

Grontmij

Sustainable design & engineering

Q3 2009 Figures

November 2009



Sylvo Thijsen

No recovery in European market

<u>€m</u>	<u>Results first nine months</u>		
	<u>2009</u>	<u>2008</u>	<u>2007</u>
Net revenue	478	491	441
Gross Margin	111	115	100
EBITDA*	42	47	31
EBITA*	33	38	23
Profit after Tax	20.1	26.6	22.0
Working Capital	187	219	200
Net Debt	-108	-131	-99

*Before non-recurring restructuring costs of €-3.1 million (2008: €-0.1 million), revaluations €-1 million (2008: nil), profits from EAI €3 million (2008: €3.7 million) & profit from divestment of EAI €5.2 million (2008: €2.5 million).

- Further worsening in building and industry markets, and some slow down in energy
- Outlook full year underlying EBITA before EAI and restructuring €43-45 million (2008: €53 million)
- No sign of recovery of markets in first half 2010
- Expected worsening in outlook due to further restructuring costs & provisions of €6-8 million in Q4

Market conditions

Continued pressure on pricing & productivity

	Energy, Water & Environment	Transportation	Building & Industry		
Belgium	Good	Good	Poor	Poor	Industry poor
Denmark	Good	Good	OK	Poor	Building poor
Germany	Good	Good	Good		
Central Europe	Good	Good	n.a.		
Netherlands	OK	Good	Poor	Poor	Building poor
Sweden	Good	Good	Good		
United Kingdom	OK	Poor	Poor	Poor	Building poor Transportation poor Water poor

■ Good
 ■ OK
 ■ Poor

Mel Zuydam

2009 quarter analysis

<u>Profit & Loss Account</u>	<u>Q3 09</u>	<u>Q3 08</u>	<u>Q2 09</u>	<u>Q1 09</u>
Total revenue	191	208	209	208
Net revenue	146	158	165	167
EBITA	10.2	11.0	12.5	10.5
Restructuring	-0.9	0.0	-1.7	-0.5
Revaluations	-1.0	-	-	-
EAI Operations	0.9	1.2	1.7	0.4
Profit on Sale	0.0	2.1	0.0	5.2

- Third quarter net revenue decline was 4% before currency effects & acquisitions
- Third quarter underlying EBITA before EAI, restructuring & revaluations remains resilient
- Restructuring activity continues to improve cost base
- EAI operations as expected

Consolidated income statement

Profit & Loss Account	Results first nine months		
	2009	2008	2007
Total revenue	608	628	567
Net revenue	478	491	441
Gross Margin	111	115	100
EBITDA*	41.7	47.0	31.4
EBITA*	33.2	38.0	22.5
% TR	5.5%	6.1%	4.0%
% NR	6.9%	7.7%	5.1%
EAI	3.0	3.7	13.5
Divestment	5.2	2.5	0.9
Adjusted EBITA	41.4	44.2	36.9
% TR	6.8%	7.0%	6.5%
% NR	8.7%	9.0%	8.4%
Amortisation	-6.0	-4.1	-4.8
EBIT	35.4	40.1	32.1
Restructuring	-3.1	-0.1	-
Revaluations	-1.0	-	-
Interest	-4.4	-5.2	-4.7
Taxation	-6.8	-8.2	-5.4
Effective rate	25%	24%	20%
Profit after Tax	20.1	26.6	22.0
% TR	3.3%	4.2%	3.9%

- Revenues declined 2.7% at net revenue level
 - Further slow-down in Building & Industry markets
 - Further slow down in Water market in UK
- Gross Margin (revenue less direct costs)
 - Further reduced in Building & Industry
 - Still mainly Netherlands, UK, Belgium
- Profit share from EAI € 3.0 million, down € 0.7 million
 - Due to 08/09 disposals
- Amortisation € 6.0 million, up € 1.9 million
 - Full half year effect UK acquisitions
- Exceptional restructuring costs and revaluation € 4.1 million
 - Further re-structuring and cost base improvement

*Before non-recurring restructuring costs of € -3.1 million (2008: € -0.1 million)

Consolidated balance sheet extract

Balance sheet extract 30 September

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Intangible assets & Goodwill	201	207	168
Work in progress	74	89	76
Trade Receivables	113	130	124
Net Debt	-108	-131	-99
Cash	17	49	25

- Continued focus on cash
- Decrease in work in progress
- Reduction in trade receivables
- Net Debt reduction of € 23 million

Outlook

- Markets will remain challenging, also in first half 2010
- Actions to reduce overheads, manage cash & exit unprofitable low performing activities
 - Structurally improved cost base
 - Positioning Group for future sustainable growth
- Full year underlying business EBITA, before EAI, restructuring & revaluations € 43-45 million
- Full year restructuring costs, provisions & revaluations € 10-12 million
- Profit after tax expected to be approximately € 18-20 million