases by bringing some work to places where it is less expensive.

- Dieter Furniere – KBC Securities

I also have a cold so maybe I also have a bad voice. I have a couple of questions. In terms of your free cash flow covering net income in 2015, how confident are you that you can manage that giving the almost 19% working capital level of revenues?

My second question is on the design excellence centers and on the integration of that. How fast do you think you can integrate that in the whole of ARCADIS? What could be the impact of that and what are the main complexities of doing that?

My third question is on the EUR 25 million implementation costs. Do you intend to exclude them from operating EBITA or will you include them, so will you see them as a one-off?
My last question is purely modelling-wise to see from what day you have started consolidating in your numbers both Hyder and Callison?

Mr. Vree: When it comes to the first question on the free cash flow over net income: I am quite confident because I think that with our approach in ARCADIS to working capital we can do better for Hyder and Callison. For some the other regions we also plans in place and incentive systems and people are motivated to focus on this. In 2015 I think we are able to exceed our net income.

The EUR 25 million: when it comes to that the project costs of people really active in the project are part of normal operations, so they are not excluded. When people would have to leave or whether we would have lease impairments we would typically consider these costs as restructuring charges and are therefore excluded from our EBITA and therefore get to operating EBITA. They are all included in our income of operations, just to be sure. That includes also these types of costs.

Dieter Furniere – KBC Securities: Do you have an idea of the EUR 25 million? How much will be one-offs?

Mr. Vree: I think the EUR 5 million we spent in 2014 is a good indication of the running cost of having that project organisation going throughout ARCADIS, making the design changes and helping the implementation of the actual improvements. The actual date of consolidation was October 16 for Hyder and October 17 for Callison.

Mr. McArthur: The process that we have gone through for not just Hyder, not just Callison but also EC Harris before that is the co-creation process where we fully aligned and combined the businesses. We do that by having a combined steering committee of senior leaders sponsored at the Executive Board level and in this case for Hyder with Stephan Ritter and Ivor Catto, the CEO from Hyder, together with senior leaders. And then a joint team, very much looking at how can we create those synergies in the market place with our clients, how do we want to operate to bring that strategy to life and then what do we need to do in terms of our targets for growth, also for cost out across the combined businesses, what does the organisation structure and who are the leaders that are going to take the business forward? So, we always try and do that within a six months' period, so that six months' period will be around the end of this first quarter. On design excellence specifically, we see probably an even bigger opportunity than we had looking outside in now that we have been working together and really understanding in detail what they can do. As I said when I explained the acquisition, RTKL immediately having the detailed architectural design done for two towers in Manila. On proposals at the moment we are working in Europe on proposals for design and engineering, significant proposals, which will be done in the design centers. That is going faster than we expected. When you do
calculations, everybody sees the improvement in margins and also the leverage that gives you to price lower than you could have done before while still improving your margin.

The complexities: this is clearly a change management process because this is an opportunity for driving organic growth. It is a disruptive business model, where we had one that has over a ten years' period been perfected by Hyder to where they have 20% of their people as an integral part of their design and engineering teams sitting in Bangalore and Manila. ARCADIS have 1% of our people is design excellence centers. So, there is a very large opportunity for us to scale that model across ARCADIS.

Dieter Furniere – KBC Securities: So, if I understand correctly, you will mainly use the design excellence centers to try and under-price and to drive growth rather than really driving the margins? So, it is to be more competitive? Is that a priority?

Mr. McArthur: No, we want to do both, so we will be looking to improve our margins through having the work done on our client work through the design excellence centers and we will be looking to drive organic growth with the ability to price at market in win versus our competitors. So both. It is not a low-margin business. In a mature geography of Hyder they deliver higher than our target today in terms of operating margin. So, it is not a low-margin business when you do it correctly.

Maarten Verbeek – the IDEA!

I have a couple of questions. First of all, you mentioned that backlog increased by 41% of which organic 7%. Could you also inform me how much was currencies and how much was acquisitions?

