

Infrastructure Buildings Environment Communications

REPORT FIRST QUARTER 2001



ARCADIS NV

Report first quarter 2001

ARCADIS has achieved a good result in the first quarter of 2001. Net income compared to the first quarter of 2000 increased by 11%, while gross revenue growth amounted to 7%. The Company's 2001 first quarter results reflect increased revenues mainly as a result of autonomous growth and to a lesser extent a favorable dollar exchange rate against the euro. In the United States, backlog remained at an attractive level as a result of a good order intake and the Company benefitted from the revenue contributions of WSBC, an infrastructure unit based in Houston, Texas, which was acquired in the fourth quarter of 2000. Revenue growth in the Netherlands was limited, as positive developments were offset by the impact of the divestment of the Dutch-based environmental contracting activities at the beginning of the fourth quarter 2000. Activities in other European countries also contributed to autonomous growth.

Financial

- Gross revenue: 7% increase to EUR 178 million from EUR 165 million in 2000
- EBITA: 10% higher to EUR 6.7 million from EUR 6.1 million in 2000
- Net income: EUR 3.6 million, 11% more than the EUR 3.2 million in 2000
- Net income per share: EUR 0.18 against EUR 0.16 in 2000

Market developments

In the first quarter, conditions in most of the markets in which ARCADIS is active continued to be positive. In the Netherlands, we saw continued growth in demand in the infrastructure and environmental sectors. However, during the quarter we also saw softness in the Dutch market for real estate information, resulting from a lower than expected level of complaints against the new valuations for properties on the basis of the Dutch real estate tax law. In the U.S., growth was driven by the continued strength of our operations in the infrastructure and environmental markets, which were strong enough to offset softness in the communications and buildings segments. In Chile, strong improvement was realized, while Brazilian activities exhibited considerable growth.

In the first quarter of 2001, 41% of ARCADIS' total revenues came from the Netherlands, 41% came from North and South America and the remaining 18% was derived from other European countries.

Projects

In the first quarter of 2001 ARCADIS worked on the following projects:

Infrastructure

- For the German city of Kaiserslautern, the Company developed a new square in front of the central station. The project also includes bus stations and surrounding infrastructure, and the development of a dynamic passenger information system.
- In the Dutch city of Zaltbommel, ARCADIS restructured 100 hectares of industrial area around the railway station - including improved connection to surrounding infrastructure and public transportation facilities - and also developed 40 hectares of new industrial estates.

Environment

- Remediation of approximately 350 sites in central Poland where hazardous waste stored in bunkers is leaching into the soil and groundwater.
- Restoration of natural resources in the eastern coastal zone of Sri Lanka, on behalf of the Asian Development Bank.

Buildings

- In preparation for the Olympic Games in 2004, ARCADIS provided geotechnical and foundation consultancy for the future Olympic Village in Athens, and is also delivering environmental and soil investigation services for this project.
- For United Auto Workers and General Motors in Detroit, Michigan, ARCADIS developed the Center for Human Resources, with a total size of 435,000 square feet, a 400-seat teaching auditorium and on-site parking facilities under the main structure for 1,000 cars. ARCADIS also designed and implemented the integrated telecommunications systems for this structure.

Communications

- Site acquisition services for 400 telecom sites for Siemens Information and Communication Mobile in Germany, as part of a master agreement through which ARCADIS will provide Siemens with site acquisition services for the construction of telecommunications equipment for the new generation of UMTS-based mobile telecommunications for all of Germany.
- Services in the field of geographical data collection - including mapping and aerial photography, permissions, production of cartography - and environmental and soil investigations for a design study for 150 kV cable networks in the Amsterdam region for the Dutch energy company Nuon.

