

[dhv.com](http://dhv.com)



# Contents

Key figures	2
Profile	3
Executive Board Report	4
Strategy and policy	5
Report 2005	7
Reorganizations and acquisitions	9
Global network	10
Finances	12
Human Resources Management	14
Business and stakeholders	16
Socially responsible enterprise	17
2006 and beyond	20
Supervisory Board Report	22
Preliminary recommendation	22
Supervisory Board	22
Report 2005	22
Theme: Innovation	24
Transportation and Infrastructure	26
Building and Manufacturing	28
Water	30
Spatial Planning and Environment	32
Aviation	34
Corporate Governance	36
Remuneration report	38
Shareholding structure	39
Risks and risk management	40
Financial statements	42
Consolidated balance	42
Consolidated profit and loss account	43
Consolidated cash flow statement	44
Accounting policies	45
Notes to the consolidated financial statements	47
Company balance	55
Company profit and loss account	56
Notes to the company balance sheet	56
Other information	60
Structure and management	62
Addresses	63

# Profile

DHV is a leading international consultancy and engineering group which provides services and sustainable solutions for the following markets:

- Transportation
- Water
- Building and Manufacturing
- Spatial Planning and the Environment
- Aviation

More than 3,700 socially committed DHV professionals develop innovative concepts in the fields of consultancy and engineering.

DHV offers its recognized expertise worldwide to clients in the public and private sectors through its close-knit knowledge network.

DHV's services include management consultancy, advice, design and engineering, project management, contract management and operational management.

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

## Key values

DHV has seven key values which guide DHV professionals in taking responsibility, making choices and addressing stakeholders' questions:

- Integrity
- Top expertise
- Respect and trust
- Loyalty
- Initiative
- Customer focus
- Results orientation

## Home markets

DHV is active in some fifty countries worldwide through its network of local offices in almost thirty countries. DHV offers a broad range of services in its home markets which, between them, account for the greater part of the company's turnover.

- Canada
- China
- India
- Indonesia
- Poland
- Portugal
- South Africa
- The Netherlands
- United States



# Executive Board Report



W1 Groenhuijsen

DHV's Executive Board: Renko G. Campen (President, left) and Bertrand M. van Ee.

## Renko Campen

Renko Campen (b. 1946, Dutch) joined DHV in 1972. He was appointed to the Executive Board in 1995 and became its President in 2003.

His other appointments include:

- Chairman of the Developing Countries Commission (COL) of the Dutch employers' organization VNO-NCW
- Member of the Supervisory Board of the Delft Cluster, a knowledge network for the sustainable structuring of densely populated regions
- Member of the Executive Committee of SANEC (the South African-Netherlands Chamber of Commerce).

## Bertrand van Ee

Bertrand van Ee (b. 1957, Dutch) was appointed to the Executive Board in 2004. His additional appointments include:

- Member of the GWW (groundwork, road and hydraulic engineering) workgroup of the Dutch Construction Supervisory Council
- Chairman of the Building Taskforce of the Innovation Platform (Ministry of Transport, Public Works and Water Management)
- Member of the Policy Committee of AmCham (American Chamber of Commerce in the Netherlands)
- Amsterdam Chapter board member of the Young Presidents' Organization (YPO).

# Strategy and policy

## Vision

DHV aims to be a leading international engineering consultancy, active in both the public and private sectors.

## Mission

To provide multidisciplinary services for the sustainable development of our environment, in a close relationship with clients, staff, partners and shareholders, based on mutual loyalty.

The DHV Group is an international engineering consultancy, active in both the public and private sectors. In essence, the Group's strategy has remained unaltered compared to previous years, the objectives being to achieve long-term continuity and a prominent position among comparable companies worldwide. However, changing market conditions, both in Europe and elsewhere, now demand a sharper focus, greater awareness and a faster response time. This has led to some adjustment to the Group's policy, and calls for greater flexibility on the part of the organization.

The process of internationalization continues unabated. The DHV Group has opted to undertake a greater number of activities in fewer countries. Concentration on the

strongest markets will enable us to realize growth in the relevant markets.

Looking back to the expectations formulated in the 2004 Annual Report, we may state that DHV has, in general, been able to meet the stringent requirements of the market. Projects have been completed successfully and there is a high level of client satisfaction. However, DHV was not always able to demonstrate the alertness required to address the effects of new developments, and the organization can occasionally be seen to lack the necessary flexibility.

In recent years, the DHV Group has shown itself able to devise, implement and manage new forms of contract on behalf of its clients. Similarly, during the year under re-

view the company has again demonstrated that it maintains a corporate culture in which innovation can flourish, having introduced or embraced several new technologies.

The most effective way to render visible the added value offered by the DHV Group is to offer innovative solutions within local markets, making full use of local talent. Growth, innovation and internationalization remain the three spearheads of policy. The preconditions to achieve this policy are:

- Client-orientation coupled with internal efficiency.
- Sound financial performance, ensuring the ongoing ability to make appropriate investments.
- A higher degree of staff flexibility.
- Staff who are able to meet the very highest demands of the industry.
- Active internationalization, aided by leading, innovative technology.

## Key figures

(€ million, except where otherwise indicated)

	2005	2004	change (%)
Net turnover	300.6	294.1	+ 2.2 %
Proportion of turnover derived from the Netherlands (%)	57	58	- 1.0 %
Proportion of turnover derived elsewhere (%)	43	42	+ 1.0 %
Added value	229.0	229.1	- 0.0 %
Operating profit before amortization of goodwill	6.3	9.5	- 33.7 %
Operating margin on added value (%)	2.7	4.1	- 1.4 %

## Growth

DHV aims to achieve growth in turnover averaging 10% per annum, half through organic growth and half through acquisitions. The consolidation of the Group's holding in Stewart Scott International will have a positive effect on the growth figures for 2006.

In the medium-to-long term, the Group aims to achieve an operating margin of 7% on added value. A satisfactory profit margin and efficient use of capital will lead to a sound increase in the value of DHV shares.

## Internationalization

The increase in the DHV Group's interest in Stewart Scott International represents a significant step forward in the process of internationalization. The current objective is that 60% of turnover should be derived from countries other than the Netherlands by the year 2009. The Netherlands will account for the remaining 40%, thus continuing to be the Group's main home market. Other than the Netherlands itself, the most important regions are the rest of Europe, Asia, North America and Africa. DHV has established a strong position in several member states of the European Union, enabling further growth to be achieved in due course.

The public sector market, both in the Netherlands and elsewhere, remains important. However, DHV also wishes to achieve further growth on the private sector markets. Doing so will have consequences in terms of the role, the work dynamic and risk management strategy of the company.

## Innovation

Innovation is at the heart of the DHV Group's strong image. Our expertise in airports, railways, harbours, traffic management, roads, water and buildings is internationally recognized. Clients call for state-of-the-art solutions. We are able to provide such solutions by virtue of a professional working environment with all necessary certifications.

The DHV Group's prominent consultancy profile reflects the fact that it also focusses on the initiation phase of projects. The higher in the chain of consultancy and engineering services that we can operate, the more effectively our innovative strengths will be demonstrated. The conceptual design and the 'total life-cycle approach', which includes attention for sustainability and asset management, are now among DHV's recognized specialist areas of expertise.

## Portfolio

DHV operates a system of ongoing portfolio evaluation, an approach which will become increasingly important in the years ahead. Scale is a critical factor in determining the potential of business units and that of overseas markets. In the case of some units and regions, concentration of activities will result in greater opportunity. In countries other than the Netherlands, DHV recognizes three levels of presence: project presence, permanent presence and 'home market'. A 'permanent presence' requires particularly close monitoring to ensure that appropriate investment decisions are made at all times.

## The labour market

The quality of DHV is reflected by the appreciative comments received from its clients and by the innovative solutions it is able to offer. This quality is entirely due to the staff of DHV. Developments on the national and international labour market are therefore important. For some people it is hard to cope with the ever increasing speed of change, but it cannot be ignored. DHV strives to recruit and retain the best possible people in each market by providing a challenging working environment, ongoing training, programs designed to encourage innovation, and an appropriate package of employment conditions and benefits.

# 2005 Report

The year under review was one of transition. The organization was subject to some restructuring, while a number of terms and conditions of employment demanded considerable attention. In two of the three spearheads of policy – innovation and internationalization – DHV performed well. Several innovative technologies were developed, and the process of internationalization made a significant step forward in South Africa. However, performance was not so propitious in terms of the third spearhead of policy: growth. In 2005, DHV achieved only minor growth and a modest profit, both being lower than the targets set out in the previous annual report. This was partly due to over-optimistic economic forecasts, and partly to our failure to acquire a number of major projects. Competition is fierce, and clients are increasingly calling upon the services of purchasing and procurement organizations. The emphasis then falls on price rather than quality, while our acquisition costs increase. Moreover, not only in the Netherlands, but also in Poland, the Czech Republic and South Africa the percentage 'increase of staff costs rose' is greater than any increase in the fees. In the Netherlands, the increased costs due to new pension arrangements have made a significant contribution to rising expenditure.

During the year under review, a number of corrective measures were implemented to improve the market approach, increase the capacity utilization rate and control expenditure. New guidelines covering the ratio of direct to indirect staff were introduced mid-year, with the indirect functions more efficiently concentrated. Greater attention was devoted to staff members' market orientation, with support provided as necessary. Dialogue with clients will ensure that client demand remains the key guiding principle.

In Europe, performance was particularly good in Poland, the Czech Republic and Hungary, where substantial growth was realized. Our early, long-term presence in these countries has given us a distinct advantage upon which we can now capitalize. The results on the Portuguese market were varied. Two of the three company units in Portugal performed reasonably or even well, while the third experienced a difficult year. The negative results of this third unit affected the overall performance of the DHV Group in Europe, and prompted a restructuring process which involved the reduction of approximately 5% of our staff in Portugal.

In Asia, growth lagged behind expectations. Although the Chinese market remains extremely dynamic, the acquisition of profitable projects on the local market is a lengthy process. In other Asian countries, a worsening business climate prompted an adjustment of the expectations. The market in Indonesia was particularly difficult and, despite the Group's long and sometimes fruitful presence in the region, the future remains uncertain. Following the tsunami of 26 December 2004, it would seem that people now realize that market relationships must change.

In North America, the Group's participation in Delcan (40% DHV) once again proved to be a strong strategic move. The company's technological and innovative strengths are well matched to those of DHV and provide a favorable position for a further expansion of activities.

The increase of the DHV Group's interest in Stewart Scott International of South Africa (65% DHV), together with the acquisition of Bohlweki Environmental, represents a significant strengthening of DHV's position on this market, whereby opportunities for synergy with other divisions of the Group can be better utilized.



Jade Photography

DHV's increased shareholding in Stewart Scott International is sealed with a handshake. (Left to right) Vic Prins, Renko Campen, Rufus Maruma and Bahle Sibisi.

The growth of the DHV Global Engineering Center in India proceeded in line with the formulated policy. This has had some impact in the Netherlands, since part of the engineering work is now carried out in India. DHV devoted considerable attention to overseeing the relevant processes. The benefits of having the DHV Global Engineering Center became fully apparent during the year under review.

