

CONSOLIDATED INCOME STATEMENT

for the six-month period ended 30 June

In € thousands	2017	2016
GROSS REVENUES	1,648,136	1,678,043
Materials, services of third parties and subcontractors	(392,429)	(414,606)
NET REVENUES	1,255,707	1,263,437
Personnel costs	(967,923)	(977,300)
Other operational costs	(188,974)	(181,579)
Depreciation and amortization	(19,330)	(20,363)
Amortization other intangible assets	(15,947)	(18,511)
Other income	931	3,793
TOTAL OPERATIONAL COSTS	(1,191,243)	(1,193,960)
OPERATING INCOME	64,464	69,477
Finance income	6,105	4,223
Finance expenses	(19,805)	(17,340)
Fair value change of derivatives	1,418	(153)
NET FINANCE EXPENSE	(12,282)	(13,270)
Result from investments accounted for using the equity method	(2,428)	(1,561)
PROFIT BEFORE INCOME TAX	49,754	54,646
Income taxes	(15,602)	(14,052)
PROFIT FOR THE PERIOD	34,152	40,594

PROFIT ATTRIBUTABLE TO:

Equity holders of the Company (net income)	33,627	39,738
Non-controlling interests	525	856
PROFIT FOR THE PERIOD	34,152	40,594

EARNINGS PER SHARE (IN €)

Basic earnings per share	0.40	0.48
Diluted earnings per share	0.39	0.47

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six-month period ended 30 June

In € thousands	2017	2016
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX		
PROFIT FOR THE PERIOD	34,152	40,594
ITEMS THAT MAY BE SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS:		
Exchange rate differences for foreign operations	(51,503)	(30,140)
Effective portion of changes in fair value of cash flow hedges	943	(3,914)
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS:		
Changes related to post-employment benefit obligations	-	-
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX	(50,560)	(34,054)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(16,408)	6,540
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Equity holders of the Company	(16,962)	6,171
Non-controlling interests	554	369
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(16,408)	6,540

NON-GAAP PERFORMANCE MEASURE

In € thousands	2017	2016
NET INCOME FROM OPERATIONS¹		
Profit for the period attributable to equity holders (net income)	33,627	39,738
Amortization identifiable intangible assets, net of taxes	12,383	14,263
Non-recurring ²	360	-
Lovinklaan employee share purchase plan ³	851	868
NET INCOME FROM OPERATIONS	47,221	54,869
NET INCOME FROM OPERATIONS PER SHARE¹ (IN €)		
Basic earnings per share	0.55	0.66
Diluted earnings per share	0.55	0.65

¹ Non-GAAP performance measure, to provide transparency on the underlying performance of our business. Reference is made to the Annual Report 2016 for the definition as used by Arcadis

² Non-recurring items include acquisition related costs

³ The Lovinklaan employee share purchase plan is controlled by the Lovinklaan Foundation and the Company has no influence on this scheme. Accordingly, the Company treats the related share-based expenses as non-operational expenses