Mr. Vree: The currency effect was 11% and the impact from acquisitions was 23%.

Maarten Verbeek – the IDEA!: What you also mentioned is that you expect growth due to the acquisitions. Could you also mention if you expect organic decline in certain business lines for 2015?

Mr. McArthur: As we gave the outlook, clearly the area that is holding us back is North America where we had a negative 5% organic growth in 2014. The two dominant businesses there are Environment and Water. We are guiding for a return to organic growth later in the year for Environment and we are guiding for a return to low growth in Water during the year. When you combine that with growth in Buildings and in Infrastructure ...

Maarten Verbeek – the IDEA!: Lastly, you mentioned that of all projects 12% make a negative margin.
Mr. McArthur: In one operating region.

Maarten Verbeek – the IDEA!: Just one. That is clear.

Mr. Vree: That is negative project margin. In the cost we charge to a project there is also some fixed cost overhead included in that, so it does not mean that it is negative EBITA necessarily for ARCADIS. Nevertheless, it is not good.

- Philip Scholte – Kempen & Co.

Especially in North America I appreciate you want to make some changes but what exactly are you going to change in the market positioning of your activities in order to improve that growth? Is it that easy to maybe shift people from one niche to another? Or is the problem actually just the market being competitive or maybe the market being down in general? Maybe related to that: are you willing to share with us the growth and the order book of the North American geography?

Mr. McArthur: Let me reiterate what I said about the market approach. If you take all four of the different global business lines in North America, we see growth in Buildings through architecture, business advisory and program management. So, we see growth potential there. If you then take our Infrastructure business, we see opportunity to further grow through program management and design and engineering in that area. In Water, we are focusing on the areas where we have seen growth, which is in conveyancing – so outside of the fence design and engineering – in program management, in business advisory and over time adopting the global design capability to make us more competitive in work that we are not competitive in, in more design and engineering. Which leaves Environment, and as I have indicated before, we have been on a journey to focus on the high-value, the high-growth clients, our MNC clients and also environmental work related to Big Urban Clients. When you take that all together, we believe that we will see a return to growth later in the year in Environment in North America.

Philip Scholte – Kempen & Co.: And can you say anything about the order book, the backlog development?

Mr. Vree: The backlog development in North America was not too different from the rest of ARCADIS, so they fitted in nicely with the overall development of the backlog.

Philip Scholte – Kempen & Co.: If I am correct, the comparison basis of North America was actually already a lot easier in Q4 and still it was down 7%. It still looks like the US market is actually deteriorating, maybe sequentially.
Mr. Vree: I would say that the fourth quarter was not that different from the third quarter for North America. So you are right and we did not see an improvement but I would not say it has deteriorated. As Neil said, there are also a number of areas where historically we have not been competing on purpose because we were so successful on the complex remediation projects but now, by going also after the work in Infrastructure and Buildings and as our competencies as a companies have improved in that field also following the acquisitions, we can make additional steps in growing that business and not be just dependent on expressly the environmental business. That will only contribute to additional reasons why we expect growth to return in North America.

Philip Scholte – Kempen & Co.: Right. My second question is on your view on M&A. you have done some big acquisitions recently but if something pops up, something big right now, are you willing to do that or are you having a waiting approach for next big deals?

Mr. McArthur: Clearly, we have laid out our three leadership priorities, which is about capturing the synergies from what we have already spent – EUR 0.5 billion – last year. We are very excited about the opportunities that we see there. Performance Excellence is a corner stone and the strategy requires a lot of senior leadership time and involvement to bring those benefits to the bottom line and transforming our North American business. Those are the top three priorities. Clearly, in a market that is consolidating and continues to consolidate, one has to have the ear to the ground. That is all I am prepared to say at the moment.

Philip Scholte – Kempen & Co.: That first focus is internally.

Mr. McArthur: Absolutely, including the value for our shareholders from money that we have successfully spent last year.

