ARCADIS merges with EC Harris

Creating a leading global program and project management consultancy

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Transaction highlights
Transaction highlights: The Company

- EC Harris: international London-based high-value consulting and management services company
- Providing services concerning the realization and operation of buildings, plants, and other facilities (“built assets”) in commercial, corporate, utility and public markets
- Activities include strategic and advisory services, project and cost management, program management and transactional support.
- EC Harris is one of the global leaders in project management-related services and has an excellent reputation in the marketplace.
- EC Harris has £ 254 (€ 290) million in gross revenues and £ 222 (€ 254) million in net revenues (based on FY 2011, ending 30 April 2011)
- Normalized profitability at 7% (EBITA as % of net revenue)
- Employs more than 2,600 staff
Transaction highlights: the deal

- Transaction consideration consisting of an undisclosed cash amount and 3 million newly issued ARCADIS shares to EC Harris’ current partners
  - 12 month lock-up period for the shares
- EBITA multiple in line with recent larger acquisitions by ARCADIS
  - multiple takes into account net present value of tax benefit of goodwill amortization and excludes synergies
- Limited pension deficit EC Harris covered in deal pricing
- The transaction will be partly funded through the credit facilities that were agreed during our refinancing earlier this year
- Financial profile ARCADIS will remain conservative with net debt/EBITDA ratio below 2x at end of 2011
- Substantial scope for market and operational synergies
- Accretive to earnings per share as of 2012 (based on net income from operations)
- Final deal subject to partner approval, expected end of October with deal closing targeted in November
About EC Harris
One of the leading firms in program and project management

• EC Harris celebrates 100 years in 2011
• Started out as a U.K. based partnership in cost management in property sector
• Property work includes retail, commercial, workplace, hotels and leisure and banks/financial services
• Company also serves public sector including central government buildings, healthcare, local government and affordable housing
• Transportation market services include aviation, rail and highways
• Private sector clients include oil & gas industry, energy & manufacturing industry as well as regulated utilities (mostly water)
Diversified portfolio EC Harris

2011(E) gross revenue breakdown per business segment

- Property: 44%
- Energy & Manufacture: 6%
- Water: 5%
- International contractors: 1%
- Public: 25%
- Transportation: 17%
- Oil & gas / Chemicals: 3%

2011(E) gross revenue breakdown per geography

- UK: 57%
- Middle East: 14%
- Asia: 18%
- Other Europe: 11%
Market offers ample opportunities

UK market survey by KPMG

- U.K. market gives mixed picture
  - Public sector market impacted by government austerity programs
  - Property: moderate growth especially London/South-East
  - Transportation: aviation and rail positive; highways strongly negative
  - Utilities: new build water under some pressure, nuclear positive
- Other Europe mixed as well
- Asian property markets are forecasted to maintain their strong growth pace – as evidenced by RTKL’s growing demand in China
- Middle East (outside of Dubai) is expected to see demand increases as delayed projects are restarted
Creating a leading global program and project management consultancy
Balanced portfolio – Strength in scale
Combined revenues: € 2.3 billion

Business lines
- Infrastructure: 26%
- Buildings: 26%
- Water: 15%
- Environment: 33%

Geography
- United States: 43%
- Netherlands: 15%
- UK: 10%
- Rest of Europe: 13%
- Rest of World: 19%
Program management Portfolio
Footprint

- Project Management Staff: ca. 6000
- Project Management Revenues: > €625M

BL = business line; B = buildings; I = Infrastructure; W = Water
Strategic benefits ARCADIS

- Obtaining a global leadership position in PM and related services
- Adds high value-added strategic consultancy services
- Increased opportunity to get involved in major investment programs (Program Management)
- Brings strong foothold in Asia based on 30-year history and established position in ME
- Brings home market position in UK, 100-year history
- Strengthens considerably the MNC program
- Expanded offering in European countries
- Adds well-established brand and key leadership
Strategic benefits EC Harris

• Opportunity to be leading Global Built Asset Consultancy
• Reach to the U.S., South America and greater penetration of Europe
• Increased presence and capabilities in UK
• Increased scale and scope in PM and related services, better positioned for the biggest programs
• Broader capability range – design, environment, infrastructure, water
• Access to ARCADIS MNC clients
• Brand value, financial strength and support of a successful public company
• Greater opportunities for key leaders and staff
The combined opportunity