Outlook

The ongoing strength of the U.S. market for infrastructure and environment as well as the favorable market circumstances in most European markets including the Netherlands, offer good opportunities for ARCADIS. In the U.S. the investment programs under TEA-21 (the Transportation Equity Act) continue to create growth in the infrastructure market, while environmental activities grow as a result of the trend among industrial firms to outsource their non-core activities. As a result of the acquisition of Enerconsult by ARCADIS Logos in the first quarter of 2001, ARCADIS is well positioned for the Brazilian market for energy infrastructure which is expected to show considerable growth. In the Netherlands, the lower than expected level of complaints against the new valuations in real estate has exerted pressure on the results of ARCADIS' real estate information activities. To address this issue, a reorganization is underway. As a result of this action, an extraordinary charge will be taken. Offsetting this charge will be an extraordinary gain which the Company realized after the close of the first quarter from the sale of its interest in the environmental laboratory Analytico, a non-consolidated company that was divested because it was a non-core unit. It is expected that the remaining balance of the extraordinary gain and the extraordinary charge will yield an extraordinary gain of approximately EUR 2 million or EUR 0.10 per share.

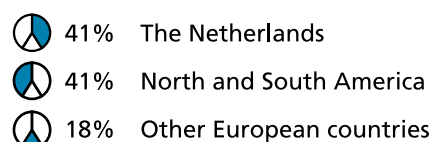
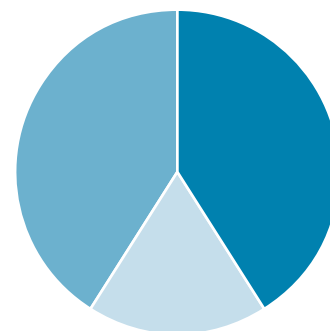
We maintain our expectation that we will be able to reach our strategic objectives in 2001. In the Netherlands, the decline in the results of our real estate information activities is expected to be compensated by a stronger performance in infrastructure. In the U.S. and other European countries, the infrastructure market is also strong. Even though investments in telecommunications appear to be slowing down, we continue to see good opportunity for growth in Germany and Spain. The tendency from industrial firms to outsource non-core activities also offers good opportunity for growth. In addition, we will continue our focus on margin improvement. Provided that the U.S. economy remains stable, and barring other unforeseen circumstances, we expect net income to grow by approximately 10% in 2001, excluding the extraordinary gain of on balance EUR 2 million and the effect of possible new acquisitions.

Arnhem, the Netherlands, May 15, 2001

Executive Board

The financial data in this statement are unaudited.

Gross revenue by region



ARCADIS NV

Consolidated Statement of Income in EUR

Amounts x 1 million, except per share amounts

NL-GAAP	1st quarter 2001	1st quarter 2000
Gross revenue	177.6	165.4
Materials, services of third parties	42.5	42.5
Net revenue	135.1	122.9
Operational cost	124.6	112.8
Depreciation	3.8	4.0
Operating income	6.7	6.1
Financing income/expenses net	(0.7)	(0.7)
Income before taxes	6.0	5.4
Taxes	(2.2)	(2.1)
Income after taxes	3.8	3.3
Income from non-consolidated companies	0.1	0.0
Group income after taxes	3.9	3.3
Minority interest	(0.3)	(0.1)
Net income	3.6	3.2
Net income per share ¹⁾	0.18	0.16
Number of shares outstanding (in thousands)	20,278	19,774

¹⁾ Net income per share is based on the weighted average number of outstanding shares.

Consolidated Balance Sheet in EUR

Amounts x 1 million, except per share amounts

Amounts in accordance

with NL-GAAP

	March 31 2001	December 31 2000
ASSETS		
Fixed assets	58.4	58.2
Current assets	241.6	240.6
TOTAL	300.0	298.8
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities	142.2	149.6
Long term debt	23.5	23.1
Provisions	16.9	14.4
Total equity	117.4	111.7
TOTAL	300.0	298.9

