

## Grontmij reports robust results in first nine months 2008

- **Result after tax YTD 2008 up 21% to €26.6 million (2007: €22.0 million). Result after tax Q3 increased 24.6% to €8.1 million (2007: €6.5 million)**
- **Revenue YTD 2008 totals €626.8 million (2007: €566.7 million)**
- **Net revenue YTD 2008 increased to €491.1 million (2007: €440.9 million). Organic growth amounts to 7% (2007: 5%); without the effect of the decline of the British pound, 9%**
- **Continued sustainable demand for multidisciplinary services**
- **Outlook for 2008 remains unchanged: approaching an operational margin of 8% (EBITA on Revenue) over the full year 2008 excluding unforeseen circumstances.**

Comments Sylvo Thijsen, CEO Grontmij N.V.:

"The results of the first nine months and the third quarter of 2008 are in line with expectations. All countries have improved their performance as compared to the first nine months of last year. We are pleased to see that all acquired businesses in 2008 are performing well in line with our expectations.

Our focus on sustainable design, innovation and management services delivers strong inflow in our order book in the sectors energy, water and environment. Our knowledge and the increasing needs of our clients in the infrastructure sector also secure a steady stream of orders which we expect to be of a structural nature.

Despite the current financial crisis and the hesitation in some parts of the real economy, our order back log is well over one year and shows on an overall basis no signs of a slow down. We see no reasons therefore to amend our outlook for 2008. We do, however, keep a close watch on our daily operations in view of the economic slowdown. If necessary, our organisation is able to respond rapidly to changing market circumstances.

Our financial, commercial and organisational base is solid and strong. Above all I know we can rely on our most valuable asset: well motivated employees continuously delivering the best to our clients".

As explained at the presentation of the full year figures of 2007, Grontmij will present its group results including geography and market segments in its half year and full year reports. In the first and third quarter releases the group results will be presented together with an update on the countries and market segments.

**Revenues and results first nine months/third quarter 2008**

The key financial figures for the Group are summarized below:

(in € million or %)	2008 YTD	2007 YTD	Δ %	2008 Q3	2007 Q3	Δ %
Revenue	626.8	566.7	10.6%	208.4	183.1	13.8%
Net revenue	491.1	440,9	11.4%	158.6	146.4	8.3%
EBIT	40.0	32.0		12.7	10.0	
<b>EBIT (% of Revenue)</b>	<b>6.4%</b>	<b>5.6%</b>		<b>6.1%</b>	<b>5.5%</b>	
EBIT (% of Net revenue)	8.1%	7.3%		8.0%	6.8%	
EBITA	44.1	36.8		14.3	11.0	
<b>EBITA (% of Revenue)</b>	<b>7.0%</b>	<b>6.5%</b>		<b>6.9%</b>	<b>6.0%</b>	
EBITA (% of Net revenue)	9.0%	8.3%		9.0%	7.5%	
<b>Result after tax</b>	<b>26.6</b>	<b>22.0</b>	<b>20.9%</b>	<b>8.1</b>	<b>6.5</b>	<b>24.6%</b>
<b>Result after tax (% of Revenue)</b>	<b>4.2%</b>	<b>3.9%</b>		<b>3.9%</b>	<b>3.6%</b>	

Grontmij includes the results of joint ventures and associates in the calculation of EBIT and EBITA.

Earnings per share in the third quarter of 2008 amount to €0.45 (2007: €0.37).

Net revenue rose to €491 million, an increase of 11.4% (excl. currency influence: 13.8%) compared to YTD 2007. The organic growth YTD is 7%, excluding the effect of GBP: 9%.

Earnings before interest and tax (EBIT) over the first nine months of 2008 amounted to €40.0 million, an increase of 25.0% compared to the €32.0 million in the first nine months of 2007. Expressed in proportion to Revenue, EBIT increased to 6.4% (2007: 5.6%). Expressed in proportion to Net revenue, EBIT increased to 8.1% (2007: 7.3%).

Also this year, results of joint ventures and associates contribute to the Group's earnings. The afore-mentioned results are achieved in Belgium and the Netherlands. These earnings result from the fact that Grontmij carries out projects in conjunction with external partners; in order to limit the operational and financial risks, Grontmij regularly opts to place these activities in separate legal entities in which the group has an interest of 50% or less. Joint ventures are a structural part of our business, which in practice have contributed to Grontmij's results for many years. The involvement of Grontmij in joint ventures varies from year to year. Results of joint ventures also vary from year to year and have to be seen in conjunction with the Group's other business results. The composition of our project portfolio for the coming years provides sufficient confidence in the combined results of consultancy services and related joint ventures.