CONSOLIDATED BALANCE SHEET

before allocation of profit

In € thousands	2017 30 JUNE	2016 31 DECEMBER	2017 30 JUNE	2016 31 DECEMBER	
ASSETS			EQUITY AND LIABILITIES		
NON-CURRENT ASSETS			SHAREHOLDERS' EQUITY		
Intangible assets and goodwill	1,113,843	1,170,364	TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	973,671	999,069
Property, plant & equipment	96,620	100,427	Non-controlling interests	3,201	2,647
Investments accounted for using the equity method	21,377	24,730	TOTAL EQUITY	976,872	1,001,716
Other investments	713	656	NON-CURRENT LIABILITIES		
Deferred tax assets	34,094	30,332	Provisions for employee benefits	62,560	70,234
Pension assets for funded schemes in surplus	-	-	Provisions for other liabilities and charges	27,016	23,331
Derivatives	-	-	Deferred tax liabilities	81,602	79,055
Other non-current assets	27,684	30,683	Loans and borrowings	594,671	700,464
TOTAL NON-CURRENT ASSETS	1,294,331	1,357,192	Derivatives	-	2,565
CURRENT ASSETS			TOTAL NON-CURRENT LIABILITIES	765,849	875,649
Inventories	228	235	CURRENT LIABILITIES		
Derivatives	6,225	6,156	Work in progress (billing in excess of cost)	243,391	286,932
Trade receivables	572,181	621,601	Current portion of provisions	14,285	23,739
Work in progress (unbilled receivables)	538,584	518,491	Corporate tax liabilities	26,343	26,225
Corporate income tax receivable	25,187	26,222	Current portion of loans and (short-term) borrowings	186,506	55,279
Other current assets	99,247	78,559	Derivatives	5,239	8,037
Cash and cash equivalents	283,715	260,032	Bank overdrafts	19,178	865
TOTAL CURRENT ASSETS	1,525,367	1,511,296	Accounts payable, accrued expenses and other current liabilities	582,035	590,046
TOTAL ASSETS			TOTAL CURRENT LIABILITIES	1,076,977	991,123
	2,819,698	2,868,488	TOTAL LIABILITIES	1,842,826	1,866,772
			TOTAL EQUITY AND LIABILITIES	2,819,698	2,868,488

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In € thousands	Attributable to equity holders of the Company							Total equity
	Share capital	Share premium	Hedging reserve	Translation reserve	Retained earnings	Shareholders' equity	Non-controlling interests	
BALANCE AT 1 JANUARY 2016	1,678	372,603	(2,433)	42,073	594,049	1,007,970	3,365	1,011,335
Profit for the period	-	-	-	-	39,738	39,738	856	40,594
OTHER COMPREHENSIVE INCOME:								
Exchange rate differences	-	-	-	(29,653)	-	(29,653)	(487)	(30,140)
Effective portion of changes in fair value of cash flow hedges	-	-	(3,914)	-	-	(3,914)	-	(3,914)
Taxes related to effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	-	-	-
Re-measurements on post-employment benefit obligations	-	-	-	-	-	-	-	-
Taxes related to re-measurements on post-employment benefit obligations	-	-	-	-	-	-	-	-
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAXES	-	-	(3,914)	(29,653)	-	(33,567)	(487)	(34,054)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-	-	(3,914)	(29,653)	39,738	6,171	369	6,540
TRANSACTIONS WITH OWNERS OF THE COMPANY:								
Acquisitions	-	-	-	-	-	-	-	-
Dividends to shareholders	-	(30,471)	-	-	(21,673)	(52,144)	-	(52,144)
Issuance of shares	43	30,428	-	-	-	30,471	-	30,471
Share-based compensation	-	-	-	-	5,422	5,422	-	5,422
Taxes related to share-based compensation	-	-	-	-	96	96	-	96
Purchase of own shares	-	-	-	-	(14,951)	(14,951)	-	(14,951)
Share options exercised	-	-	-	-	2,272	2,272	-	2,272
TOTAL TRANSACTIONS WITH OWNERS OF THE COMPANY	43	(43)	-	-	(28,834)	(28,834)	-	(28,834)
BALANCE AT 30 JUNE 2016	1,721	372,560	(6,347)	12,420	604,953	985,307	3,734	989,041
BALANCE AT 31 DECEMBER 2016	1,721	372,560	(3,285)	2,607	625,466	999,069	2,647	1,001,716
Profit for the period	-	-	-	-	33,627	33,627	525	34,152
OTHER COMPREHENSIVE INCOME:								
Exchange rate differences	-	-	202	(51,734)	-	(51,532)	29	(51,503)
Effective portion of changes in fair value of cash flow hedges	-	-	784	-	-	784	-	784
Taxes related to effective portion of changes in fair value of cash flow hedges	-	-	159	-	-	159	-	159
Re-measurements on post-employment benefit obligations	-	-	-	-	-	-	-	-
Taxes related to re-measurements on post-employment benefit obligations	-	-	-	-	-	-	-	-
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAXES	-	-	1,145	(51,734)	-	(50,589)	29	(50,560)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-	-	1,145	(51,734)	33,627	(16,962)	554	(16,408)
TRANSACTIONS WITH OWNERS OF THE COMPANY:								
Acquisitions	-	-	-	-	-	-	-	-
Dividends to shareholders	-	(21,002)	-	-	(15,476)	(36,478)	-	(36,478)
Issuance of shares	27	20,975	-	-	-	21,002	-	21,002
Share-based compensation	-	-	-	-	6,258	6,258	-	6,258
Taxes related to share-based compensation	-	-	-	-	33	33	-	33
Purchase of own shares	-	-	-	-	-	-	-	-
Share options exercised	-	-	-	-	749	749	-	749
TOTAL TRANSACTIONS WITH OWNERS OF THE COMPANY	27	(27)	-	-	(8,436)	(8,436)	-	(8,436)
BALANCE AT 30 JUNE 2017	1,748	372,533	(2,140)	(49,127)	650,657	973,671	3,201	976,872

