

International  
MERGERS  
and  
ACQUISITIONS

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# BACKGROUND

- The 1,000-person **RTKL** (eighth in the 2006 Top 150) was acquired by 11,500-person Dutch environmental and infrastructure engineering giant **Arcadis**.
- The 350-person **Hillier** (25th, in the 2006 Top 150) by 750-person Scottish architecture firm **RMJM**.
- The 100-person **Davis Brody Bond** (61st-ranked) which joined the 1,700-person British-based architecture firm **Aedas** in 2006.

# BACKGROUND

- **SmithGroup** has successfully grown in the past 10 years from 500 employees to more than 800 today by acquiring or merging with five other firms from all over the United States (**Keyes, Condon, Florance; Stone, Marraccini & Patterson; Architects Four; Tobey + Davis; and AREA Design**).
- The merger of **Kling** and the **Stubbins Associates** in 2003

# BACKGROUND

- **CRS** grew from a two-architect practice in 1946 to become, by 1985, the largest AEC company in the United States. By 1994, **CRS Sirrine** the architecture group was sold to **HOK** and the rest to **Jacobs Engineering**.

# Case Study I

Arcadis

PinnacleOne

RTKL

RFL, Inc.

# ARCADIS



## About ARCADIS

ARCADIS is an international company providing consultancy, engineering and management services in infrastructure, environment and buildings, to enhance mobility, sustainability and quality of life. ARCADIS develops, designs, implements, maintains and operates projects for companies and governments. With more than 13,500 employees and more than \$2 billion in gross revenue, the company has an extensive international network that is supported by strong local market positions. ▶

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## Focused on our market trends

Create insight and bring focus. A trusted advisor. Looking ahead and taking the lead. Entrepreneurship in a complex environment. But with foresight and

Making a difference. ARCADIS is sharp. Does more. Together with clients, partners and stakeholders. Everything is linked together.

commitment. And expertise. Results driven. Not only thinking about our clients, but also thinking like our clients. From problem to solution.

Infrastructure - environment - buildings. Stand alone and dependent on each other. Creative in the solution. Decisive in execution. Imagine the result.

## Special programs and topics

GRIP Remediation Program

ARCADIS RECLAIM™ Program

Multinational Client Program

Sustainability by

Design Program

ARCADIS Worldwide Project

Consulting

Latest Bid Results

## News

11-05-2008

ARCADIS awarded three GRIPa contracts for the US Army, worth \$33 million ▶

10-15-2008

ARCADIS FINANCIAL DATES 2009 ▶

## Recent mergers

LFR

RTKL

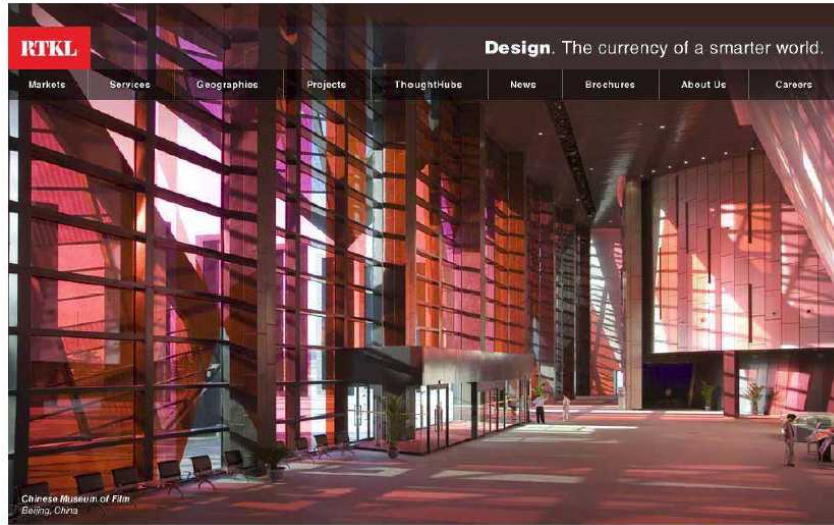
PinnacleOne

- ARCADIS is an international company providing **consultancy, design and engineering and management services in infrastructure, environment and facilities**, to enhance mobility, sustainability and quality of life.
- With more than **12,000 employees** and **\$2 billion in gross revenue**, the company has an extensive international network that is supported by strong local market positions.