**Markets**

In the third quarter, despite the holiday period, Grontmij enjoyed a powerful demand for its services, both in the home markets and in Central & Eastern Europe. At this moment we see no effects of a general slow down except in some parts of the Building sector.

We expect a limited effect on total revenue due to the current financial crisis and its effects on the building sector. We are able to compensate this with increased and ongoing strong demand in the transportation, water and energy sectors.

### Environment, Water & Energy

The demand for sustainable design and engineering drives a major part of the daily operations in all countries. The demand is rising in these segments and we see no indication of a slow down.

### Building & Industry

The market for consultancy services for the building and industry sectors shows a rising investment in plants, facilities and installations for process optimising and reduced use of water and energy. In the residential and commercial building activities, representing only a small part of our business, there is a slow down. At the same time we see a significant amount of future workload deriving from new schemes and refurbishments in the public buildings (schools, hospitals, etc.).

### Transportation

The demand from the European (public) transportation market remains sustainably strong. Volumes of studies, planning and design are estimated to continue both for 2008 and 2009 on the current high level.

## **Countries**

### *Belgium*

Grontmij's position in Belgium remains strong, especially in the industry and transportation sector.

The following assignments were added to our order book in the third quarter of 2008:

- A design for the biking infrastructure along the 'inner ring' (R20) in Brussels. Besides the increase of bicycle traffic, the flow of public transport is a priority in the plans.
- Grontmij guides the execution of maintenance and repairs of 150 school buildings in the region of Flanders. Sustainability and energy performance are important items in this project.
- The design for the construction of a separated sewer system along the N253 (between Leuven and Overijse) and adjacent streets.

### *Denmark*

Although the Danish economy is slowing down, especially in the building sector, Grontmij has increased its position in the transportation, water and environment sectors which supports organic growth in the third quarter.

Grontmij received the following assignments in Denmark:

- In connection with the construction of the Rødsand 2 Offshore Wind Farm, located south of Lolland in Denmark, Grontmij will be in charge of the consultancy and basic design. Our consultancy services will include: Optimisation of wind farms layout with respect to visual and environmental impacts, geotechnical aspects, water depths, grid connection, construction costs and production yield.
- The district heating company in Århus, second largest city in Denmark, extended the contract with Grontmij for energy saving measures for 2009 and 2010.
- The municipality of Skive has been chosen as Energy City in Denmark, as front runner within the climate and energy area. Grontmij has an active share in facilitating the process.

### *Germany*

Due to our improved market position in the energy and transportation sectors we see a sustainable demand for our services. Our project management activities in the building sector also show an increasing level of activity.

Grontmij was able to acquire the following consultancy assignments:

- A consortium of Grontmij, EPOS and Mediconsult was assigned by the Afghan Ministry of Health to reconstruct the Balkh Provincial Hospital in Mazar-i-Sharif, Afghanistan. In this KfW- and SIDA-funded project Grontmij is responsible for architecture and engineering of the 500-bed hospital that will employ 500 people.
- Grontmij was assigned by WINGAS, a consortium of Wintershall (BASF) and Gazprom, to obtain the property rights for the construction of a 120 km part of the Ostsee-Pipeline-Anbindungs-Leitung – the landside connection of the North-Stream-Pipeline from Russia through the Baltic Sea in eastern Germany. Grontmij will conduct negotiations with about 1250 property owners.
- Grontmij will do the planning of the structural framework of the new 70m office high-rise for the Deutsche Börse AG in Frankfurt/Eschborn. The basis for this building project is an ecological concept that includes heat recovery, combined heat-power-cooling generation as well as the use of solar energy and resource-saving building material.

### *United Kingdom/Ireland*

Especially in the Water sector Grontmij has a strong position with respect to asset management. A large proportion of the UK water business is tied up in framework contracts. Next year, the biggest challenge and influence on UK's performance is the effect of the framework renewal cycle of the Asset Management Program of the water companies.

Our position in the transportation market is less substantial but strong.

The three companies acquired in the first half year of 2008, contribute to revenue and result in line with our expectations.