Also fully apparent during 2005 was the company's innovative strength. In the Netherlands, China, South Africa and North America, the DHV Group once again demonstrated that international cooperation between its various divisions results in innovative solutions and in all the advantages of synergy. Groundbreaking research into the use of mobile telephone signals led to a new source of traffic information. A new generation of water treatment systems provided breakthroughs in terms of space efficiency, costs and effluent quality. For one such system, DHV received the 'Vernufteling' Prize, which is awarded annually in recognition of the most innovative project by a Dutch engineering consultancy.

Notable airport development projects were undertaken in China and Germany, while the partnership of NACO (100% DHV) and Stewart Scott International (SSI) was suc-

cessful in acquiring a large number of airport-related projects throughout Africa.

The targets and objectives for 2005 were set with a view to taking full advantage of the opportunities for the assimilation of large-scale projects in densely-populated areas, and for providing products and services in the fields of water, transportation, spatial planning, environment, building, industry, and airport development. We have been partially successful in attaining those objectives, the most notable accomplishments being in transportation, airport development, building, and industry. In Central Europe, North America and Africa, the targets were met and, in many cases, exceeded.

During the year under review, DHV successfully implemented the planned strengthening of local management (especially in the home markets) and that of the international network.

The objectives with regard to strengthening our position in certain niche markets were met by means of a number of targeted acquisitions (see page 9, Reorganizations and acquisitions).

During the year under review, DHV amended the organizational structure of a number of company units in line with local conditions. Further to the 'one com-

pany concept', preparations were made for the merger of several DHV companies in the Netherlands to become a single legal entity: 'DHV B.V.'. This new structure is essential if we are to offer the desired level of transparency, and will also serve to achieve the desired increase in efficiency. The formerly decentralized communication, facility management and financial administration departments were brought together in 'Shared Services Centers'. A project investigating the outsourcing of all ICT activities was conducted in 2005 and will lead to action in 2006.

Risk management became even more important during the year under review. Clients are now more likely to make claims and invoices are left outstanding for longer. Contracts now have to be drafted with even greater care, in line with guidelines covering liability. In early 2003, DHV appointed a Tender Board to assess the risks inherent in major projects more effectively and to arrive at appropriate decisions. The functioning of this Tender Board will be evaluated during the current year. During 2005, the initial preparations were made for the creation of a new Internal Audit department which will also contribute towards better risk management.

The corporate integrity policy continued to enjoy attention. A Compliance Officer was appointed and management now reports on compliance aspects every quarter as part of the Business Integrity Management System (see page 17).



Staff at DHV's Global Engineering Center in India working on drawings for train security systems for DHV Temid Rail in the Netherlands.

# Reorganizations and acquisitions

- On 1 January 2005, DHV implemented an organizational structure based on the four business groups (Environment and Transportation, Building and Industry, Water, and Aviation), and on the four world regions in which the company wishes to maintain a prominent presence: Europe, North America, Asia and Africa.
- On 1 January 2005, DHV closed its Design Office in Liberec, the Czech Republic. Alternative employment was found for all four staff.
- On 5 July 2005, Stewart Scott International (SSI) acquired Bohlweki Environmental, a consultancy with 17 employees. This enables SSI and DHV to strengthen their joint position on the environmental consultancy market in South Africa.
- On 20 October 2005, DHV increased its holding in Stewart Scott International (500 employees) from 32% to 65%. DHV is the first Dutch engineering firm to acquire a majority interest in a South African consultancy.
- On 1 December 2005, DHV ANR BV formally became part of DHV Water BV. The activities of DHV ANR BV and its 20 employees had already been transferred to DHV Water BV.
- On 12 December 2005, DHV acquired the research and consultancy firm Traffic Test (12 employees) from the Dutch Central Driving License Issuing Authority (CBR). This acquisition represents a strengthening of DHV's position on the market for transportation solutions.
- On 16 December 2005, a downsizing of the organization in Portugal by approximately 5% took effect. The intended sale of DHV CEM did not proceed; the company has been reformed and will continue its activities with the existing staff.
- On 28 December 2005, DHV disposed of its 97.7% interest in Iris Consulting of Belgium (20 employees).

During the year under review, DHV commenced preparations for the implementation of the 'one company concept'. On 3 January 2006, DHV Environment and Transportation BV, DHV Water BV and DHV Consultants BV merged within DHV BV (formerly DHV Services BV), while DHV Building and Industry BV transferred its activities to DHV B.V..

# Developments within the Global Network

DHV is active throughout the world. Projects are undertaken by various organizational units, although DHV always strives to offer the knowledge and expertise available throughout the entire group, wherever it is required. That expertise covers such areas as waste water treatment, harbor development, waterways and coastal development, airport development, roads and highways, railways and urban public transport, traffic management, water treatment and water management.



De Blauwe Stad new town development and landscaping project, Groningen



Vietcom Bank, Ho Chi Minh City



Waste water treatment plant, Varsseveld



Athens International Airport



Traffic management, Beijing

	Development objectives for 2005
<i>business group</i> <b>Spatial Planning and Environment</b>	<ul style="list-style-type: none"> <li>- To raise and redefine the consultancy profile.</li> <li>- Integration of Temid.</li> <li>- Development of regional offices.</li> <li>- Program management and delegated commissioning.</li> <li>- International growth.</li> </ul>
<i>business group</i> <b>Building and Manufacturing</b>	<ul style="list-style-type: none"> <li>- Fulfillment of the total market demand.</li> <li>- Taking initiative in project development.</li> <li>- Possible risk-bearing role.</li> </ul>
<i>business group</i> <b>Water</b>	<ul style="list-style-type: none"> <li>- Further internationalization.</li> <li>- Project manager to develop business in drinking water and waste water markets.</li> <li>- Development of knowledge and innovative strength.</li> </ul>
<i>business group</i> <b>Aviation</b>	<ul style="list-style-type: none"> <li>- Greater attention for home markets.</li> <li>- Further steps towards a permanent presence in China.</li> <li>- Joint venture in Africa with Stewart Scott International.</li> <li>- Exploration of opportunities in the United States.</li> </ul>
<i>region</i> <b>Europe</b>	<ul style="list-style-type: none"> <li>- Growth in Central Europe.</li> <li>- Further cooperation between European offices.</li> <li>- Assimilation of Aviation business group.</li> <li>- Actively follow international private clients.</li> </ul>
<i>region</i> <b>North America</b>	<ul style="list-style-type: none"> <li>- Intensification of cooperation with Delcan-NET.</li> <li>- High-grade consultancy services in the water sector.</li> <li>- Grouping of traffic management expertise for Europe and Asia.</li> <li>- Focus on the United States on the North American continent.</li> </ul>
<i>region</i> <b>Asia</b>	<ul style="list-style-type: none"> <li>- Investment in local DHV companies in order to benefit from regional growth.</li> </ul>
<i>region</i> <b>Africa</b>	<ul style="list-style-type: none"> <li>- Intensification of cooperation with SSI.</li> <li>- Active project acquisition further to the 2010 FIFA World Cup.</li> <li>- Focus on airports, highways, water and rural development.</li> </ul>

## Results in 2005

- Growth in consultancy activities.
- Integration of Temid and growth in rail-related turnover on-target.
- Local market at required level; expansion of Rotterdam office.
- Strengthening of position in delegated commissioning.
- De Blauwe Stad landscaping project in Groningen, the Netherlands (which won the 'Golden Pyramid' award) is officially opened by HM Queen Beatrix.
- Delays to several large infrastructural projects in the Netherlands.
- Acquisition of Traffic Test strengthens position on transportation market.
- Growth in Europe and Asia.
- Reduction in number of internationally financed projects in Africa and Asia.

- Growth in turnover, profit margins under pressure.
- Positioning in parks, facility and asset management.
- Dutch office market remains difficult.
- Cooperation with BAM Utiliteitsbouw for the Dutch education sector (Schoolcompagnie).
- Strong international position in the industrial market due to good contacts with multinational clients active in many countries.
- Total, integrated design and engineering projects, such as the Vietcom Bank in Vietnam.

- Internationalization continued.
- Project managers will prepare and implement business plans for new technologies and services.
- Leading partner in H2O Partners (drinking water and waste water sector, Dutch federations of Municipalities and Provinces, Ministry of Foreign Affairs) focusing on Tsunami Rehabilitation and Reconstruction Project in Aceh, Indonesia.
- Innovation Manager appointed.
- Several important innovations:
  - Waste water treatment plant in Varsseveld (NL), based on Membrane Bioreactor technology, opened by HRH Prince Willem-Alexander.
  - Nereda™, aerobic sludge pellet technology wins Dutch 'Vernufteling' Prize.
  - Moving Bed Trickling Filter also used for air treatment (for the first time).

- Considerable attention devoted to the home markets. No immediate results, but position improved with regard to future potential.
- Chinese market remains extremely dynamic but difficult.
- Successful joint venture in Africa.
- Important foothold gained in Saudi Arabia.
- Active in Europe: Schiphol (Amsterdam), Frankfurt and Athens.
- Outline agreement for cooperation with Innova in the United States, representing access to the world's largest airport market. First joint project in Jordan.

- Growth in turnover in Czech Republic, Romania and Turkey; improved profit margins in Poland and Hungary.
- Growth in joint consultancy activities by European offices.
- Active marketing for both national and international airports.
- Private market lags slightly behind EU-financed projects.

- Intensification of cooperation with Delcan-NET, including traffic management contract for Beijing, China.
- Delcan advises Canadian water companies with regard to system management, using DHV technology.
- Delcan-NET strengthens position in the US, including contract for the supervision of quality management on the FasTracks project in Denver, Colorado, the largest transport system expansion in the history of the United States.
- ITS Global realized: a joint approach by Delcan and DHV for the international Intelligent Transport Systems (ITS) market.

- Strengthening of local management, sales capacity and project management.
- New projects, including the Philips Innovation Campus and the Eurocampus (both in Shanghai).
- Restructuring of organizations in India and Indonesia; high costs in China erode profit margins.

- DHV increases holding in Stewart Scott International to 65%, and simultaneously strengthens the 'Black Empowerment' profile.
- Acquisition of Bohlweki provides strong position on environmental market.
- Large number of airport development projects (12) acquired through cooperation between SSI and NACO.

## Prospects for 2006

- Attention for postponed projects (in the Netherlands) which will be reinstated this year.
- Growth of regional offices in the Netherlands; new office in Bergen op Zoom.
- Targeted marketing of both consultancy services and technological solutions.
- Changing government role; expertise is shifting to the market, where responsibility will be assumed and developed.
- Opportunities in the roads and hydraulic engineering market will be exploited.
- Continuation of international growth.

- Top expertise strongly profiled to restore profit margins.
- Further development of position in parks, facility and asset management.
- Focus on market for redevelopment and re-use of offices (2007-2010).
- Strengthening of international position in office buildings, working with internationally renowned architects.
- Further development of the 'Schoolcompagnie' (DHV-BAM) partnership's position.

- Further use of the DHV network to achieve international growth.
- Active marketing of Nereda™ technology in the Netherlands and elsewhere.
- Expansion of water treatment and water management activities in the Netherlands.
- Dissemination of vision and ideas regarding optimization and renovation in the drinking water supply sector.