CONSOLIDATED CASH FLOW STATEMENT

for the six-month period ended 30 June

In € thousands	2017	2016	In € thousands	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES			CASH FLOWS FROM INVESTING ACTIVITIES		
PROFIT FOR THE PERIOD	34,152	40,594	Investments in (in)tangible assets	(27,134)	(29,387)
ADJUSTMENTS FOR:			Proceeds from sale of (in)tangible assets	2,482	3,198
Depreciation and amortization	19,330	20,363	Investments in consolidated companies	(508)	(1,137)
Amortization other identifiable intangible assets	15,947	18,511	Proceeds from sale of consolidated companies	-	-
Income taxes	15,602	14,052	Investments in associates and joint ventures	(10,816)	(10,965)
Net finance expense	12,282	13,270	Proceeds from sale of associates and joint ventures	9,716	(146)
Result from Investments accounted for using the equity method	2,428	1,561	Investments in other non-current assets and other investments	(1,662)	(1,932)
ADJUSTED PROFIT FOR THE PERIOD (EBITDA)	99,741	108,351	Proceeds from (sale of) other non-current assets and other investments	3,239	3,641
Change in Inventories	5	(3)	NET CASH (USED IN)/ FROM INVESTING ACTIVITIES	(B) (24,683)	(36,728)
Change in Work in progress (unbilled receivables)	(41,467)	(134,743)	CASH FLOWS FROM FINANCING ACTIVITIES		
Change in Trade receivables	28,548	34,932	Proceeds from exercise of options	749	2,272
Change in Work in progress (billing in excess of costs)	(35,020)	1,641	Proceeds from issuance of shares	-	-
Change in Suppliers	(22,493)	25,877	Purchase of own shares	-	(14,951)
CHANGE IN NET WORKING CAPITAL	(70,427)	(72,296)	Settlement of financing derivatives	(636)	(4,665)
Change in Other receivables	(33,783)	(39,428)	New long-term loans and borrowings	-	149
Change in Current liabilities	28,287	(5,246)	Repayment of long-term loans and borrowings	-	(26,542)
CHANGE IN OTHER WORKING CAPITAL	(5,496)	(44,674)	New short-term borrowings	100,000	127,816
Change in Provisions	(10,141)	(6,831)	Repayment of short-term borrowings	(49,200)	(443)
Share-based compensation	6,258	5,422	Dividends paid	(16,328)	(21,673)
Change in operational derivatives	(582)	1,313	NET CASH (USED IN)/ FROM FINANCING ACTIVITIES	(C) 34,585	61,963
Settlement of operational derivatives	(86)	(196)	NET CHANGE IN CASH AND CASH EQUIVALENTS LESS BANK OVERDRAFTS		
Dividend received	608	5	(A+B+C)	6,095	(10,665)
Interest received	6,114	3,495	Exchange rate differences	(725)	(4,111)
Interest paid	(18,620)	(17,259)	Cash and cash equivalents less Bank overdrafts at 1 January	259,167	221,088
Corporate tax paid	(11,176)	(13,230)	CASH AND CASH EQUIVALENTS LESS BANK OVERDRAFTS AT 30 JUNE	264,537	206,312
NET CASH FROM OPERATING ACTIVITIES	(A) (3,807)	(35,900)			