

Grontmij resilient in challenging markets

	<u>Interim Results 30 June</u>	
<u>€m</u>	<u>2009</u>	<u>2008</u>
Net revenue	332	333
Gross Margin	76	80
EBITDA*	29	33
EBITA*	23	27
Profit after Tax	15.4	18.5
Working Capital	203	214
Net Debt	-118	-131

*Before non-recurring restructuring costs of €-2.2 million (HY 2008: €-0.1million), profits from EAI €2.1 million (HY 2008: €2.5 million) & profit from divestment of EAI €5.2 million (HY 2008 €0.4 million).

- **Profit after tax €15.4 million (2008: €18.5 million) reflecting challenging Building and Industry sectors.**
- **Strong market position in Transport and Environmental, Water and Energy sectors.**
- **Organic growth in net revenue of 1%.**
- **Forward order book improved.**
- **Outlook for 2009: second half 2009 profit after tax expected to equal half year 2009 profit after tax.**

Comments from Sylvio Thijsen, CEO Grontmij N.V.:

"The Group has produced a resilient financial performance in the first half year. Our strong market position in the sectors Transportation, Environment, Water and Energy has helped us, despite considerable currency exchange effects, to deliver these results in an economic challenging climate.

The first half of 2009 saw the recessionary effects in the Netherlands, the United Kingdom and Belgium impacting our margins and volumes in those countries, in particular in the private sector Building and Industry. Recognising the changing markets, we took rapid action to restructure and re-balance our resources by reducing our resources in the affected segments and increasing resources in our chosen profitable activities (Transport, Environment, Water and Energy). We increased our focus on operational performance through managing overhead, exiting unprofitable areas of the business and tightening of cash management.

Our strategy aims to achieve a balance between activities in the various geographies, market sectors and the different phases of the project chain. This strategy, together with our growing market position in the Transport, Environment, Water and Energy sectors, positions Grontmij well for the coming years."

Financial overview
Revenues and result first half year of 2009

<u>Interim Results 30 June</u>			
<u>Profit & Loss Account</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Total revenue	417	418	384
Net revenue	332	333	293
Gross Margin	76	80	62
EBITDA*	29	33	19
EBITA*	23	27	13
% TR	5.5%	6.5%	3.4%
% NR	6.9%	8.1%	4.4%
EAI	2.1	2.5	11.8
Divestment	5.2	0.4	1.0
Adjusted EBITA	30	30	26
% TR	7.2%	7.1%	6.7%
% NR	9.0%	9.0%	8.8%
Amortisation	-4.2	-2.5	-3.8
EBIT	26	27	22
Restructuring	-2.2	-0.1	-
Interest	-3.2	-2.9	-2.9
Taxation	-5.4	-5.9	-3.7
Effective rate	26%	24%	20%
Profit after Tax	15.4	18.5	15.4
% TR	3.7%	4.4%	4.0%

*Before non-recurring restructuring costs of €-2.2 million (€-0.1million), profits from EAI €2.1 million (€2.5 million) & profit from divestment of EAI €5.2 million (€0.4 million).

Total revenue remained broadly flat across the Group at €417 million (2008: €418 million). Net revenue also remained broadly flat at €332 million (2008: €333 million). This was due to a slow down in new order volumes from private sector Building and Industry clients and currency exchange effects. Another reason, as anticipated due to the renewal of the United Kingdom regulated water industry Asset Management Plan, was a slow down at the end of the current five year asset management plan. The slow down was offset by increased activity and performance within the Transport, Environment, Water and Energy sectors. Excluding the currency effect, organic growth in net revenue was 1%.

As a consequence of the slow down in the private sector Building and Industry, gross margin during the period declined from €80 million to €76 million. Consequently, EBITDA before non-recurring restructuring costs fell from €33 million to €29 million and profit after tax fell to €15.4 million from €18.5 million, in line with our performance during 2007. The currency influence (GBP, SEK, PLN) is €-1.1 million in EBITA and €-12.2 million in net revenue.

Amortisation during the first half of 2009 increased to €4.2 million from €2.5 million mainly due to a full six months of amortisation on the three acquisitions in the United Kingdom that occurred at the end of the first half in 2008.

The restructuring and rebalancing of our resources to meet the changing economic environment, resulted, together with some other one-off items, in non-recurring restructuring costs of €-2.2 million during the first half of 2009.

As a result of our continued divestment programme, in the first half, a non-recurring profit of €5.2 million was made on the sale of an asset in waste operations, compared to a profit of €0.4 million in the first half of 2008. The total book value of non-core assets held for sale is estimated at approximately €20 million. The result on equity accounted investees (EAI) amounted to €2.1 million (2008: €2.5 million) for the first half year 2009.

Net interest expenditure remained broadly flat. In some territories reduced interest rates were offset by a full half year of acquisition loan interest cost in the United Kingdom.