- New opportunities provided by Airbus A380 introduction and the rising popularity of low cost carriers will be exploited.
- Further shift from public to private investors; more Design & Build projects.
- Middle Eastern market developing strongly.
- Ongoing attention to European market and existing clients.
- Exploration of opportunities in Indonesia.
- Exploration of opportunities in India.
- Exploration of opportunities for further project cooperation with Innova.

- Opportunities presented by extensive EU funds for Central and Eastern Europe.
- Expansion and improvement of the local offices in Central and Eastern Europe.
- Improvement of results in Portugal.

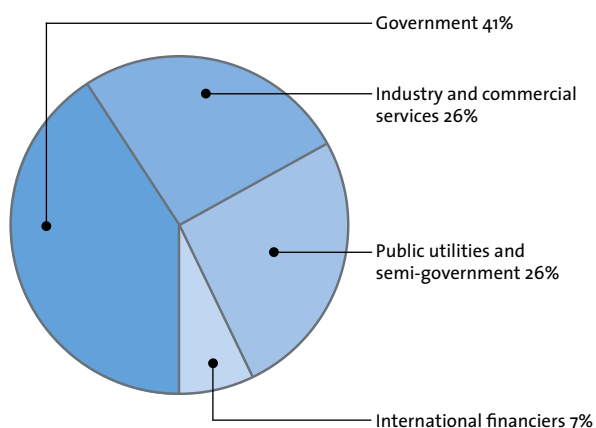
- Ongoing focus on growth in the United States; top-level expertise, technology and program management for roads, light rail, transportation, airports and water.
- Bundling of DHV and Delcan-NET expertise to strengthen position in Europe and Asia.
- Cooperation between NACO and Delcan on airport projects.
- Further marketing of ITS Global.

- Further investment in local offices, geared to expanding activities on behalf of private clients.
- Opportunities presented by strong economic growth in the region and by the increasing concern for sustainability.
- Focus on Indonesia (reconstruction of Aceh) and India (international investors and property developers).

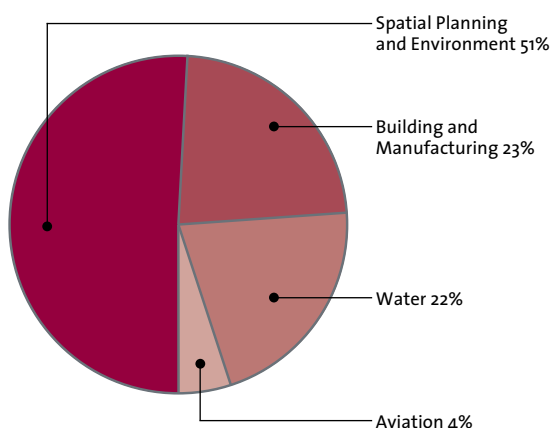
- Further growth in all services and in all African countries, but with particular emphasis on South Africa.
- Further geographic spread based on strong position in South Africa.
- Marketing and positioning in anticipation of major events such as the 2010 FIFA World Cup.

# Finances

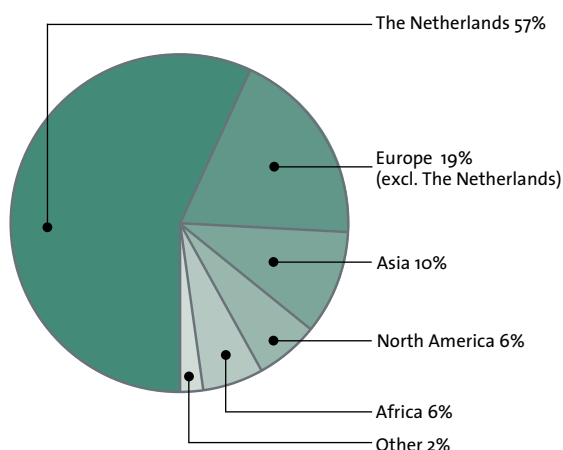
Turnover by client group



Turnover by business group



Turnover by region



## Net turnover

Net turnover rose by 2.2% in 2005, to 300.6 million. The increase is entirely due to the acquisition of Temid (effective per 31 December 2004). If this acquisition is discounted, turnover may be seen to have fallen by 0.9% (allowing for currency exchange rate effects).

## Added value

Added value remained stable during the review year, at € 229 million. The development in added value was less than that of net turnover, due to a slight shift towards activities with a higher percentage of outsourced work and other external project costs.

## Costs development

Total operating expenditure (excluding the costs of outsourcing and other external project costs) increased by 1.4% to € 222.7 million. Staffing costs, comprising salaries and social insurance premiums, rose by 4.8% to € 158.7 million, thus representing 71.3% of the total operating expenditure. An amount of approximately € 2 million has been included in the account entry for operating expenditure with respect to the costs of restructuring programs. This restructuring is expected to result in a permanent cost reduction in the order of € 4 million per annum.

## Operating profit and operating margin

The operating profit fell by € 3.2 million compared to the previous year, to € 6.3 million. This was primarily due to disappointing results in Asia and Europe, and in the Water business group as well as the costs of the aforementioned restructuring programs. Overall, the operating margin (operating profit before amortization of goodwill/added value) fell from 4.1% to 2.7%. If the restructuring costs are discounted, the margin would have been 3.6%.

## Goodwill

In 2005, € 0.75 million in regular goodwill was written off. An amount of € 1.0 million in goodwill was paid out during the year in

respect of the various acquisitions and the increased holding in Stewart Scott International.

DHV makes its acquisitions for the long term. An amortization period of twenty years is applied to goodwill, in accordance with the expected economic life expectancy of the company or activities concerned.

### Financing costs

Interest paid in 2005 totalled € 1.7 million. This represents a slight increase compared to the previous year, largely due to a higher average working capital financing requirement.

### Taxation

The tax burden for the year was 10.0% of profit. The overall tax burden was reduced by tax compensation relating to the liquidation of overseas participations, and increased by non-valuation of loss compensation relating to overseas subsidiaries, and by non-deductible amortization of goodwill.

### Net profit

Net profit fell by € 0.4 million compared to the previous accounting year, to € 3.7 million. The net profit margin on turnover was therefore 1.2%.

### Balance sheet ratios

The balance sheet total fell to € 137.4 million, a decrease of 4.6% compared to the 2004 level. This was primarily due to a

decrease in the gross working capital (accounts receivable plus work in hand, minus advances and pre-invoiced work) of € 5.5 million and a decrease in the value of fixed assets in the amount of € 2.5 million. Working capital was outstanding for an average of 80 days in 2005, compared to 86 days in 2004.

Equity rose by € 1.4 million in 2005. This increase is due to the addition of the net profit of € 3.7 million, offset by provisions for pension liabilities further to the new reporting requirements in the amount of 4.2 million and an active tax deferral in the amount of € 1.3 million.

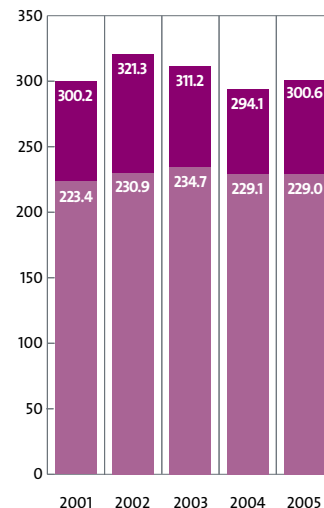
Net interest-bearing liabilities (long-term liabilities plus liabilities to credit institutions, less cash at bank and cash in hand) decreased due to a reduction in the working capital requirement. The total credit facility available for current account overdraft and guarantees, plus long-term liabilities, amounted to € 99 million at 31 December 2005. The ratio of interest-bearing liabilities to equity was 0.51 at 31 December 2005, compared to 0.53 at the end of 2004.

### Cash flow

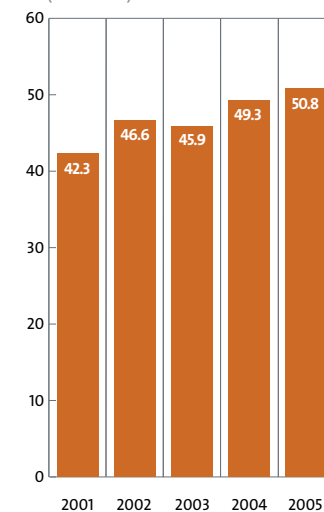
The total cash flow (net profit plus depreciation of fixed assets and amortization of goodwill) was € 10.6 million (2004: € 12.2 million). The cash flow from operational activities was € 5.1 million (2004: € 7.5 million).

Net turnover  
Added value

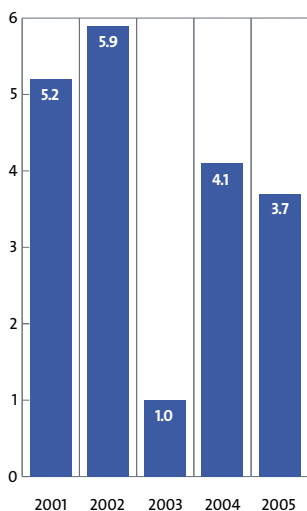
Net turnover and Added value (€ million)



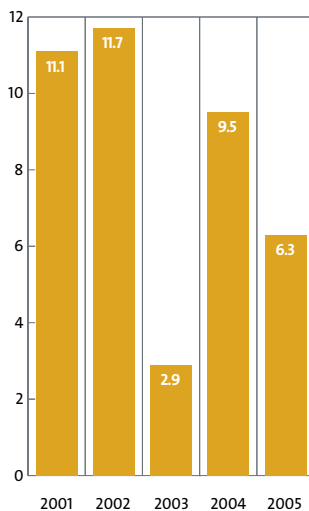
Shareholders' equity (€ million)



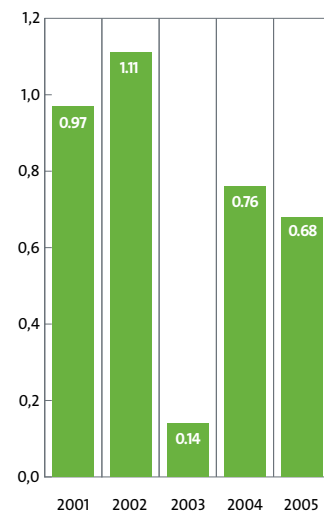
Net profit (€ million)



Operating profit (before amortization of goodwill) (€ million)



Profit per share (€ million)



# Human Resources Management

DHV is a leading knowledge organization which is active in various parts of the world. Our international orientation, the breadth of our activities, and the complexity of the problems for which clients seek solutions combine to provide a rich source of inspiration for our staff. The DHV Group enjoys an unparalleled reputation in several aspects of its work, and continues to score well in various international rankings and surveys (e.g. the Intermediair Best Employers Survey and the Dutch Building Business Reputation Monitor).

DHV undertakes considerable investment to maintain its international reputation. During the year under review, further measures were taken to facilitate the exchange of knowledge throughout the organization. These included the introduction of the *Communities of Practice*, a private web portal through which staff can share knowledge with others in the worldwide DHV network.