# Acquisitions

- 1993 Grabowsky&Poort - Netherlands
- 1993 Trischler und Partner - Germany
- 1993 Asal Ingenieure - Germany
- 1993 Geraghty & Miller - U.S., U.K.
- 1994 Ekokonrem - Poland
- 1995 Gedas - Belgium
- 1995 EP Group (Eptisa) – Spain
- 1996 Piedmont Olsen, Hensley - U.S.
- 1996 Starke Diekstra - Netherlands
- 1996 Sageos (Antea, Arios) - France
- 1997 Geotecnica Consultores - Chile
- 1997 Articon – Netherlands
- 1998 Grebner – Germany
- 1999 Giffels – U.S.
- 1999 Logos-Brazil
- 2000 WSBC Civil Engineers – U.S.
- 2001 Enerconsult – Brazil
- 2001 Hidro Ambiente - Brazil
- 2002 Casta - Spain
- 2002 FC International - France
- 2003 Homola - Germany
- 2003 Finkbeiner, Pettis & Strout - United States
- 2003 Reese, Macon Associates - United States
- 2003 Lawson, Noble & Webb - United States
- 2003 PRC Bouwcentrum - Netherlands
- 2004 Profil - Poland
- 2004 Bessent, Hammack & Ruckman, Inc.- United States
- 2004 Diversity Partners, Inc. - United States
- 2005 Greystone - United States
- 2005 AYH - UK 2005 BBL - United States
- 2006 DGC - Germany
- 2006 Berkeley Consulting - United Kingdom
- 2006 BCT, Ecolas - Belgium
- 2006 **PinnacleOne** - United States
- 2007 BFB - Netherlands
- 2007 **RTKL** - United States
- 2007 APS Project Management - United Kingdom
- 2008 **LFR, Inc.**