The effective taxation rate has increased for the last three years due to higher profit contributions from higher tax rate countries (Belgium and Germany), and lower tax exempt contributions in the Netherlands.

<u>Interim Results 30 June</u>			
<u>Balance Sheet extract</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Intangible assets & Goodwill	203	207	168
Work in progress	71	68	61
<i>Days Sales</i>	<i>44</i>	<i>42</i>	<i>41</i>
Trade Receivables	133	146	136
<i>Days Sales</i>	<i>83</i>	<i>91</i>	<i>92</i>
Net Debt	-118	-131	-100
Cash	17.8	19.7	38.4

Intangible assets showed a small decline, in line with the Group's amortisation policy.

There was a small increase in work in progress which was offset by a reduction in trade receivables. This resulted in an overall improvement in working capital of €10 million (5%). Our focus on debtor management will continue in the second half to further improve liquidity. Operating cash flow remained flat for the first half reflecting the seasonal pattern of the business; this should be improved during the first half of 2010 as the focus continues on overall working capital management.

Business strategy

In the long term, Grontmij aims to achieve a balance between the various geographies, activities in its six market sectors and the different phases of the project chain. The Group constantly assesses its portfolio and product market combinations. Based on these assessments it decides whether to start up, improve, acquire or divest activities. Avoiding

dependence on one market or single group of clients is an essential component of Grontmij's strategy.

Both Grontmij Netherlands' and Belgium's business models encompass the selected use of joint ventures and associates (equity accounted investees) to share knowledge and to mitigate risks. Through these equity accounted investees, Grontmij carries out projects in cooperation with external partners under joint control. The level of the Group's involvement varies from year to year.

Grontmij will from now on improve its transparency further by showing EBITA and EBIT, excluding EAI's and presenting the results from EAI's separately.

Countries

Profit & Loss Account	Belgium			Denmark			Germany/Poland			Netherlands			Sweden			UK/IRL		
	2009	2008	2007	2009	2008	2007	2009	2008	2007	2009	2008	2007	2009	2008	2007	2009	2008	2007
Total revenue	29	30	26	85	81	74	35	30	25	167	171	149	42	47	51	50	54	42
Net revenue	27	29	25	65	63	56	28	25	21	129	129	109	36	40	43	45	46	36
EBITA	2	3	1	4	3	2	4	3	1	10	12	4	4	4	4	2	4	3
% TR	7%	10%	4%	5%	4%	3%	10%	9%	4%	6%	7%	3%	11%	9%	8%	4%	7%	6%
% NR	7%	10%	4%	6%	5%	4%	13%	11%	5%	7%	10%	4%	12%	10%	10%	4%	8%	8%
EAI	1.1	0.6	1.2	-	-	-	-	-	-	1.0	1.8	10.6	-	-	-	-	-	-
Divestment	-	-	-	-	-	-	-	-	-	5.2	0.4	1.0	-	-	-	-	-	-
Adjusted EBITA	3	4	2	4	3	2	4	3	1	16	15	16	4	4	4	2	4	3
% TR	10%	12%	9%	5%	4%	3%	10%	9%	4%	9%	9%	11%	11%	9%	8%	4%	7%	6%
% NR	11%	12%	9%	6%	5%	4%	13%	11%	5%	12%	11%	14%	12%	10%	10%	4%	8%	8%

Belgium

A reduction in total revenue in the first half of 2009 from €30.3 million to €28.8 million and a consequential reduction in EBITA to €3.0 million (2008: €3.5 million) reflects Belgium's declining economy, specifically in the Industrial client sector, where both volumes and margins have been reduced. Management action has been taken to re-allocate and reduce surplus resources, and strengthen existing strategic customer relationships. In addition, there is increased focus on cash management.

Key contract wins included:

- From the Brussels Capital region, Grontmij together with SUM-Peter acquired the assignment for a study and design of a tramway track alignment of 5.5 kilometres. The total investment amounts to €30 million with a €1.25 million share for the combination of Grontmij and SUM-Peter.
- Grontmij will advise the Participatie Maatschappij Vlaanderen (PMV) in their assignment to arrange for the housing of the activities and physical-chemical laboratory of The Vlaamse Milieumaatschappij (VMM). Grontmij will advise PMV in respect of the technical design and sustainability & environmental aspects using the BREEAM environmental assessment methodology.

Denmark

The Danish economy is experiencing its sharpest contraction since the 1930's. Notwithstanding this, we achieved a 4% increase in total revenue performance in the first half of 2009 to €84.5 million (2008: €81.2 million) and EBITA increased to €3.9 million (2008: €3.1 million) mainly due to strong performance in Transportation and general project management contracts. These performances more than offset the decline in the Building and Industry sectors, in Denmark.

In addition, we restructured the business during the period and pro-actively managed the indirect overheads, and we will be continuing to increase the focus on cash and working capital management.