It remains extremely important to recruit and retain staff of the appropriate caliber. Greater attention is now devoted to results and to working in a way which addresses the company's commercial interests. Developments in our markets and within society as a whole have led to adjustments to our policy and employment conditions. There have been several marked changes in the Netherlands in particular, including:

- A revision of the pension arrangements, with the transition from a *defined benefit* plan to a *defined contribution* plan being

completed during the review year.

- Arrangements for early retirement were withdrawn since they are no longer supported by fiscal legislation.
- The 'life course saving scheme' was introduced.
- The scheme for age-related holiday entitlements was amended.
- Preparations were made for the introduction of the new health insurance system on 1 January 2006.

In other countries, there were no external factors which prompted changes in human resources management policy or practice.

## Internationalization

Considerable attention was devoted to the process of internationalization during the year under review. The International Policy Board (which comprises the Executive Board, the directors of the business groups, the regional directors and the directors of Finance & Control, HRM and Mergers & Acquisitions) convened to discuss the international implementation of some aspects of the DHV Group's HRM policy, notably:

- *Corporate compensation and benefits*, establishing the salaries and secondary benefits for the senior 100 staff in the company.
- *Management and professional development*.
- *Personal development* (a continuation of the competency management program).
- *Corporate training*.

Objectives set for 2006 and beyond include the international introduction of the *expatriation policy* and the *labor market policy*, whereby a basic package of secondary benefits will be introduced for all staff, the exact contents of that package being adapted in line with standard practice in the various regions in which DHV is active.

## Corporate culture

During the year under review, it became apparent that the corporate culture is being influenced by the speed with which DHV must adapt to changing market circumstances and increasing competition. The strength of DHV is its professional expertise, which is possessed and provided by its staff. Against this there is a weakness, in that there is sometimes insufficient attention for commercial interests.

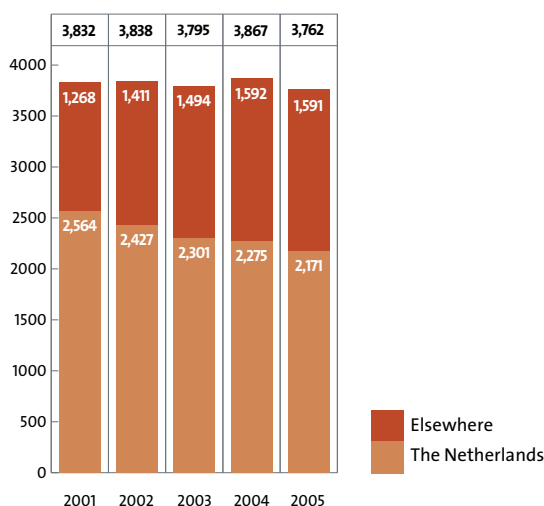
The objectives for 2006:

- Promote greater awareness of the influence of the corporate culture, implementing changes where necessary. Knowledge and innovative strength will be more prominently presented to the market.
- Use training and coaching to improve employee's commercial skills.
- Improve the capacity utilization rate by making appropriate amendments to staffing levels and encouraging internal mobility.

## Performance appraisal

The performance appraisal system is the most important means of making agreements regarding individual results, conduct, market orientation, commercial approach and cooperation. The system was further rolled out in 2005. In the Netherlands, it is seen as a preparatory measure prior to the introduction of a performance-related pay structure. The objective for 2006: to make the first step in the introduction of the performance-related pay structure, which also forms part of the desired change in corporate culture.

Personnel



## Employment market

DHV wishes to achieve ongoing flexibility within the organization. Competition on the employment market continues to increase worldwide. DHV carefully monitors the employment markets in all the regions and countries in which it is active. Various benchmark surveys suggest that DHV's image among (technology) students in the Netherlands improved during the year under review. Our positioning in other countries continues to demand attention.

## Age-related personnel policy

It is becoming increasingly important to apply an 'age-conscious' personnel policy. As the retirement age has increased, greater account must be taken of their age, career phase and the relevant ambitions and requirements. Employability and opportunities for mobility change, but remain crucial for both employer and employee. It is now necessary to devote more attention to training and coaching which will enable older staff to take a full part in the company's business activities.

## Management Development

DHV has approximately 230 management positions worldwide. The sixty most senior managers are appointed on the recommendation of the Management Development Committee. The remainder are subject to local nomination.

In 2005, many relatively young people were appointed to management positions, from head of department to unit manager. Mandatory management training courses were introduced, to be completed by all new appointees. During the year under review, a total of 89 people took part in the following courses: People Management (15), Project Direction (33), Project Management (14), Operational Management (27). Project directors and project managers must also complete a mandatory training course upon appointment. Alongside such mandatory courses, corporate training courses such as the 'Masterclass in Consultancy' are available.

Objective for 2006: to implement a certification process for project directors and project managers.

## Health and Safety

The European Union's Health and Safety directives are incorporated into national legislation by each member state, which can lead to some discrepancy between the regulations in one country and those in another. DHV always observes the local legislation. In the Netherlands, this legislation is known as the 'ARBO norms' for health and safety of employees.

In the Netherlands, absenteeism through illness was 3.6% in 2005 (against 3.7% in the preceding year). Insufficient figures are available to provide a reliable picture regarding the offices in other countries. DHV has a contingency plan for the protection of staff working in high-risk areas. This plan will be revised and updated in 2006.

Insufficient figures are available to provide a reliable picture regarding the offices in other countries.

## Principal consultant

During the year under review, the title of 'principal consultant' was given further form. Principal consultants determine the image of DHV, both in general and in the relevant professional discipline. They are regularly asked to give their views on the market and on strategic questions.

## The DHV website

Further information about personnel issues, human resources management and figures relating to the DHV organization in the Netherlands is to be found at [www.dhv.com/hrm](http://www.dhv.com/hrm).



YoungDHV launched its 'Strategy Game' in 2005.

## YoungDHV

YoungDHV, the network of younger DHV staff, launched its 'Strategy Game' in 2005. Ten international teams (of five or six players) are taking part. Their task is to formulate various scenarios for the future of DHV, and to determine the best 'fit' with the current DHV business. The teams' suggestions are evaluated by a panel of DHV managers.

The aim of the game is twofold: it allows the 'new generation' to present their vision and views, while also encouraging younger staff to think about strategic issues that they might not meet in their day-to-day work. Their horizons are broadened and they come to feel part of the DHV Group as a whole. In March 2006, the four winning teams presented their scenarios during the International Management Meeting.

# Business and stakeholders

The DHV Group has a large international client base, representing all levels of the private and public sectors. Governments and government departments, as well as regional and local authorities, regularly call upon our services. Private sector clients include many multinationals, privatized companies and semi-government organizations, business-to-business service providers, and contractors. A separate and very important group is formed by the bilateral and multilateral financing institutions. DHV conducts its various activities within numerous projects of varying sizes. Our services are primarily concerned with consultancy and engineering in five main markets: building and industry, spatial design and environment, transportation, airport development, and water. Specific services include: (project) preparation, consultancy and advice, conceptual design, design, supervision, management and maintenance, and project implementation in the broadest sense of the word, whereby

DHV does not undertake the ‘hands-on’ construction or manufacture of any project-related components. Such project-related activities demand good cooperation, not only with the client but with all other parties involved in, or affected by, the project: the ‘stakeholders’. These include licensing authorities, social and societal organizations, local residents, providers of specialist services, financiers, contractors, suppliers and operators. Changing relationships within projects and new forms of contract now call for certain roles to be redefined. In order to meet all the requirements of business integrity and to avoid any *conflict of interests*, there must be full transparency in every respect and within every relationship. This is seen as a *sine qua non*. DHV has the following stakeholders: staff, clients, shareholders, government (at various levels), suppliers, financiers, knowledge institutes, special interest groups and industry organizations. DHV maintains close

contact with all these stakeholders, with regular consultation on all issues which are of mutual importance. In China and Portugal, DHV has established an Advisory Council to monitor local developments and maintain good contact with external parties. Delcan (Canada) and Stewart Scott International (South Africa) also have their own Advisory Councils.

DHV staff take an active part in national and international industry federations, consultation platforms, employers’ organizations, Chambers of Commerce, professional associations and knowledge institutes. They do so to cement the ties between the company and society at large, which is clearly very important. The involvement of DHV staff, many of whom sit on the committees and governing boards of these organizations, serves to keep the company abreast of relevant developments. A list of the external appointments held by DHV staff is to be found at [www.dhv.nl/nevenactiviteiten](http://www.dhv.nl/nevenactiviteiten).

## Corporate stakeholders

Staff	Central consultation with the Central Works Council:	<ul style="list-style-type: none"> <li>Regular consultation; in 2005 additional consultation meetings were held to discuss:               <ul style="list-style-type: none"> <li>- pensions.</li> <li>- organizational restructuring.</li> </ul> </li> </ul>
	Decentralized consultation with local works councils:	<ul style="list-style-type: none"> <li>Regular consultation, by business unit.</li> </ul>
	Surveys were held in 2005 on three topics:	<ul style="list-style-type: none"> <li>Corporate Social Responsibility.</li> <li>ICT.</li> <li>Human Resources Management.</li> </ul>
Clients	Sector-specific:	<ul style="list-style-type: none"> <li>Customer satisfaction surveys.</li> </ul>
Shareholders	DHV Foundation; Employee Share Ownership Trust Office Foundation (Stichting Administratiekantoor DHV Medewerkers aandelen) together with certificate holders, employees, pensioners); DHV Priority Foundation (Stichting Prioriteit DHV); DHV Pension Fund Foundation (Stichting Pensioenfonds DHV). Government bodies:	<ul style="list-style-type: none"> <li>General Meeting of Shareholders; once a year.</li> <li>General Meeting of Certificate Holders; once a year.</li> </ul>
Other interested parties		<ul style="list-style-type: none"> <li>Dutch Construction Supervisory Council (GWW workgroup).</li> <li>Developing Countries Commission (COL) of the Dutch employers’ organization VNO-NCW: a platform for government and the private sector.</li> </ul>
	Financiers:	<ul style="list-style-type: none"> <li>Participation in FIDIC (International Federation of Consulting Engineers); regular consultation with the World Bank, the Asian Development Bank and the Inter-American Development Bank.</li> <li>Participation in EFCA (European Federation of Engineering Consultancy Associations); regular consultation with the European Union.</li> </ul>
	Knowledge institutes:	<ul style="list-style-type: none"> <li>Close contacts are maintained with knowledge institutes, which is relevant to both parties. DHV actively encourages consultation with knowledge institutes at local and regional level: see <a href="http://www.dhv.nl/nevenactiviteiten">www.dhv.nl/nevenactiviteiten</a>.</li> </ul>
	Special interest groups:	<ul style="list-style-type: none"> <li>Consultation with special interest groups is undertaken at local level.</li> </ul>
	Industry organizations:	<ul style="list-style-type: none"> <li>Organization of Dutch Engineering Consultancies (ONRI).</li> <li>International Federation of Consulting Engineers (FIDIC).</li> </ul>

# Corporate Social Responsibility

The DHV Group is fully aware of its influence on society, the human environment and the interests of both individuals and other organizations. The company strives to address all such interests with respect, this being at the heart of Corporate Social Responsibility.