# RTKL

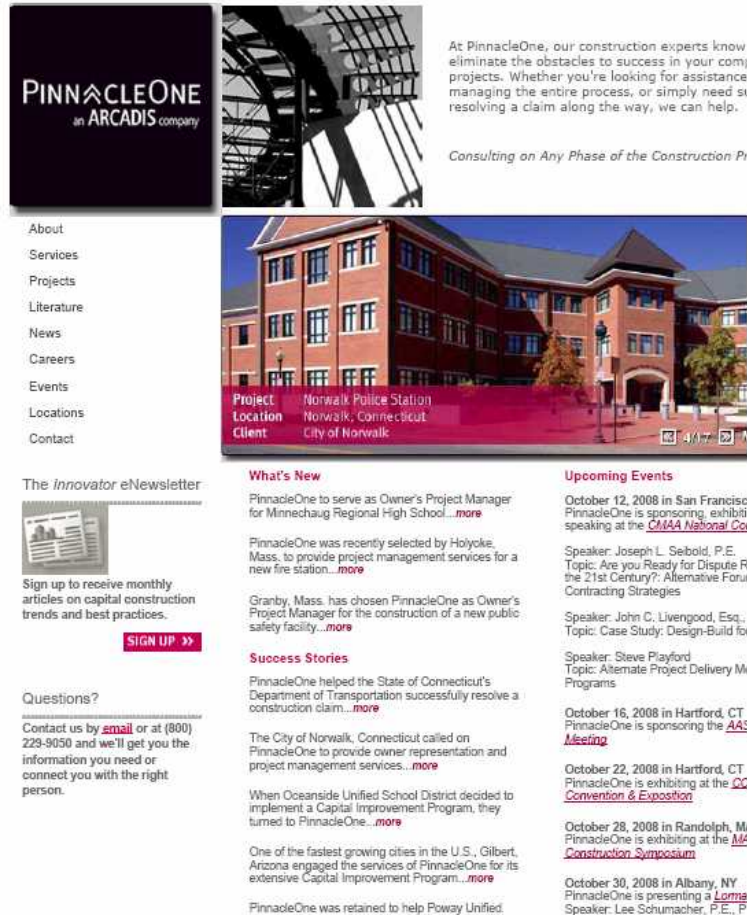


- The 1,000-person AE Firm **RTKL** (eighth in the 2006 Top 150)
- For more than six decades, we at RTKL have upheld one clear mission above all else: to provide great design that improves the human condition. Today, even as we evolve into a global design firm, opening offices worldwide and expanding our services, we have remained committed to designing buildings and environments that respond to and predict users' needs. The result is some of the world's most stunning and functional places that simultaneously uplift, inspire and evoke local and national pride, while meeting our clients' multifaceted real estate goals.

# RTKL International

- As a wholly owned subsidiary of ARCADIS, our reach extends to consulting, engineering and project management services for infrastructure, environment and facilities. This symbiotic partnership between two leaders in the industry strengthens our ability to deliver sensitive, highly integrated and environmentally responsible environments relevant for today's—and tomorrow's—world.

# PinnacleOne



**PinnacleOne**  
an ARCADIS company

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The *Innovator* eNewsletter

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Questions?

Contact us by [email](#) or at (800) 229-9050 and we'll get you the information you need or connect you with the right person.

At PinnacleOne, our construction experts know eliminate the obstacles to success in your comj projects. Whether you're looking for assistance managing the entire process, or simply need st resolving a claim along the way, we can help.

*Consulting on Any Phase of the Construction Pr*

**Project** Norwalk Police Station  
**Location** Norwalk, Connecticut  
**Client** City of Norwalk

**What's New**

PinnacleOne to serve as Owner's Project Manager for Minnechaug Regional High School...[more](#)

PinnacleOne was recently selected by Holyoke, Mass. to provide project management services for a new fire station...[more](#)

Granby, Mass. has chosen PinnacleOne as Owner's Project Manager for the construction of a new public safety facility...[more](#)

**Success Stories**

PinnacleOne helped the State of Connecticut's Department of Transportation successfully resolve a construction claim...[more](#)

The City of Norwalk, Connecticut called on PinnacleOne to provide owner representation and project management services...[more](#)

When Oceanside Unified School District decided to implement a Capital Improvement Program, they turned to PinnacleOne...[more](#)

One of the fastest growing cities in the U.S., Gilbert, Arizona engaged the services of PinnacleOne for its extensive Capital Improvement Program...[more](#)

PinnacleOne was retained to help Poway Unified.

**Upcoming Events**

October 12, 2008 in San Francisco  
PinnacleOne is sponsoring, exhibit speaking at the [CMAA National Co](#)

Speaker: Joseph L. Seibold, P.E.  
Topic: *Are you Ready for Dispute R the 21st Century?: Alternative Foru Contracting Strategies*

Speaker: John C. Livengood, Esq.,  
Topic: Case Study: Design-Build for

Speaker: Steve Playford  
Topic: Alternate Project Delivery M Programs

October 16, 2008 in Hartford, CT  
PinnacleOne is sponsoring the [AAS Meeting](#)

October 22, 2008 in Hartford, CT  
PinnacleOne is exhibiting at the [CC Convention & Exposition](#)

October 28, 2008 in Randolph, MI  
PinnacleOne is exhibiting at the [MI Construction Symposium](#)

October 30, 2008 in Albany, NY  
PinnacleOne is presenting a [Lorne](#)  
Speaker: Lee Schumacher, P.E., P

- PinnacleOne's primary business is **construction consulting**, which allows our team to provide complete objectivity in support of our clients' goals.