Philip Scholte – Kempen & Co.: Right. Third and maybe lastly a follow up on Dieter’s question on the charges. Am I right that the EUR 25 million you are guiding for combines implementation costs and restructuring costs?

Mr. Vree: Yes, but the bulk will be the restructuring costs from the changes that we have to make.

Philip Scholte – Kempen & Co.: And will there be any additional charges related to other regions?

Mr. Vree: I would think that the most significant changes to the organisation will those because of Performance Excellence. I would not expect significant other charges next to that. Maybe some integration charges due to the implementation of Hyder and Callison into ARCADIS but also those will be relatively limited.
Philip Scholte – Kempen & Co.: Thank you.

- Quirijn Mulder – ING

I have three questions. In the press release you mentioned that the organic growth of your order book was 1% in the fourth quarter. Can you maybe elaborate on that?

My second question is on the 10% in Europe. I can imagine that not all countries are complying to 10%. Can you maybe give some flavour on the different countries where you can still improve your business? I see that the UK is 9.9% for the full year, so is there something more to win there in these individual countries and what is your target for 2015?

My last question is again on the US. With regard to margins, you have seen something like 12% for many years, since 2006 I think. Are you not afraid that your margins will slow down to the levels we see at ARCADIS as a whole or more in line with the rest of the industry now that you are in another environment? Is that something we can expect?

Mr. McArthur: Let me take the third question first. As we said for North America, we want to see a return to growth and improve the new margins to greater than 11%, which is our target. We believe that we have a very clear plan through Performance Excellence to get us there and also through implementing our market approach. If I then take Continental Europe, we do not go lower than the level of Continental Europe. That is why we put in place a pan-European operating model that is working very well for us. We have delivered 3% organic growth this year and we have done a substantial improvement in our margin. I would like to say also a very big thanks to the European leadership team under Stephan Ritter, who is now on the Executive Board and now Erik Blokhuis in their team, because that did not happen without a lot of hard work over the last 18 months to turn that business from a 3.2% operating margin to a 10.2% operating margin in the fourth quarter. A fantastic job! In the UK, clearly over the period we would like to see our target of greater than 11%. Clearly, we do that through the planning and budgeting process, like we do for all the other regions in ARCADIS. Renier, do you want to do the backlog?

Mr. Vree: I am not sure there is a lot to add, Quirijn. Maybe it is good to mention that in Q3 we had especially Buildings and Environment that helped the backlog. In Q4 it was particularly in the Building business that we saw an uptick in the backlog.

- Michel Aupers – Rabobank
I have two small questions, one regarding Brazil. Do you see any fall-out from the integrity issues in Brazil, as some sources suggest that there is a delay of the large infrastructure projects?

My second question is regarding Australia. What is your view on Australia? As I can remember, Hyder was rather cautious in its outlook for instance for Australia.

Mr. Vree: Let me take the first question on Brazil because we are a significant player in the Brazilian market. Historically, we were always focused on the mining sector and then gradually we became a significant player in Environment, in Water and in public infrastructure. We have never really worked for the oil and gas sector in Brazil and actually, the signal we now get from the market is that this could become a positive development for us. By the focus they now have on companies that have acted and run their business like ARCADIS has in Brazil it is actually an opportunity for us to expand our business there more into the oil and gas sector.

Mr. McArthur: As I said, we are going through a co-creation process of which our go-to-market strategy development is well underway for Australia. We see lots of opportunity because remember, Hyder is a very successful design and engineering business in Australia. But when you augment that with the capabilities that we have in ARCADIS through urban planning and architectural design, it has everything to do with program management, business advisory and our environmental business. We think we can build a substantially bigger and successful business in Australia moving forward. But that is still in development because we staged it to do in the Middle East, the UK, and Germany first and then Australia and Asia. We are landing that process in the first quarter. The first indications are that there is a nice market we can significantly grow our existing business in.

- Philip Scholte – Kempen & Co.