A survey held among staff in the Netherlands reveals that the company's social role and responsibility are considered to be extremely important. In future, DHV's performance in this area will come to play an even more important part in the award of contracts and projects. Concern for people, the environment and society at large is directly linked to the company's long-term continuity. The key to success lies in the ability to evolve to the next level of doing business, on which corporate interests coincide with those of the people with whom DHV works, and those of the environment within which it works.

DHV endorses and observes the OECD Guidelines for Multinational Corporations and the relevant conventions of the *International Labor Organization* (ILO). The United Nations' *Global Compact* is also seen as an important incentive to appropriate performance, establishing as it does standards and values with regard to the reduction of poverty, justice and human rights, employment conditions, non-discrimination, health and environmental concern.

## Four pillars

Various aspects of Corporate Social Responsibility are an intrinsic part of DHV's day-to-day activities. The company contributes to the processes of social change, developing its own solutions to sustainability issues and applying sustainable technology. The DHV Group also acknowledges its responsibilities as an employer, as stated in its personnel policy.

Since 2002, the policy with regard to corporate social responsibility has been made explicit in a number of focus areas:

- Integrity management
- Sustainable innovation
- Sustainable business operations
- Corporate social involvement.

Objective for 2006: the Sustainable DHV

workgroup is to develop a model for the Dutch companies, which can then form the basis for international policy. Until this process is complete, efforts in the field of Corporate Social Responsibility will be coordinated by the Executive Board and the International Policy Board.

DHV wishes to establish a clear profile in terms of Corporate Social Responsibility. It therefore applies the four pillars of policy in addressing *People, Planet* and *Profit*.

## People

DHV aims to achieve a balanced staffing structure throughout the organization, with particular attention for the employability of older staff members. Ongoing investment in training offers staff the opportunity to develop their own skills and abilities while also strengthening DHV's market position.

DHV is active throughout the world, and always strives to work in full accordance with its own corporate values. These include providing equal opportunities for men and women, particularly in countries in which this cannot be taken for granted. Nevertheless, it is not always possible to apply the standards in full in every situation. In practice therefore, DHV seeks to maintain an appropriate balance between its standards and the local cultural context. Where such a balance cannot be achieved in a responsible manner, DHV will consider to refrain from participation. Under no circumstances whatsoever will DHV condone or make use of child labor, and will never cooperate with any company that does.

The new agreement between DHV and Stewart Scott International provides an important boost to the South African government's policy of '*broad-based black economic empowerment*'. Stewart Scott International maintains an active policy designed to help *historically disadvantaged individuals*, whereby training and education are provided to equip them for employment with the company. Eventually, it is hoped that the disadvantaged groups will be fully represented in every unit and department of the company.

## Business Integrity Management System

In 1999, integrity was declared one of the seven key values of DHV. In 2003, a *Business Integrity Management System* (BIMS) became fully operational. The BIMS comprises seven interrelated components:

- 1 The business principles, as stated on the website at [www.dhv.nl/code](http://www.dhv.nl/code).
- 2 Commitment to those business principles by management and staff, established by means of individual contracts of employment.
- 3 Managers are required to report quarterly on (non-) compliance with the business principles, and must sign a Letter of Representation annually, reporting on how the system functions within their organizational unit.
- 4 Dialogue: all staff are expected to discuss any dilemmas with their immediate line managers.
- 5 The reference book, which describes the integrity management system, instruments and possible dilemmas in full, providing examples.
- 6 A Compliance Officer has been appointed to advise management and staff on any dilemma that may arise and to oversee compliance with the business principles.
- 7 A whistleblower scheme, enabling staff to report any (suspected) irregularity without fear of recrimination or reprisals.

Implementation of the Business Integrity Management System continued in 2005. Meetings were held within various business units, at which staff were encouraged



DHV's standards and values are established within its business principles.

to discuss examples of various possible dilemmas. The requirement to observe the business principles at all times is now established in the company's standing orders and in individual contracts of employment. The system of quarterly reporting has been improved. An *Internal Audit* department has been created, the responsibilities of which will include monitoring compliance with the BIMS. The *Compliance Officer* was called upon to advise on a number of actual dilemmas, while the business groups reported several incidents, most of which could be resolved in full accordance with the *business principles*. There were also some reported incidents in which this was not the case, whereupon immediate measures were taken to preclude any recurrence. In some cases, action is still ongoing. The strict observance of its integrity rules required DHV to decline a number of projects during the year under review. With a view to future continuity, the company regards this as the only appropriate strategy. A number of staff approached the confidential advisor to report suspected irregularities further to the 'whistleblower' scheme. In no instance was it considered necessary to make a formal report. Objectives for 2006: a further roll-out of the BIMS into the international business units and into the international training courses for project directors and project managers. The process of providing information and advice will be continued. There will be a study of risk situations with input from the Internal Audit department.

**Local management.** In every country in which DHV is active, efforts are undertaken to ensure that the staffing reflects local demographics. This is often difficult to achieve in practice, but policy demands appropriate solutions to be found. Since 2005, almost all overseas DHV companies are led by local managers from the countries concerned. Local managers receive full training in working according to the general business principles of DHV.

**Corporate Social Responsibility.** The social involvement of DHV staff is amply demonstrated by the manner in which they

frequently volunteer to help others. The appalling devastation caused by the 2004 tsunami in south-east Asia prompted DHV to provide expertise at no charge. Staff gave up part of their holiday entitlement (totaling 420 days) to offset the costs, and the Executive Board dispatched volunteer DHV experts to the region to provide immediate hands-on assistance.

The main new contacts and activities in 2005 were:

- Assistance in reconstruction efforts in the areas affected by the tsunami.
- Partnership with SOS-Kinderdorpen, a Netherlands-based charity providing village-style accommodation for orphans and displaced children in developing countries. DHV provides expertise and experience, and was pleased to make a cash donation to mark the fortieth anniversary of SOS-Kinderdorpen in the Netherlands.
- Partnership with the WWF (formerly Worldwide Fund for Nature) in the Netherlands, with assistance in the form of consultancy services.
- Scholarships: scholarships are provided through Delcan of Canada and Stewart Scott International of South Africa to enable promising students to complete courses in engineering and applied sciences.
- DHV assisted an orphanage in Shanghai, China, providing project management for renovation.

In South Africa, ongoing commitment to *community development* is demonstrated by an approach in which large projects are divided into smaller components which can be undertaken by the local population. This serves to strengthen the local economy while also ensuring that the overall project is completed.

### Planet

There are two ways in which DHV's work has an impact on the environment. The more significant of these is the way in which it conducts projects on behalf of clients. For example, the design of a new water treatment plant which will meet stricter effluent requirements has obvious positive



DHV

Following the tsunami in south-east Asia, DHV staff donated 420 days' holiday entitlement to help the reconstruction efforts in Aceh, Indonesia, and on the coastal island of Nias.



SOS-Kinderdorpen

Steward Scott International supplies technical assistance to all SOS Kinderdorpen in Southern Africa.



The Future 500

In China, DHV has earned a place on the Future 500 list of companies which are seen to be actively promoting the green economy.

effects. Many other projects undertaken by the company have a similarly beneficial impact, particularly in the areas of water and environment. Other projects, such as the construction of new roads, industrial estates, buildings and factories, involve different factors. Here, the most important consideration is the sustainability aspect of the advice provided by the company, in such areas as choice of materials, sustainable construction methods, maintenance and so on. DHV consultants are keen to propose sustainable solutions to their clients. In China, DHV has earned a place on the Future 500 list of companies which contribute towards the 'green economy' and which apply practical means to enhance the 'triple bottom line'. In order to be considered for a place on the Future 500 list, a company must be seen to base its activities on the interests of sustainability.

DHV also has a direct impact on the environment through its own use of energy and transport, and its production of waste. However, this impact is far less significant than that of its projects.

**Sustainable innovation.** Within its projects – and sometimes beyond – DHV seeks sustainable solutions which enable clients to attain their objectives effectively, often in optimum balance with environmental aspects. DHV has regularly developed and applied sustainable innovations, the most notable examples including:

- Nereda™: a breakthrough in the biological treatment of industrial and domestic waste water which is both more sustainable and less expensive than traditional methods. The development was undertaken in close cooperation with Delft University of Technology, the Netherlands Foundation for Applied Water Management Research (STOWA), the Technology Foundation STW, and others. In 2005, Nereda™ was awarded the prestigious 'Vernufteling' Prize for innovation.
- Delta Dryer: a technology which dries wet waste using considerable less energy than conventional alternatives. The technology is inexpensive and has a high degree of social relevance.

- Transformation of peatland meadows to provide CO<sub>2</sub> reductions, water treatment and biomass production: a concept whereby these areas can play an effective role in Dutch water management and climate policy.
- Membrane BioReactor: in recent years, DHV has played a leading role in perfecting this water treatment technology which offers lower construction costs and reduced energy consumption. The technology is now in use in Varsseveld (NL) to treat domestic waste water.
- Cell Probes: a revolutionary system which generates and disseminates traffic (management) information using the mobile phone network.
- Riverstone: a technology with which bricks can be produced from mineral waste such as contaminated dredging spoil.

**Sustainable business operations.** In the Netherlands, DHV has a number of measures to ensure the sustainability of its business operations. These have been in place for some years and include separation of waste, recycling of printer and toner cartridges, and the use of bicycle or public transport wherever possible.

In early 2005, DHV entered into a contract for the supply of 'green energy', which now represents the only type of energy used by the Amersfoort head office. Amersfoort is providing a role model in this regard: similar measures are to be implemented at other locations during the years ahead. Each year, DHV organizes a number of campaigns intended to promote the sustainability of its business operations. Further information may be found at [www.dhv.nl/duurzaam](http://www.dhv.nl/duurzaam).

### Profit

DHV has a profit-sharing scheme for its staff. The company also supports external organizations through charitable donations.

**Profit-sharing:** Arrangements are in place according to local circumstances, based on business group and individual targets.

**Donations:** During the year under review, DHV made donations to several deserv-

ing causes, including SOS-Kinderdorpen, schools and community development projects in South Africa, United Ways – Centraides (a voluntary organization concerned with community development in Canada), and the City of Amersfoort, to mark the 750th anniversary of its foundation.

### 2006 and beyond: key information

DHV's impact on sustainability is most clearly evident in its projects undertaken on behalf of clients, and the manner in which opportunities to enhance sustainability are sought and acted upon. However, DHV is also keen to ensure that its own business operations meet all sustainability criteria. With effect from the next reporting year, DHV will therefore publish quantitative information according to the relevant guidelines of the Global Reporting Initiative and the Dutch national reporting guidelines. The resulting reports will include performance indicators relating to *People*, *Planet* and *Profit*.

**People:** number of employees by region; employees by gender (overall and by region); number of FTEs by region; proportion of full-time to part-time staff; proportion of permanent employees to temporary employees; average age; average length of employment contract; turnover; percentage of new employees; absenteeism; average number of hours' training per employee and the proportion of men to women in management positions.