Key contract wins included:

- Grontmij will contribute to sustainable provision and operation of urban water supply services for approximately 12.3 million people in Dhaka city (Bangladesh) The project will be realised through the rehabilitating and strengthening of the water supply system. Grontmij's fee amounts to approximately €2.5 million. The project is financed by the Asian Development Bank.
- Grontmij is assigned by the University of Copenhagen for the planning and implementation of the reduction of energy consumption (by 10%).

Germany/Poland

The German economy is showing signs of stabilising total revenue in Germany increased to €29.3 million in the first half of 2009 (2008: €24.1 million) with strong performance in all parts of the business, and EBITA improved by 30% from €2.3 million to €3.0 million (9.5% to 10.2% of total revenue). Notwithstanding this good performance, we will continue to increase the focus on cash and working capital management.

There is evidence of the economy in Poland stabilising. Although total revenue remained flat for the first half of 2009 compared to first half 2008, EBITA grew from 6.7% to 10.8% of total revenue, reflecting increased and more profitable activity in the Water and Building sector. Cash and working capital management remain as areas of increased focus going forwards.

Key contract wins included:

- Together with our business partner Boll und Partner, Grontmij has obtained the assignment for the design documentation and the tender for the valley crossing and the deep level of Stuttgart main station. The scope is the complete modernisation and reorganisation of Stuttgart main station and the urban area around it. The total contract fee amounts to approximately €1.1 million.
- Grontmij in Germany together with Grontmij in Poland was commissioned to provide Vattenfall Heat Poland with the technical consulting services in revising and preparing itself for submitting an offer for modernisation and development of a waste to energy plant. The project is part of Poland's efforts to achieve the sustainable EU-standards concerning waste management. The project shall be completed until 2015.
- Grontmij in Poland is assigned by the Municipality of Krakow to do the project management for the renovation and modernisation of the UEFA Elite stadium (30,000 seats) which is done for the UEFA EURO 2012.

The Netherlands

Margins in the private client facing Building and Industry sectors have come under pressure due to increased competition and pricing, and reduced volumes, resulting in reduced productivity levels in the Netherlands. Total revenue fell to €167.0 million from €170.7 million in the first half, gross margin fell from €37 million to €34 million (22% to 20% of total revenue), and EBITA fell from €12.5 million to €9.6 million.

A restructuring programme is underway to reduce costs and re-focus resources; in addition we will be exiting unprofitable areas of the business, and significantly tightening our cash management.

The divestment of non core equity accounted investees continued with a profit on sale of €5.2 million. The remaining equity accounted investees in the Netherlands generated a profit of €1 million in the first half of 2009, compared to €1.8 million in the first half of 2008.

The following significant contract wins were obtained:

- The province of Flevoland (The Netherlands) has signed a framework agreement with Grontmij for the delivery of consultancy and engineering services for a.o. infrastructure works, mechanical and electrical technical engineering, urban and rural planning, environmental studies, project management and communications for a period of four years generating approximately € 3 million each year for the period of four years. After outsourcing to contracted parties, Grontmij is likely to absorb 20% of the fee.
- Together with our business partners IRI and BouwQ, Grontmij has obtained the assignment for independent testing and inspection during the design and construction of the second Coentunnel and the renovation of the first Coentunnel. The contract, with a total value of € 2.4 million covers a period of four years.
- Grontmij is assigned to make a landscape assessment plan for a logistic park in Moerdijk, strategically located between Rotterdam and Antwerp, of approximately 250 ha. The park will be of a sustainable and innovative nature potentially using the BREEAM environmental assessment methodology.

Sweden

Total revenue in local currency increased by 3% in the first half of 2009, but on translation to the euro this showed a decline due to the weaker currency. EBITA increased by 6% to € 4.4 million (2008: € 4.2 million) and before currency loss the increase in EBITA for the first half of 2009 was up 23%.

All sectors are performing well, with particular strength in the Transportation sector. Our measures to improve resource planning and allocation have lifted productivity levels, and further cost efficiencies have contributed to the strong profit growth. Cash and working capital management is very strong in our Swedish business.

Key contract wins included:

- Grontmij has been appointed to assume responsibility for the dismantling and renovation of the Bjurfors hydropower plant turbine (owned and operated by Statkraft). Grontmij will act as project manager, perform investigations and measurements and act as technical experts. The budget for the project is approximately € 1 million.
- Following successful implementation in the Netherlands, United Kingdom, USA, Switzerland and France, Grontmij has now been contracted by Tekniska Verken in Sweden to implement the Grontmij patented SHARON process at their main treatment plant Nykvarnsverket to increase the efficiency of ammonia removal and lower the internal nitrogen load to their treatment plant.