Consolidated Cash Flow Statement in EUR

Amounts x 1 million

Amounts in accordance with NL-GAAP

	1st quarter 2001	1st quarter 2000
Net income	3.6	3.2
Depreciation	3.8	4.0
Gross cash flow	7.4	7.2
Net working capital	(12.9)	(7.5)
Other changes	0.2	(0.8)
Total operational cash flow	(5.3)	(1.1)
Investments (net) in:		
(In-)tangible fixed assets	(2.6)	(2.8)
Acquisitions	(1.2)	1.6
Total financing activities	6.8	5.2
Change in cash and equivalents	(2.4)	2.9

Changes in Shareholders' Equity in EUR

x EUR 1 million

Shareholders' equity at January 1st, 2001	107.3
CHANGES:	
Net income current year	3.6
Stock purchase plans	-
Exchange rate differences	2.3
Revaluation reserve real estate	(0.1)
Shareholders' equity at March 31, 2001	113.1

ARCADIS NV
Consolidated Statement of Income in US\$

Amounts x 1 million, except per share amounts

	1st quarter 2001	1st quarter 2000
NL-GAAP		
Gross revenue	163.9	163.2
Materials, services of third parties	39.2	41.9
Net revenue	124.7	121.3
Operational cost	115.0	111.3
Depreciation	3.5	4.0
Operating income	6.2	6.0
Financing income/expenses net	(0.7)	(0.6)
Income before taxes	5.5	5.4
Taxes	(2.0)	(2.1)
Income after taxes	3.5	3.3
Income from non-consolidated companies	0.1	0.0
Group income after taxes	3.6	3.3
Minority interest	(0.3)	(0.1)
Net income	3.3	3.2
Net income per share ¹⁾	0.16	0.16
Number of shares outstanding (in thousands)	20,278	19,774
Dollar exchange rate 1st quarter	EUR 1= \$0.92	\$0.99
Dollar exchange rate 2nd quarter	EUR 1=	\$0.93
Dollar exchange rate 3rd quarter	EUR 1=	\$0.90
Dollar exchange rate 4th quarter	EUR 1=	\$0.87

¹⁾ Net income per share is based on the weighted average number of outstanding shares.

Consolidated Balance Sheet in US\$

Amounts x 1 million

Amounts in accordance
with NL-GAAP

	March 31 2001	December 31 2000
ASSETS		
Fixed assets	51.6	54.1
Current assets	213.4	223.9
TOTAL	265.0	278.0
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities	125.5	139.1
Long term debt	20.8	21.5
Provisions	15.0	13.4
Total equity	103.7	104.0
TOTAL	265.0	278.0

Calculated with US dollar rate of EUR1.00 = US\$: 0.88 0.93

Changes in Shareholders' Equity in US\$

Shareholders' equity at January 1st, 2001	99.8
CHANGES:	
Net income current year	3.3
Stock purchase plans	-
Exchange rate differences	(3.1)
Revaluation reserve real estate	(0.1)
Shareholders' equity at March 31, 2001	99.9

Consolidated Cash Flow Statement in US\$

Amounts x 1 million

Amounts in accordance with NL-GAAP

	1st quarter 2001	1st quarter 2000
Net income	3.3	3.2
Depreciation	3.5	3.9
Gross cash flow	6.8	7.1
Net working capital	(11.4)	(7.2)
Other changes	0.2	(0.7)
Total operational cash flow	(4.4)	(0.8)
Investments (net) in:		
(In-)tangible fixed assets	(2.3)	(2.6)
Acquisitions	(1.1)	1.5
Total financing activities	5.7	4.7
Change in cash and equivalents	(2.1)	2.8

PROFILE ARCADIS is a leading, global, knowledge-driven service provider, active in the fields of infrastructure, buildings, environment and communications. With client success central to our total business approach, we fulfill project or program needs from concept to completion and beyond.

Our private and public-sector clients call on us for a broad range of integrated services: feasibility studies, design, engineering, project management, implementation, and facility management, plus related legal and financial services.

Together, we generate € 800 million in annual revenues. There are 8000 of us: results-oriented people, continually investing in our skills to maximize value while creating viable solutions that assure client success.

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