In the case of DHV in the Netherlands, most of this information is already available (see [www.dhv.nl/hrm](http://www.dhv.nl/hrm)). Information relating to international companies will become available from January 2007.

**Planet:** CO<sub>2</sub> footprint; green energy consumption as percentage of overall consumption; transport: number of road and air kilometers per FTE; projects with a (more) positive environmental impact due to the input of DHV.

**Profit:** growth in employment opportunity; investments in Research & Development. This information will be reported on DHV's sustainability website at [www.dhv.nl/duurzaam](http://www.dhv.nl/duurzaam).

# 2006 and beyond

DHV operates based on the concept of 'Local Delivery of Global Solutions': a local presence in the most important markets in order to make the company's leading expertise available exactly where it is required by the client. During the year under review, DHV devoted considerable attention to rendering the organization more flexible, to knowledge management and to the efficiency and market-orientation of the international network. These aspects will continue to be developed in the years to come.

Opportunities for DHV are to be seen in many fields of endeavor and in many countries. There is a demonstrable demand for the Group's expertise and for the innovations which DHV develops. Today more than ever before, the challenge facing DHV is to convert these opportunities into actual projects.

In practice, DHV wishes to achieve:

- Growth of 10% in line with the long-term financial objectives: average growth in turnover of approximately 10% (half of which will be achieved through acquisitions), with an operating margin of 7% on added value. It will do so by means of:
  - better budget discipline
  - limitation of project losses
  - further implementation of the 'one-company concept' (to include *outsourcing* of ICT activities and further development of *shared services*)
  - greater emphasis on client-orientation and internal efficiency.
- The process of internationalization will be continued in line with the target for 2009 – deriving 60% of turnover in countries other than the Netherlands – through undertaking a greater number of activities in fewer countries.
- Reinforcing the innovative strength of the company, by encouraging developments and making manpower and resources available.

## Economic outlook

The developments of the coming years will be determined by a number of global trends. The most significant will be a shift in the major centers of economic activity.

Growth in Asia, and to a lesser extent in the Middle East and Africa, is important. Energy, environment and safety are important themes. Both in the west and in the emerging economies, there is likely to be increasing demand for new solutions in the sphere of public services. There will be a substantially greater demand for raw materials and for water, as well as for new methods and systems for production, transport and distribution. Increasingly, knowledge-intensive companies such as DHV will be forced to seek staff on the international labor markets, where the supply of suitably qualified people is greatest.

In the shorter term, there will be substantial growth in international investments. The European economy is now showing signs of recovery, while growth in North America remains constant. Investments in Asia are still at a very high level, while Africa seems to offer good opportunities. The Middle East is showing significant activity. Market growth in Central Europe is expected to continue. However, the European Union currently shows a lack of clear direction, while the Netherlands itself is still somewhat cautious.

DHV is partly dependent on government investment. In the Netherlands, the investment level remains relatively low, although new possibilities may be seen to be emerging. Private sector investment levels are increasing, and DHV will continue to follow the large multinational clients.

Alongside opportunities come risks. These are largely due to the speed of the changes all around us and the level of alertness that is required to address such changes effectively. Economy recovery in the West remains fragile; stock exchanges are still somewhat volatile and markets are heavily dependent on local events.

Objectives for 2006: to increase flexibility and awareness. There will be greater focus on the synergy of global expertise and local presence.

## Markets

There is growing international demand for services in the wide arena which includes roads and highways, railways, harbours and airports: from *high-level* consultancy to construction supervision. The introduction of new and extremely large airliners will produce additional demand for airport modernization projects.

DHV has now established a very respectable position in this market. Its expertise is ranked very highly, being among the top five companies worldwide in the field of *Intelligent Transport Systems*, and among the top ten in harbor development. Its position in highways and railways falls just outside the top ten. Efforts will be made to improve these positions further in the coming years. In many parts of the world, safety and security requirements have been made more stringent, whereupon there is also increasing demand for services in this field. The development of control systems for stations and airports will continue unabated. Almost everywhere, there is growing dependency on water. The demand for pure drinking water and purified waste water is increasing. Reliable and manageable solutions are sought, particularly in the large urban areas. DHV offers internationally recognized expertise in various water treatment technologies, such as Carrousel®, MBR and Nereda™. DHV is among the top ten companies worldwide in the field of water treatment, and among the top five in drinking water supply. The objective is to consolidate and build upon these excellent positions.

Demand is also growing in the area of asset management and park management. Here too, DHV intends to establish a strong position.

The natural disasters of recent times, in both Asia and the United States, caused unimaginable devastation. Reconstruction work, as well as the development of measures to preclude such dramatic consequences in future, make significant demands on the expertise of the engineering industry as a whole, and in some cases on that of DHV itself. There are, for example,

opportunities to develop our strong profile in coastal defenses yet further.

In North America, the market remains strong. The Public Private Partnership has proven itself a successful approach in many prestigious projects. Here too, DHV has valuable expertise which can be deployed to exploit the opportunities to the full. Asia continues to show unbridled growth in many markets, including environmental activities. At the same time however, the limited absorption capacity of clients can lead to restrictions and project delays. DHV wishes to strengthen its position in the region, an ambition that will require both focus and a carefully considered approach. This may entail winding down activities that no longer address the group's objectives.

In Europe, demand is greatest in the areas of mobility and transportation, safety and space utilizations (spatial design, infrastructure, drainage systems, etc.), all within a setting of increasing legislation and control. Environmental management requirements, such as those designed to address air pollution, will create new demand in terms of both technology and the interpretation of legislation.

In Africa, demand is growing in all the main market fields: transport, water, environment and aviation. The enhanced position of Stewart Scott International and optimum use of the international DHV network will enable the Group to take full advantage of this growth.

In the Middle East, opportunities could well be presented by a number of new investment programs currently in preparation.

Objectives for 2006:

- Increase focus on specific countries, regions and areas of expertise. Strengthening of the DHV Group's position in Europe, which may entail one or more acquisitions. Strengthening of the position in North America; investments in organic growth in Asia; further development of the position in Africa.
- Capitalize on knowledge of logistic flows, particularly with regard to traffic management and airports.

- Make full use of the combination of technical expertise with that in financing and management to secure involvement in large-scale projects, particularly those in the public-private arena.

### Organization

The DHV organization is structured in such a way as to promote and facilitate cooperation between all staff and units, thereby making best possible use of the company's resources. Knowledge management, efficiency and client-orientation will continue to enjoy attention in the years ahead. The further development of the 'one-company concept' also forms part of this process. The DHV Global Engineering Center in India will be further expanded, eventually having some 150 staff. This process will also demand due supervision.

The relevant risks are largely to be seen in terms of the negative effects of conflicting developments: rapid changes demand great flexibility on the part of people and the organization, but not all staff are able to follow those changes. Moreover, an emphasis on efficiency could, if taken too far, impair both the innovative ability and the flexibility of the company.

Objectives for 2006:

- Achieve greater diversity, supported by an active management development policy.
- Raise production capacity and the capacity utilization rate to the required level; increase flexibility.
- Increase productivity.
- More emphasis on training.
- Make use of each staff member's specific knowledge and experience in addressing the changing market demand.
- Positioning on the employment markets of the various countries and regions in order to ensure the company's attractiveness as an employer.

During the course of 2006, the developments described above are likely to assist DHV in making significant progress towards achieving its longer-term objectives. In particular, increased efficiency and a prompt response to the opportunities

presented by the market will lead to profit recovery.

The anticipated growth will lead to a slight increase in the number of employees. Any acquisitions can be financed using the existing facilities. No significant investments in tangible fixed assets are planned for 2006.

The market is challenging and it is competitive. If client-orientation and internal efficiency can be combined effectively, DHV will be able to rise to any challenge. The company's innovative strength is derived from its staff. The market has indicated that our innovative strength is appropriate to demand, and is highly appreciated. This gives us great confidence in the future. The Executive Board wishes to thank all staff for their commitment and efforts.

*Amersfoort, 2 March 2006*

Renko G. Campen (President)  
Bertrand M. van Ee

# Report from the Supervisory Board

## Preliminary recommendation to the Annual General Meeting of Shareholders

It is with great pleasure that we present the DHV Group Annual Report for 2005. The annual accounts have been prepared by the Executive Board, audited by PricewaterhouseCoopers Accountants of Utrecht, the Netherlands, and signed by ourselves following discussion with the Executive Board and the auditor.

The Executive Board has proposed that a cash dividend in the amount of € 0.25 per share certificate should be paid from the

profits for the year (2004: € 0.30). We are happy to support this proposal.

We recommend that the Annual General Meeting should approve the annual accounts for 2005, together with the dividend proposal incorporated therein. We further request that you give discharge to the Executive Board from liability for their management, and to the members of the Supervisory Board for their supervision during the 2005 financial year.

## Report 2005

During the year under review, the Super-

visory Board convened with the Executive Board on six occasions. The Finance & Control Director was also present. All supervisory directors maintained a good attendance record. In addition to these meetings, there was regular consultation between the Chairman of the Supervisory Board and the President of the Executive Board concerning ongoing matters.

A number of meetings considered the DHV Group's strategy for the longer term. Discussions were based in part on the *Corporate Policy Paper*, which sets out the



### H. Zwarts (Chairman)

Hans Zwarts (b. 1940, Dutch) is Chairman of the Amsterdam Chamber of Commerce. He holds a number of appointments, of which the most notable include membership of the supervisory boards of Nuon, NS (Dutch Railways), Sdu Publishers and Raet. He is also President of the Dutch Trade Board.

Mr Zwarts joined the DHV Supervisory Board in 1995 and has been its chairman since 1996. His current term of office will expire in 2007.



### J.H.M. Lindenberg

Hessel Lindenberg (b. 1943, Dutch) is a member of the Supervisory Board of the University of Amsterdam. He is also Chairman of the Board of the Dutch-German Chamber of Commerce, and sits on the supervisory boards of the Bank for the Construction Industry, Gamma Holding, Royal Numico, Ortec International, Petroplus International and the Zeeman Group. He also chairs the supervisory boards of NIB Capital and Spyker Cars.

Mr Lindenberg joined the DHV Supervisory Board in 2003. His current term of office will expire in 2007.



### A.B.M. van der Plas

Seen van der Plas (b. 1938, Dutch) is chairman of the Supervisory Board of the Netherlands Research School for Transport, Infrastructure and Logistics (TRAIL) at Delft University of Technology, Chairman of the Safety Advisory Committee of Amsterdam Airport Schiphol, a member of the supervisory boards of Rijnmond Waste Processing (AVR) and the Blijdorp Zoological Gardens, and is a trustee of the Rotterdam Philharmonic Orchestra.

Mr Van der Plas joined the DHV Supervisory Board in 1998. His current term of office will expire in 2006.



### A.P.M. van der Poel

Arthur van der Poel (b. 1948, Dutch) is chairman of the pan-European MEDEA+ (Micro Electronics Development for European Applications) R&D program, and sits on the supervisory boards of ASML, Axalto and the Dutch soccer club PSV. Mr Van der Poel joined the DHV Supervisory Board in 2004. His current term of office will expire in 2008.

corporate objectives, strategy and attendant risks.