Despite the financial crisis and its direct impact on especially the UK building sector, Grontmij still has an impressive order intake and pipeline for its multi-disciplinary services as designer, planner and engineer.

In the UK the following assignments were added to our order book:

- As part of our framework with Yorkshire Water to provide telemetry consultancy services, Grontmij has been awarded a commission to manage the installation of first time telemetry at 700 combined sewer overflows and sewage pumping stations. This is part of Yorkshire Water's pollution prevention programme.
- Together with Grontmij Poland, the water consultancy business in the UK has won a commission to benchmark the business processes of Aquanet for compliance with PAS 55, the asset management standard. Aquanet is one of Poland's largest water and sewage utilities.
- Grontmij is helping Thames Water to develop new construction standards for the utility's design and construct procurement strategy in relation to AMP5.

### *The Netherlands*

Our market position in the Netherlands has increased in the sectors Energy, Water and Transportation. Due to the long term nature of the projects we are carrying out in the sectors Infrastructure, Environment and Water we can show a well spread portfolio for the future.

In the Netherlands Grontmij obtained the following consultancy assignments:

- Assignment for the design and engineering of energy saving aspects for the new Waste Management Services plant in the municipality of 's-Hertogenbosch.
- In September 2008 Grontmij received the biennial Aquatech Innovation Award for the Pharmafilter project. The Pharmafilter technology is a very innovative way to achieve better water quality while also saving on water and energy consumption. Earlier this year, the Pharmafilter Concept already received other awards, such as the Dutch EEP Award and the prestigious 'De Vernufteling 2008' award.
- Grontmij is commissioned by the municipality of Venlo for the design and engineering of a parking garage.

#### *Sweden*

The market in Sweden continues to be favourable for Grontmij's services although some indications of a decreasing growth are shown (deteriorating Building market). The improvement in the business mix leads to a decrease of low profitable engineering services. In the second half of 2008 we are focussing on more profitable activities with higher revenue and result per employee.

Important new consultancy assignments in Sweden are:

- Grontmij is involved in the extension of an existing tramway in Stockholm. The commission includes the planning and designing of all constructions and bridges of approximately 3 km of the extension.
- Design of a wind farm of 70 MW. This is an overall commitment and Grontmij will be responsible for all parts of the project, such as the environmental permit process, infrastructure and park layout.
- The Municipality of Täby, north of Stockholm, is planning a new large scale district heating network and cogeneration plant over the coming 4-5 years. Grontmij Sweden is responsible for the pre-study of the network infrastructure, project management and setting up an organisation for distribution.

#### *Focus countries*

In our focus countries we see a good demand for our services. Our largest unit, Poland, is doing well in Environment, Water and Transportation. Our involvement at EU-programs 2007-2013 secures a stable position in the near future.

#### **Divestments and acquisitions**

During September and October 2008, we have divested three projects in real estate and waste operation. The cash-in is approximately € 10 million. The cash will be used for redemptions. The acquired Belgian consulting firm Libost (55%) contributes to our result as from the third quarter.

#### **Outlook 2008**

Grontmij is focussed on increasing its results and value creation on the long term. With respect to this the company does not provide targets for earnings per share per quarter or per year.

The order intake in the environment, water, energy and transportation sectors remains favourable. We are not seeing any signs yet of the economic slowdown in the order backlog but the uncertainty about the effects for the future has increased. Although more challenging, we maintain our target for 2010 aiming at realising a 8-9% operational margin (EBITA on Revenue).

Taking into account the development of revenue and result in the first nine months of 2008 and the developments of the order book, the outlook for the full year 2008 remains unchanged positive. We expect to approach an operational margin of 8% (EBITA on Revenue) over the full year 2008 excluding unforeseen circumstances.

**For further information, please contact:**

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**Financial calendar**

12 March 2009	Publication of annual results for 2008
14 May 2009	Publication of first-quarter 2009 results
14 May 2009	General Meeting of Shareholders
20 August 2009	Publication of half-year 2009 results
12 November 2009	Publication of third-quarter 2009 results

[www.grontmij.com](http://www.grontmij.com)

*Grontmij intends to be the best local service provider for design, consultancy, management, engineering and contracting of projects in environment, water, energy, building, industry and transportation. Our employees thus create value for our clients and shareholders and contribute to a sustainable living and working environment.*

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