PRESS RELEASE

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Arcadis adjusts profit outlook for 2015 while reporting strong cash flow

- Outlook for full year net income from operations adjusted from a previously expected approximate 20% increase to approximately 10% compared to 2014 due to:
  - Lower revenues and €5 million additional restructuring costs in North-America and Emerging Markets in the fourth quarter
  - Delay in divesting Brazilian non-core energy assets that was expected to generate a gain of approximately €6 million
- Annual net revenue growth in 2015 in line with expectation at approximately +30%
- Free cash flow in 2015 was strong, contributing to net working capital as percentage of gross revenues below year-end 2014
- Purchase price allocation of 2014 acquisitions as per IFRS 3 completed, resulting in restated 2014 balance sheet positions, and subsequent 2015 quarterly financials. Year-end 2014 ratio of net working capital as percentage of gross revenues adjusted to 17.4% (from 18.8%). Working capital at year-end 2015 was 17.1%.
- Full year audited results 2015 will be published as scheduled on February 18, 2016

January 25, 2016 – Arcadis (EURONEXT: ARCAD), the leading global Design & Consultancy firm for natural and built assets, today announced that it expects net income from operations for full year 2015 to be approximately 10% higher than in 2014. In the fourth quarter of 2015, market conditions in North America and in Emerging Markets further deteriorated, resulting in lower revenues and order intake, which required additional restructuring measures amounting to €5 million.
Furthermore in order to secure an optimal financial outcome, the signing of the planned divestment of non-core energy assets in Brazil could not yet be realized and continues to be actively pursued.
Free cash flow in the fourth quarter was strong and resulted in a lower net working capital ratio compared to year-end 2014.

Update to purchase price allocations of Hyder and Callison
In October 2014, Arcadis acquired Hyder and Callison. These acquisitions were made as part of the Company’s strategy to strengthen its position as the leading global Design & Consultancy firm for natural and built assets. Both acquisitions have been accounted for using the mandatory IFRS 3 method. At the end of 2014, the purchase price allocation was included on a provisional basis, in line with common market and accounting practice. In 2015, the balance sheet positions were thoroughly reviewed, during which it became clear that the Arcadis approach for revenue recognition and valuing debtors was more prudent than within Hyder and Callison.

A full review of projects, debtors and possible legal claims, led to an update of the provisional purchase price allocations, referred to under IFRS 3 as measurement-period adjustments. These adjustments resulted in restated consolidated balance sheet positions as at 31 December 2014, the impact of which is summarized in the table below:

	Reported 31/12/2014	adjustments	Restated 31/12/2014
Assets			
Goodwill	901.6	80.7	982.3
Intangible assets	212.1	16.3	228.4
Deferred tax assets	50.4	1.2	51.6
(un) billed receivables	1,026.0	-48.6	977.4
		49.6	
Total assets	**2,608.0**	**49.6**	**2,657.6**
Equity & liabilities			
Equity	895.8	0.1	895.9
Provisions for other liabilities and charges	22.4	49.9	72.3
Deferred tax liabilities	97.3	-0.4	96.9
		49.6	
Total equity and liabilities	**2,608.0**	**49.6**	**2,657.6**

These adjustments also impacted the ratio of net working capital as percentage of gross revenues. Based on the updated purchase price allocations net working capital as percentage of gross revenues at year-end 2014 is 17.4%, instead of 18.8% reported last year.

A table with the restated figures for December 2014 as well as the first three quarters of 2015, is added to this press release.

A full disclosure of the final purchase price allocations will be provided in the notes to the consolidated financial statements in the Arcadis Annual Report 2015.

Publication full year results 2015

All figures in this press release are preliminary and unaudited. Arcadis will provide more details on the 2015 performance in the publication of the full year audited results 2015, as scheduled on February 18, 2016.

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About Arcadis

Arcadis is the leading ***global Design & Consultancy firm for natural and built assets***. Applying our deep market sector insights and collective design, consultancy, engineering, project and management services we work in partnership with our clients to deliver ***exceptional and sustainable outcomes*** throughout the lifecycle of their natural and built assets. We are 28,000 people active in over 70 countries that generate more than €3 billion in revenues. We support UN-Habitat with knowledge and expertise to improve the quality of life in rapidly growing cities around the world. www.arcadis.com.