During the year, the Supervisory Board devoted particular attention to the strategic positioning of DHV, measures intended to ameliorate the disappointing results, the concentration of companies in the Netherlands, corporate integrity, and the far-reaching consequences of new social security legislation in the Netherlands covering pensions and health insurance contributions.

As in previous years, the Supervisory Board met with the Director of Human Resources to assess the suitability of internal candidates for senior management positions. The accountant attended those meetings at which the half-yearly and annual figures were discussed.

In 2005, the Supervisory Board appointed an Audit Committee, its members being Messrs Lindenberg and Van der Plas. This committee held two meetings during the year under review, the first of which was primarily concerned with the ratification of its own standing orders and an assessment of the half-yearly figures. The second meeting was attended by the accountant and discussed the first report for 2005. In future, the Audit Committee will meet with the accountant three times a year: in February to discuss the annual accounts for the preceding year, in August to discuss the half-yearly figures, and in December to discuss the budgets for the coming year. The standing orders of the Audit Committee have been published on the corporate website at [www.dhv.com/code](http://www.dhv.com/code).

On one occasion, the Supervisory Board met without the Executive Board in attendance to discuss its own composition and performance, the contributions of its individual members, and to review the composition of the Supervisory Board. The meeting concluded that the composition of the Supervisory Board remains appropriate and that its members possess the required competencies. All members other than Mr Lindenberg may be deemed to be 'independent' within the meaning of best

practice provision III.2.2 of the Netherlands Code of Corporate Governance. Mr Lindenberg cannot be regarded as independent under the definition applied by the Code, since in the year of his appointment to the Supervisory Board he was an executive director of a banking institution with which DHV maintains a business relationship. Mr Lindenberg has been designated a 'financial expert' further to provision III.3.2 of the Code. Mr Van der Plas has been appointed Deputy Chairman of the Supervisory Board.

In June 2005, Mr Van Miert stepped down from the Supervisory Board. The Board thanks him for his significant contributions and proposes Dr. W. van Vonno to fill the resulting vacancy.

Further to the roster, Mr Van der Plas will step down from the Supervisory Board at the 2006 Annual General Meeting. He will be proposed for reappointment for a further four-year term.

The composition of the Executive Board was also discussed at the closed meeting, as were the performance and remuneration of its members. The current President of the Executive Board will step down by the end of 2006. The Supervisory Board has decided to appoint Mr P.W. Besselink to the Executive Board with effect from 3 April 2006. This appointment will return the Board to the appropriate strength for the period ahead. It was agreed that the members of the Executive Board possess the required competencies and continue to perform to the fullest satisfaction of the Supervisory Board, both individually and collectively. The remuneration policy for Board members is set out in the Remuneration Report (see page 38).

General operational aspects of the Group were discussed with the Central Works Council on two occasions. The Supervisory Board considers these meetings to be extremely worthwhile, the forthright and constructive input of the Council representing a valuable aid to the Board's deliberations.

In 2005, members of the Supervisory Board made working visits to DHV Environment and Transportation in Amersfoort, and to Stewart Scott International in Cape Town, South Africa. Mr Van der Plas accompanied the Executive Board on a working visit to China.

The Supervisory Board wishes to thank all staff for their ongoing commitment and effort during the year under review.

*Amersfoort, 2 March 2006*

H. Zwarts (Chairman)  
J.H.M. Lindenberg  
A.B.M. van der Plas (Deputy Chairman)  
A.P.M. van der Poel

# Theme: Innovation

Whether in water treatment, traffic management or the reduction of CO<sub>2</sub> emissions, the demands of society and the market are becoming ever more stringent. The world faces complex problems and must often turn to innovative technologies and ideas in order to arrive at breakthroughs.

But innovation doesn't just happen. First, there must be room for new ideas to be formed. There must be the type of vision which enables several seemingly unrelated problems to be addressed as one. There must be ongoing investment. Only then can true progress be made.

The desire for innovation is firmly embedded within DHV. The many new technologies and systems which it has developed over the years have earned the company an enviable international reputation.

DHV offers its consultants and specialists the opportunity to combine creativity and knowledge, and hence to arrive at new approaches and effective solutions. The latest technological developments then go hand-in-hand with social developments and those in every other field of human endeavor. In many cases, this results in sustainable solutions being incorporated into the projects we undertake on behalf of our clients. Innovation – the development of new ideas which can then be implemented in a creative way – is not only important to our clients and to the social setting, but is crucial to commercial success.



“Look at it the other way round and let traffic control traffic lights. That’s the revolution that is unfolding internationally”

Joe Lam,  
Director Traffic Planning and Management



“People like to live close to water. If they are to do so in safety, we need new insights and new solutions.”

René Hopstaken,  
Project Manager and Structural Engineer



“Cleaner water, with a smaller installation and at lower costs. This is something for which there is global demand.”

Andreas Giesen,  
Innovation Manager, Water



“Viewing topical issues in a new context and combining existing solutions in a ‘smart’ way: that is how you achieve unexpected breakthroughs.”

Marjolein Demmers,  
Senior Partner, Sustainability



“Compact airports which are run along commercial lines, and their development to become ‘airport living cities’: this is where the opportunities lie.”

Hein Baijer,  
Senior Airport Advisor

# Mobility

For decades mobility issues used to be solved by enlarging the infrastructure. This approach appears to have reached its limit in the world's major conurbations. Shortage of space, more and more regulations and concerns about air pollution necessitate a different approach through the optimum use of available infrastructure. Over the past twenty years the *Intelligent Transport System* (ITS) has demonstrated that this is undoubtedly the field where big gains are achievable. The challenges lie in improving and integrating traffic management systems.

“Look at it the other way round and let traffic control traffic lights. That’s the revolution that is unfolding internationally”



Joe Lam, Director Traffic Planning and Management

Wit Groenhuijsen

# Big gains through better use of infrastructure

“Mobility - the quality of moving people and goods through often densely populated regions - is one of the decisive factors in a region’s economic vitality. Poor accessibility costs more than just time and money. So new solutions are necessary. Integrating information systems produces a better insight into traffic flows and better information for users. Dividing lines between different technologies are disappearing to make way for seamlessly interconnected information systems for large, international regions. *The Adaptive Traffic Signal Control Package* developed by Delcan (DHV’s Canadian partner) is an example of the way forward. This new system for controlling traffic lights constantly adapts to the traffic load. The result is a better flow of traffic and less air pollution. The *Federal Highways Administration* in the United States examined the benefits of *adaptive control* and decided to support it if an easily implementable and cost-effective system is available. The Delcan system meets those requirements. It is based on wireless technology and a software platform that processes data obtained from all kinds of different traffic sensors like loop detectors, infrared, video cameras, above-ground microwave detectors and *cell probes*. This allows faster and cheaper installation of the system. What’s more, it is possible to connect and use existing monitor systems.

*Cell probing* is one of the latest technologies. Every active cell phone searches for and registers with the mobile phone network. Via that network it is possible to see where individual mobile phones are located and how they are moving along the road. This data is anonymous, but yields *real-time* information usable for traffic management. Delcan is already using this cutting edge technology in and around Baltimore in the United States, and more implementations are being planned elsewhere.

In Beijing, DHV and Delcan are cooperating in the implementation of a traffic management system for effective control of the city’s fast-growing traffic. As part of the preparations for the Olympic Games that will be held in Beijing in 2008, DHV and Delcan will deliver a combined *Incident Management System* and *Decision Support System* to allow the police to assess the impact of incidents faster and more accurately and take more effective measures.

Considerable synergy exists between DHV and Delcan. The expertise and experience of the two companies add up to a strong combination in which creativity, commitment and cooperation drive innovation to meet market demands.”



Team CS

## Successful partnership for Rotterdam Central Station

DHV is involved in five of the six 'key projects' to develop the stations serving the High Speed Rail Link. In many cases, we have taken on an unconventional role. For example, DHV’s consultants and conceptual designers were called upon to assist the team of architects responsible for designing Rotterdam’s new Central Station. The resulting combination of aesthetic creativity and engineering expertise resulted in an inspirational and innovative concept.



DHV

## Integrated transport policy for the Czech Republic

The transport sector in the Czech Republic has seen substantial growth over the past decade, while the country’s recent accession to the European Union has given rise to new requirements and obligations. A visionary national transport policy is therefore required. The Czech Ministry of Transport has requested DHV to produce proposals for such a policy. DHV will offer an integrated solution which addresses not only transport issues, but also environmental aspects and ways to promote regional development.



SSI

## Black empowerment and a new highway in Kwazulu-Natal

Stewart Scott International (SSI), DHV’s South African subsidiary, is working on the new P700 Main Road between Ulundi and Richards Bay in the province of Kwazulu-Natal. The project is a joint venture with Ibhongo Consulting, in which the partners are responsible for the design of a 94-kilometer stretch of the highway and for construction supervision. The project is notable for its contribution to ‘*black economic empowerment*’ and community development in a previously isolated region. One of the conditions established for the joint venture is that Ibhongo’s predominantly black staff will be trained and coached by their SSI counterparts in order to enhance the expertise of the company.

# Building and Manufacturing

Building in coastal areas and alongside rivers presents many specific challenges. Rivers can burst their banks; hurricanes can cause devastating inland flooding. Entire delta regions can become submerged. Water seems to demand ever more space. New technologies are required to ensure human safety near water, and to enhance the flexibility with which we can build.



“People like to live close to water. If they are to do so in safety, we need new insights and new solutions.”

René Hopstaken, Project Manager and Structural Engineer

# Building on the water

“Areas with an abundance of water, such as the large delta regions or those alongside the major rivers, often pose conflicting demands. There must be more room for the water itself, so that it can be contained during any period of flooding. At the same time, the demands of urban expansion must be addressed. As the likelihood of flooding increases, so does the need for new technologies. ‘Floating’ land for construction may therefore be seen as an important development. In fact, the concept of living on water is not new. We have all seen houseboats in various forms, while considerable experience in building ‘floating homes’ has been gained in both the Netherlands and Canada. In 2002, a new technique was used to create a floating exhibition pavilion at the Floriade horticultural show in Haarlemmermeer (NL). That involved linking four floating thin-walled concrete platforms, but many more such platforms could be used. By joining them together, you create a large area on which to build one or more superstructures. All sorts of uses are imaginable: a sports complex, an events centre or even entire residential neighborhoods. In the Dutch province of Zeeland, for example, work is now in progress on a floating resort. In Budapest, DHV is involved in the development of a large floating hotel on the River Danube, which will alleviate the serious shortage of tourist accommodation in the city.

DHV combines specialist knowledge in construction with that in water management. The company can therefore offer a ‘total package’ which includes all the facilities needed in this type of project. New construction land can be created without affecting the water storage capacity of the area. The platforms can have a total surface area of over one hectare. The technique used to inter-link the platform sections will depend on the type of water feature involved (lake, river or sea), and the nature of the building to be constructed. One remarkable design, produced by DHV in partnership with Waterstudio.nl, is for a floating tower, one hundred meters tall, in Dubai. The design and architecture allow for an even distribution of forces over the supporting platforms.