United Kingdom/Ireland

Total revenue in our United Kingdom business fell from € 53.5 million to € 50.3 million with a consequential fall in EBITA from € 3.8 million to € 2.0 million, of which € 0.5 million due to currency exchange differences. Significant management actions are in hand to reduce and re-allocate surplus resources, reduce costs, and manage cash more tightly. Our United Kingdom Building and Water sectors' performance was affected by the declining economy and the current Asset Management Plan (AMP4) spending cycle. Within the water sector, the activity levels are slowing as the current AMP4 spending period is approaching its final close date, alongside some general slowing of expenditure on the back of the financial markets' funding turmoil. Despite this, the United Kingdom's new water spending plans (AMP5) show a 23.5% increase on AMP4. The AMP 5 is due to commence on 1 April next year and activity is projected to pick up strongly at that point with overall five year investment settlement showing a substantial increase on AMP 4. Grontmij, with its existing expertise in the water industry is confident of being well positioned to participate in these tendering processes, and has already been successful in securing the Severn Trent, Anglian and Scottish water framework contracts, that could generate fees for Grontmij in excess of € 100 million over the next five years.

Other key contract wins included:

- Grontmij has secured the consultancy framework to provide design support services for the proposed London Thames Tideway Tunnels. The Lee and Thames tunnels are being designed to substantially reduce the 32 million cubic meters of untreated sewage which, after significant rainfall, overflows to the River Thames each year from London's Victorian sewers. With a €2.3 billion price tag (in 2006 figures) the scheme's 39 km of tunnels will be able to boast that they are the deepest in the capital.
- Grontmij Whitelaw Turkington has been appointed by Muse Developments as landscape architects for the public realm of Talbot Gateway in the redevelopment project of Blackpool's town centre & business district. The project is due to start construction in 2011 and is valued at €255 million.
- Grontmij has received a commission to undertake the client's engineer role for Griffin wind farm as part of the Scottish & Southern Energy / Airtricity framework agreement. This includes the site investigation, geotechnical advice on ground risks and design review of the site and an alternative access route. The construction cost for the whole wind farm is expected to be around €230 million and it should be completed in 2012.

Market segments

Grontmij provides consultancy, engineering and management services throughout the entire project chain (from design to execution). By far the bulk of our projects are of a multi-disciplinary nature with multiple forms of expertise represented within a project team. Based on occurrence in product client combinations and professional background of our teams we distinguish, apart from the formal geographic organisation, three main market segments on Group level: Environment, Water & Energy, Building & Industry and Transportation.

Our Environment, Water and Energy segment accounted for approximately 40% of total revenue. The profitability, EBITA (earnings before interest and tax) increased towards 9%. The Transportation segment representing approximately 30% of our business improved its profitability slightly above 9% EBITA, despite the current economic situation. The Building & Industry segment (approximately 30% of our total revenue) saw its profitability fall to 6% EBITA. During the first half of 2009 the private market deteriorated in the Building & Industry segment. This has led to pressure on prices as well as loss of contracts. As stated earlier we expect the current economic climate to have an effect on revenue of some €-40-50 million turnover on a full year basis. Due to our integrated design approach and our recently achieved BREEAM assessor status, we expect to consolidate our position in the private market. Energy efficiency, optimisation of water usage and other climate & environmental services help us to offset the decline in traditional structural engineering services. Our market position in the Transportation, Environment, Water and Energy segments is strong and even improving given the increased level of new contract wins in the first half year.

Head office and IT

In order to position the Group for its next growth phase, we are in the process of standardising and leveraging our Group wide provision of IT services, including financial and operational service provision, and IT infrastructure architecture. This has resulted in increased expenditure centrally in 2009. As a result of this process, restructuring is now underway.

Outlook

Despite the continuing deterioration of market conditions, mainly affecting the building sector and building & industry related services, our forward order book improved. Our focus on sustainable design, consultancy and management services delivers growing inflow in our order book in the sectors Transportation, Environment, Water and Energy. We expect this will have a positive effect in most of our countries in the years to come. Current market conditions, however, lead to increased uncertainty and unpredictability

with respect to market growth and price setting. We are addressing this by monitoring our costs even more efficiently and increasing our focus on our client's needs. Based on the forward order book and the current climate we expect that profit after tax for the second half of 2009 will equal profit after tax of the first half year 2009.

A complete overview of the half year results, explanatory notes and risk paragraph can be found in our interim statements 2009 as published on our website www.grontmij.com

Invitation to attend audio webcast analysts meeting

We are pleased to invite you to listen to the audio webcast of Grontmij's presentation of the half year figures 2009 today, 20 August at 10:30 hrs CET (www.grontmij.com)

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www.grontmij.com

Grontmij aims to be the best local service provider for design, consultancy, management, engineering and contracting in the environment, water, energy, building, industry and transportation sectors. We create value for our clients and shareholders and help to build sustainable living and working environments.

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