# PinnacleOne

- In November 2006, PinnacleOne was acquired by ARCADIS, a global consulting firm with more than 13,000 employees and \$1.9 billion in revenue. In business for more than 100 years, ARCADIS has earned a reputation for delivering exceptional design, management and consulting services for a broad range of private and public buildings, infrastructure and environmental projects worldwide.
- PinnacleOne operates as a wholly owned subsidiary of ARCADIS and leads its program and construction management (PM/CM) division in North America. Worldwide, ARCADIS' more than 2,000 PM/CM professionals serve clients throughout North America, South America, Europe and Asia.
- When the merger is completed in early 2009, PinnacleOne will assume the ARCADIS name.

# LFR, Inc.

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LOCATIONS

AWARDS & RATINGS

ENVIRONMENTAL MANAGEMENT & CONSULTING ENGINEERING


**COMPANY OVERVIEW**

**WELCOME TO LFR**

For LFR, new frontiers are everyday ventures. The edge is familiar terrain. With preparation comes a rugged strength that knows no bounds. With experience comes a panoramic perspective. Risks associated with mountain climbing are minimized with the right tools, a path carefully chosen, and teamwork. LFR also employs the right tools so that our clients' risks can be calculated, quantified and minimized.

LFR Inc. is an environmental management and consulting engineering company with a nationwide network of offices.


**ANNOUNCEMENT**

LFR merges with 

**CULTURE**

As an environmental management and consulting engineering firm, we understand the balance of business and economics in the context of environmental realities. We listen to client project goals and develop solutions that are technically sound and cost effective. As a trusted leader in environmental solutions, we enable clients to focus with confidence on their core business. Each step we take rests squarely on our solid record.

**INNOVATION**

 LFR promotes innovative strategies with both the short view and long-term solution in mind. Advancing pioneering concepts, we reach our common destination through teamwork and collaboration.

**PERFORMANCE**

With our solid reputation and secure knowledge, we are poised to guide your environmental success. Each venture is mapped through planning. Each coordinate drawn to achieve your goals with quality, efficiency and integrity. Whether the condition is complicated or straightforward, LFR discerns the optimal route to support your continued success.

- LFR, Inc., a U.S.-based environmental services company with 2007 gross revenues of \$127 million (net revenues \$63 million)
- over 480 staff in 34 offices nationwide

# LFR, Inc.

- LFR, Inc. CEO Frank Lorincz commented: "We believe that by joining ARCADIS we will provide excellent professional development opportunities for our staff. We also will immediately strengthen our own market position, as we are able to support our clients internationally through the ARCADIS network. Additionally, we will be able to leverage the significant capabilities in infrastructure engineering, program management and expanded environmental technologies that ARCADIS is known for in the industry, to better serve our expanding client base. In return, ARCADIS will be able to benefit from our geographic coverage and depth of services to assist their clients better."

# LFR, Inc.

- ARCADIS, the international consultancy, design and engineering company, announced today that it has acquired 100% of the shares of LFR, Inc., a U.S.-based environmental services company with 2007 gross revenues of \$127 million (net revenues \$63 million) and margins close to ARCADIS' target for environment. As a nationally recognized environmental management and consulting firm, headquartered in the San Francisco Bay area of California, LFR, Inc. employs over 480 staff in 34 offices nationwide, serving private sector commercial, industrial and institutional clients across the country. ARCADIS acquired LFR, Inc. from **a private investment group**. It is expected that the acquisition will be immediately accretive to earnings per share. No further financial details were disclosed. <ARNHEM, THE NETHERLANDS · January 31, 2008>

# Case Study II

RMJM

Hillier

# RMJM



- FOUNDED **IN 1956** BY RENOWNED BRITISH ARCHITECTS ROBERT MATTHEW AND STIRRAT JOHNSON-MARSHALL, TODAY RMJM IS ONE OF THE WORLD'S LARGEST ARCHITECTURAL PRACTICES AND EMPLOYS APPROXIMATELY **1,200 PEOPLE** IN **14 INTERNATIONAL OFFICES.**