- Close to 19,000 person global consultancy
- Leading position in high value consulting and management services concerning built assets
- Strong basis to expand program management for large investment programs
- Integrated offering with high end a la carte specialties
- Global platform for growth, incl expansion into Asia
- Highly attractive to attain/retain the best people
- Strong balance sheet, positioned for growth
- Winning entrepreneurial culture, client focused, collaborative and forward-thinking
- Greater opportunities; greater success
Synergy opportunities

• Selling EC Harris services to ARCADIS clients, in the UK and internationally, with focus on MNC clients
• Selling ARCADIS services to EC Harris clients
• Leveraging private sector clients across geographies
• Developing combined offering in the UK to strengthen our market position
• Developing combined offering in strategic advisory, project delivery and program management
• Joint efforts to expand position in Asia
• Etc, Etc, Etc.
Post merger actions

• Continued focus on business and performance
• Integration team to steer and coordinate integration process
• Identify and prioritize synergy opportunities
• Develop strategy and plan for integration UK
• Develop global strategy for combined PM/ Built Asset Consultancy
• EC Harris brand to be maintained – transition addressed through combined strategy
• EC Harris CEO member of ARCADIS Senior Management Committee
• EC Harris to fill in leading position in GBL Buildings
A leading name in program management
In 2010 EC Harris was awarded a Global Enterprise Framework Agreement by Shell to provide programme controls, contract advisory and real estate project management services across 26 countries.
EC Harris has worked with BAA for over 15 years, most recently working as part of BAA’s three year framework for Managed Services Providers across their capital programme at Heathrow. EC Harris also works with BAA’s regional airports including Southampton, Glasgow and Edinburgh.
EC Harris provides project & programme management, facility management and cost & commercial management for HSBC in Hong Kong
Chelsea Barracks, London

EC Harris is working with Qatari Diar to provide programme, cost and commercial management for the design masterplanning of the Chelsea Barracks development in London.
Sports City, Singapore

EC Harris is the independent tester for the Singapore Sports Hub. The new Sports Hub will include a new 55,000 seat capacity national stadium, multipurpose indoor arena, aquatic and water leisure centre, sports museum, sports medicine and sport science centre, along with commercial development and office space.
Grand Millennium Al Wahda Hotel, Abu Dhabi

Completed in 2011, EC Harris provided both cost consultancy and project management services during the delivery of the Grand Millennium Al Wahda Hotel in Abu Dhabi. The hotel contains 588 guestrooms and 262 furnished apartments making it the single largest hotel in Abu Dhabi.
EC Harris is working for Bawabat Al Shamal Real Estate Company to provide Commercial Management services on the Doha Festival City shopping mall development. The development will span across 428 million sq ft, with three million set aside for retail space.
EC Harris is working with Magnox Ltd to support the decommissioning of the UK’s first generation of nuclear power stations. EC Harris provides commercial management services and consultancy solutions to support the Magnox procurement and contracting strategies.
EC Harris advises Guy’s and St Thomas’ - one of the largest NHS Foundation Trusts in the UK - on its estate strategy underpinning this transformation process, specifically providing healthcare planning consultancy services for major capital programme
Summary
Transaction – Summary

- EC Harris – top level consultancy active high in the value chain – a global leader in program management
- Gross revenues €290 million, 2,600 employees
- Diversified portfolio of services and geography
- Market opportunities are plentiful
- Deal terms: cash and 3 million shares, lock-up 12 months
- Financial profile ARCADIS remains conservative
- Accretive to EPS as of 2012
- Combined firm has €2.3 billion in revenue; ~19,000 staff
- Strategic rationale for both sides is strong
- Ample international synergy opportunities
- Partner approval end October with close in November
A New Dawn for New Orleans

Imagine the result
Trading Update ARCADIS
Based on preliminary Q3 results

Markets
• Continued strong growth in South America and Asia
• US: strong growth in Environment partly offset by Water
• Positive development in RTKL, UK, Germany, France
• Negative growth in Netherlands, Belgium and Poland
• Overall, organic growth remains stable at ~3%

Financial
• Organically, EBITA in Q3 flat, despite losses in Poland
• Reported EBITA in Q3 -10% due to weaker US$ and no gains from divestments (€1.3m in Q3’10)

• For full year 2011 we anticipate Net Income from Operations to be approximately level with 2010
Imagine the result

Thank you
Questions?