I have one follow up, on China. What are you seeing there both from RTKL's perspective maybe and the Langdon & Seah's perspective?

Mr. McArthur: If you look at our business in China, including Hong Kong, you see that about 85% of it is non-residential, so there is about 15% in the residential market. Over 90% of what we do is in what the Chinese call the tier 1 and tier 2 cities. When we look at our business, we see it is about half in architecture and the rest is in cost and program management. Revenues continue to grow very successfully. The order book is up but in terms of the tier 3 and tier 4 cities where some work is done in architecture there is a clear slow down. That is as I mentioned in the Callison acquisition page.
Philip Scholte – Kempen & Co.: But overall it is still growing?

Mr. McArthur: Overall it is still growing and a good order backlog.

- Bjorn Krook – ABN AMRO

I have three follow-ups. On Continental Europe, how much confidence do you have in the recovery we are seeing now? We have seen a couple of false moves across Europe. How confident are you with the wobbly GDP-numbers? How much confidence do you have in the recovery there? Will it ever contribute to the 11% plus margin? I think that is a fair question as well.

My second question is on the design excellence centers. You mentioned a percentage that is coming through the tender board that is going through the design excellence centers? I did not completely get that.

My last question is on the US situation, the Aecom/Urs. Is that having any impact on you at the moment and, a bit broader, are clients opting for an integrated approach of design and construction more often now? What is your reaction to that?

Mr. McArthur: Let me take the Continental European recovery. Clearly, significant improvement has been made through adopting not just the pan-European operating model but fully aligning with the strategic priorities for growth, as set out in the strategy. That has been a shift from what I will call the capex-side of the business also to the business advisory side of the business for private sector clients. The focus on our MNC clients. So, we see no reason for that not to continue into the future. We want to be less dependent on government spending on infrastructure in Europe and we have successfully started that shift. I will rewind the tape to a few years ago: clearly, in our old strategy the target was to get everybody to 10%. In the new strategy the target is to get everybody to greater than 11%.

Design excellence: to avoid the confusion, Hyder over a ten-year period have very successfully developed the business model of the Global Design Excellence, where they move work around seamlessly among locations where 20% of their very talented people are in Bangalore and in Manila and in Jordan. I am just giving you an example. Yesterday, I saw in the Executive Board a request for work for a European project where in the first phase of preliminary design there was a substantial proportion of design being tendered and anticipated to be done out of the global design excellence center. That is a very big step forward for our European team.
Mr. Vree: In every region we have a tender board that approves the big proposals. They look at the pricing, the risks and if necessary it comes to the Executive Board. Those are the tender boards that Neil was referring to.

When it comes to the Aecom/Urs: we have seen there that in the labour market quite a few people became available because there was a massive lay-off. Of course, those people also approached us in a number of cases to see if there was work for them. From the client perspective we have not seen much reaction yet, neither in a positive nor in a negative way.

Bjorn Krook – ABN AMRO: And in the broader terms, that clients are opting for an integrated approach? I know you have partnerships with construction companies and that will certainly help you will not get involved in construction ever, but how does that trend in the market?

Mr. McArthur: Where we see there is a need from the client side that they put a project out as a lump sum design build, we are very well positioned as ARCADIS historically. Together with the contractor we are doing the largest Western hemisphere desalination plant as a design build in Carlsbad in California. We are in joint venture with a US contractor and also an Israeli design firm. We do the design and the contractor does the construction. We are protected for our design liabilities and they are ring-fenced on the liabilities that have to do with the construction part. We believe that that is a lower risk successful way of doing business as ARCADIS. If you look at Hyder: 40% of the work they do is for contractors in design build. Allen was their CEO and is joining our senior and management committee in the Middle East. His experience comes from contracting with Skanska and Graham Reed, who was the CEO of their business in the UK, spent his whole life in contracting before he joined Hyder five or six years ago. So, they have at the senior levels very experienced leaders who are familiar sitting on the other side of the table as contractors and therefore, they are able to very successfully build a business model and growth by working with contractors on design build on a lump sum basis without taking on the construction risk.