# Hillier



About RMJM Hillier / Portfolio / Insights / Services



→ Can school design help kids get better test scores?  
Clean, environ  
succes  
Pricew  
achiev  
time sp

## Insights

**Education Revolution:**  
Empowering the Next  
Generation of  
Sustainable Designers

[Read the report](#)

## Featured Project

**Penn State Puts  
Student Health at  
Center of Campus Life**  
New RMJM Hillier  
Designed Green  
Student Health Center  
Plans to Draw Students  
In

## RMJM Hillier News

**New York City  
government and  
elected officials and  
public hospital  
officials broke ground  
for a \$180 million**

- 1966

J. Robert Hillier, Architect, was founded. Bob Hillier began practicing architecture and planning from leased offices at 44 Nassau Street in Princeton, New Jersey.

# WHY MERGERS & ACQUISITIONS?

- First is **geography**, the desire to be in a certain city.
- There is a **market sector penetration** that the acquiring firm desires.
- **Add service lines** such as interiors, strategic planning, or landscape architecture
- Firms want to be bigger (**growth**) to be competitive
- It can be to add **big “D” design**.

- It's a complex profession, and good **leadership is rare**. Consolidations can bring together leadership to create stronger firms.
- Bringing everyone on the team closer together. **BIM** technology is one reason there will be more **integrated professional teams**.
- The **globalization** of the construction industry makes it desirable for large firms to have a presence in many locations.
- To provide a path to **ownership succession** for a firm headed by one or a few partners who are planning to retire soon.

# ISSUES

- Culture diversity, Cultural inconsistencies
- Financial structure
- Trust relationship
- Confusion about the firm's values and mission
- Accelerating bureaucracy
- Lost entrepreneurial spirit
- Integration of the resulting combined firm

- The commitment to continually refine and evolve the way in which companies are led and managed
- Professional Code and Ethics
- **Conflict of Interest**
- Professional Liability
- Ownership
- Business Liability

Basic Form of Practice	Ownership	Composition of Board of Directors	Responsibility		Responsibility for professional errors and omission		
			For management	For practice	A person who is responsible for criminal matters	A person who is responsible for civil matters	A person who is responsible for administrative matters
<b>Sole Proprietor</b>	Registered Architect	Registered Architect	Registered Architect	Registered Architect	Registered Architect	Registered Architect	Registered Architect
<b>Unlimited Partnership</b>	Registered Architect as Unlimited Partner	Registered Architect as Unlimited Partner	Registered Architect as Unlimited Partner	Registered Architect as Unlimited Partner	Registered Architect as Unlimited Partner	All Unlimited Partners	Registered Architect as Unlimited Partner
<b>Unlimited Company</b>	Registered Architect as Unlimited Company Member	Registered Architect as Unlimited Company Member	Registered Architect as Unlimited Company Member	Registered Architect as Unlimited Company Member	Registered architect as Unlimited Company Member	All Unlimited Company Members	Registered Architect as Unlimited Company Member
<b>Limited Corporation Limited Partnership Limited Company</b>	The majority of shares are desired to be owned by registered architects.	The majority of the board of directors are desired to be registered architects.	Registered architect	Registered architect	The registered architect in charge of the project. The most responsible person in charge of practice. The most responsible person in charge of management/Corporation .	The registered architect in charge of the project. The most responsible person in charge of Practice. The most responsible person in charge of management/Corporation. .	The registered architect in charge of the project. The most responsible person in charge of Practice. The most responsible person in charge of management/Corporation .

# REFERENCES

- “What’s fueling the firm mergers and acquisitions trend? Growth.” October, 2007 Architectural Record *By B.J. Novitski*
- “When Merger and Acquisition Promise Fails to Deliver”, DesignIntelligence, Oct. 15, 2003 Phyllis Dubinsky