Mr. Slooten: I see no further follow-ups in the room, so perhaps to go the webcast call to see if there are any questions from there.

As there are no questions from the website, we have one more follow-up in the room.

- Quirijn Mulder – ING

Can you give some flavour on the Dutch market? It is still something like 15% of revenues.
Mr. Vree: The Dutch market is a very important market for us. It always has been and I think it will always will be, not just because of the Dutch market but also the knowledge we built up in the Netherlands, which we export to quite a few other markets. If you look at 2014, the Netherlands market has been much better than in prior years. It was about flat for us. We could particularly see growth in the Buildings business, also on the back of real estate transactions that took place. We worked in business advisory on the operational piece of Buildings management and therefore, also looking into 2015 we think that in Europe there will be growth and the Netherlands can be part of that.

- Dieter Furniere – KBC Securities

I have two technical modelling follow-ups. The first is on financial expenses, which came in quite below of what I was expecting and I think also what the market was expecting. Could you maybe help us understand what is behind that and how do you see that evolve also in 2015 since a lot has changed in terms of how the balance sheet is now financed?

My second question is also based on the new structure. How do you now see the tax rate after the Callison and the Hyder operations will be included?

Mr. Vree: When it comes to financing expenses, they were lower. in the past we also still had some interest rate swaps outstanding, where variable interest rates were moved into fixed rates. Those have all expired by now. That means that we now fully benefit from the low interest rate environment. Knowing that you would like the modelling, I can give you an indication that our average interest rate is approximately 3%. That takes into account the private placements, which are more at the 5% level but also lower rates that we have in other places. I think that is the way to give you an indication of where we are.

When it comes to the tax rate: 29% in 2014. You are correct: we will see that we are a larger player following the acquisitions in market that have a lower tax rate. So, we expect the tax rate to be somewhat lower in 2015.

Mr. Slooten: There are no more questions in the room. We also have no questions from the webcast and no questions from the online audience. That means I give it back to Neil McArthur for some closing remarks.

Mr. McArthur: Thank you, Joost, and thank everybody for attending. Once again, I apologise for the coughing on my side this afternoon.
In closing, I would like to make a few remarks. 2014 was an important first year in sustainable growth and at the core of everything that we do performance and collaboration strategy. We booked a lot of success. We welcomed 6,000 very talented people around the world into ARCADIS during 2014. Those people fit capability-wise, leadership-wise, and culturally very, very well with ARCADIS. We are very happy with that.

So, we are entering 2015 with confidence. We have a strong increase in our backlog, 7% organically and 41% in total. We have made investments for organic growth. That is working for us outside of North America. We have made investments in our diagnostic around Performance Excellence as one of the corner stones of our strategy. We have three clear priorities for 2015, around the synergies from those acquisitions at driving and delivering on that Performance Excellence roadmap that we have and starting the transformation of our North American business. We have also welcomed new leaders to our very senior ranks. I talked about Wael Allen from Hyder. We was COO and chairman of the business in the Middle East and now is our CEO of ARCADIS in the Middle East. Greg Steele, their managing director for Australia Pacific joins as a seventh region in our operating model as COO for ARCADIS in Australia Pacific. We have Graham Reed, as I said, who with substantial contracting background, and one of the architects of global design together with Wael and Greg Steele, are the three regional leaders in Hyder now taking on the mantle of global design and the operating model. We also have a new CEO from January in Asia of the combined businesses of Langdon & Seah and EC Harris in Kenneth Poon from Langdon & Seah. We have Erik Blokhuis who has together with Stephan Ritter guided Europe to a very successful conclusion of 2014. As you have seen, we have made leadership changes both at the CEO level with John Jastrem in North America and Joachim Ebert as the COO for the North American business. So, I think we are very well positioned for success in 2015 and we enter the year with confidence.

Thank you all very much for your time.
Imagine the result