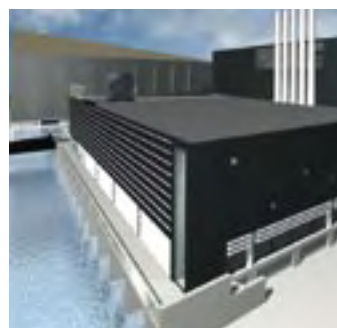
Other countries, including India and Bangladesh, have expressed interest in these techniques. There have also been enquiries from the United States, where floating buildings could provide an appropriate solution during the New Orleans reconstruction program. However, the technique does call for new production methods and, in some countries, new legislation since ‘movable’ property (the traditional houseboat) must now be classified as ‘immovable’ property. This is an entirely new development.”



Falconbridge

## Compliance Audit Services for a Canadian mining company

Falconbridge is one of the largest mining companies in Canada. It now wishes to optimize maintenance of selected assets at its facilities in Canada, Chile, the Dominican Republic and the USA. DHV’s Canadian partner Delcan is currently providing Compliance Audit Services (CAS) to Falconbridge, whereby the key objectives are to sustain asset value and minimize risks, both in Health & Safety and in commercial operation. The assessment information is stored in a customized project database which accepts entries in English, French and Spanish. The reports generated during the Compliance Assessments can therefore be prepared in the language spoken by the personnel responsible for improving the Asset Management System at a specific site.



DHV

## Hi-tech nanotechnology building

A new nanotechnology research center is currently being built in Delft. Its extremely advanced facilities will be shared by the Delft University of Technology and the Scientific Research Organization (TNO). The ‘hi-tech’ nature of the research to be conducted here gives rise to very high demands in terms of temperature stability, cleanroom technology, vibration control and exclusion of electro-magnetic radiation. DHV is responsible for the external and internal architecture of the building, together with the structural design, structural engineering, infrastructure, and consultancy services in building physics and acoustic engineering. In partnership with Deerns, DHV is also overseeing the construction work during project implementation. And all this to enable research into ‘nanostructures’ in units of one nanometer: the millionth part of a millimeter.



RWUM

## Philips Innovation Campus Shanghai

Philips is setting up an ‘Innovation Campus’ in Shanghai, China, at which the company’s Chinese Research and Development activities will be clustered. DHV produced the Masterplan for the Philips Innovation Campus, which covers an area of 100,000 square meters. Philips wishes to promote the synergy between its various units, regarding coordination and open communication between them as extremely important. This requirement has given rise to a design which incorporates atriums and open work floors, with short walking distances between departments. The office layout can readily be adjusted in line with changing organizational requirements.

# Water

Water is poorly distributed across the world. Over two billion people have inadequate (or no) access to clean drinking water. The world's consumption of water is increasing, while the standards which purified water must meet are being made more stringent every year. In densely populated industrial and urban areas, there is not enough space to accommodate any major expansion of existing water treatment facilities. Smaller communities are unlikely to have the resources to purchase and operate the required installations. However, innovation can offer some unexpected solutions.

Andreas Giesen, Innovation Manager, Water



“Cleaner water, with a smaller installation and at lower costs. This is something for which there is global demand.”



# New technology: a breakthrough in water treatment

“The demand for purification and treatment of, both drinking water and domestic or industrial wastewater, continues to rise. This is a global trend and in those regions in which water is scarce, reuse of water is essential if the demand is to be met. In Durban, South Africa, DHV’s local subsidiary Stewart Scott International was involved in the designed and construction of an installation to upgrade domestic wastewater into process water for a paper mill and a refinery. At Tel Aviv Airport, wastewater is treated and re-used for irrigation and as cooling water. Singapore is the world’s first major city with a large-scale system to treat wastewater for re-use as drinking water, thus satisfying local demand more effectively. Such developments raise new, stringent requirements that can only be addressed using new technologies and new systems. This is a field in which DHV has an extremely good reputation worldwide, with extensive experience in water treatment and purification. The company is also well known as developer and provider of unique ‘total solutions’, such as the Carrousel® 2000, the Crystallator® and the Nautilus™ membrane bioreactor.

In 2005, a new breakthrough technology could be added to the list: Nerada™, a wastewater treatment technique which uses aerobic sludge pellets. The footprint of the installation takes up only 25% of the space required by a conventional plant, yet produces water of comparable or even better effluent quality. Moreover, it does so at significantly lower construction and operating costs. The technology is therefore ideal for use in densely populated areas as well as less capital intensive rural areas.

Nerada™ was developed in partnership with Delft University of Technology, the Dutch Foundation for Applied Water Research (STOWA) and the Technology Foundation (STW). The technology is expected to be in use as a new standard throughout the world within a few years.

Nerada™ is an example of efficient innovations that are part and parcel of optimizing the entire water chain: from extraction and purification of drinking water, usage, discharge into drainage systems, to treatment of the wastewater. To use and process water more efficiently, DHV is seeking and finding the solutions for the future.”



Jan Liefink

## Prince opens the Netherlands’ first membrane bioreactor

On 3 May 2005, HRH Prince Willem-Alexander of the Netherlands opened the country’s first membrane bioreactor (MBR) for the treatment of domestic waste water in Varsseveld. The MBR represents a revolutionary innovation in wastewater processing, taking up less space than conventional alternatives and producing water of higher quality.

DHV was responsible for the design of the Varsseveld MBR and was closely involved in its operationalization. The company also participated in the research program which sought to increase knowledge of the MBR technology and to devise the optimum design principles for an MBR installation.



DHV

## Innovative water treatment for Chinese industrial market

DHV is currently working on industrial wastewater treatment projects for three paper mills in different Chinese provinces: Chengwu Paper Mill in Shandong, Tiger Paper in Hunan and Dongya Paper in Guangxi. In two cases, DHV’s own Carrousel® technology is to be used in conjunction with an ABR™ Anti Bulking Reactor, resulting in the world’s first AB-Carrousel® unit. The innovative combination addresses potential problems with light sludge and enhances the efficiency of the Carrousel®, whereby the overall energy consumption of the treatment plant is reduced by some 20%.



Corbis

## Unique PPP contract for drinking water supply in Ghana

In 2005, the consortium of Dutch water company Vitens and Rand Water, a large drinking water supply company in South Africa, was awarded an extensive contract to upgrade and operate drinking water supply systems in Ghana, including those in the major cities of Accra and Kumasi. This is the first overseas Public-Private Partnership in the water sector to involve a Dutch company. Preparations involved substantial input from DHV and its South African subsidiary Stewart Scott International, which will continue to assist the consortium during the lifetime of the project.

# Spatial Planning and the Environment

Poor air quality is a topical issue. In much of the Netherlands, and many other countries besides, airborne particulates and other pollutants pose a significant risk to public health. The environment is under pressure, and society now has higher demands in terms of the quality of the human environment. The complexity of the problem calls for firm action and broader perspectives. .

Marjolein Demmers, Senior Partner, Sustainability



“Viewing topical issues in a new context and combining existing solutions in a ‘smart’ way: that is how you achieve unexpected breakthroughs.”

# Air pollution calls for immediate measures and sustainable innovation

“There is a direct relationship between the air we breathe and various societal aspects: the quality of the human environment, mobility, energy, industry and spatial planning, for example. There are several areas in Europe in which the concentration of airborne particulates exceeds the EU norms. One of the main causes is road transport. For the sake of our health, as well as our ability to realize the spatial plans of the future, measures to address the problems must be taken sooner rather than later. The use of particulate filters would have an immediate effect on traffic pollution and should be encouraged by governments. Perhaps freight transport should even be banned in certain areas. In the longer term, the appropriate response entails incorporating sustainability into spatial plans and looking at ways to promote sustainable mobility. Both the government and the private sector have an important part to play.

One company that has already taken action of its own accord is the logistic service provider TNT. It decided to publish a ‘sustainability report’ and called upon DHV’s assistance in doing so. We also conducted a study into opportunities for converting TNT’s fleet of vehicles to use cleaner fuels, thus anticipating more stringent EU legislation.

Another topical air quality issue is the increase in the emissions of greenhouse gases. DHV is investigating various means to reduce such emissions, including finding new uses for the peatland meadow areas in the Netherlands. The proposed approach not only solves the problem of soil compaction and subsidence, but may also present an answer to the economic decline currently experienced by the agricultural sector. The key is to raise the water table; this halts the oxidization and compaction of the peat strata, thus reducing the emission of CO<sub>2</sub>. The land can then be used for the production of biomass in the form of, say, reeds, which can in turn be used to produce environmentally friendly ‘green’ energy. The peatland areas will undergo a metamorphosis and will make a significant contribution to the reduction of emissions. The plan represents a new way of thinking, with which DHV hopes to inspire stakeholders such as dairy farmers, Staatsbosbeheer (the Dutch Forestry Department) and the Ministry of Agriculture, Nature and Food Quality to make a giant stride forward in the battle against greenhouse gas emissions.

DHV seeks ‘smart’ combinations of solutions. Within project specifications, and sometimes on our own initiative, we try to place topical issues within a new framework and to take a different perspective. This is how to force unexpected breakthroughs.”



## Innovation in water defenses

An innovative solution which can be used to strengthen water defenses such as dikes and embankments is the ‘Expanding Columns’ approach. The technique is sustainable, space-saving and relatively inexpensive. A light boring machine pushes a hollow steel tube into the load-bearing sand strata under the embankment. The tube has an outer plastic cover, which is then filled with cement under high pressure. This creates a cylindrical foundation element known as the ‘Expander’. The movement caused in the soil actually compacts and strengthens it, and thus provides greater support for the embankment. The Expanding Columns technology has been developed by the Delta Dike consortium, which includes DHV, BAM Grondtechniek, Fugro, GMB Infra Projecten, Arcadis and Van Oord Nederland. The project is part of the ‘Inside’ research program run by Rijkswaterstaat.



## Emissions trading in Bulgaria

DHV is assisting Bulgaria in preparing the National Allocation Plans for distributing CO<sub>2</sub> emission quota to energy-intensive industrial companies. Bulgaria will then be able to comply with the European directives covering the CO<sub>2</sub> emission trading system. DHV consultants were invited ‘behind the scenes’ to examine Bulgarian industry in some detail, placing them in a unique position of trust. DHV is also providing training to environmental officials and other stakeholders, and is advising on the amendments to national laws required to bring them into line with European legislation. DHV is conducting the project in association with KPMG Management Consultants and various local partners. The project is part of the Dutch government’s pre-accession program which will assist public sector organizations in Central and Eastern Europe to bring about the reforms required if they are to join the EU.



## Eco-industrial Park in China

The development of an Eco-Industrial Park (EIP) in Guangzhou Luogang District, China, represents an innovative project with a high ‘sustainability factor’. On the 22.2 km<sup>2</sup> site, one company’s waste will become another’s raw materials. DHV is conducting a strategic study for the project, the challenge being to combine state-of-the-art expertise in the fields of industry, environment, energy, water and waste processing. DHV is undertaking this project in partnership with Sun Yat-Sen University, Guangzhou.

# Aviation

Over the next two decades, global air traffic is expected to increase by an average of five per cent per annum. Airports will have to accommodate that growth, while also responding to major new developments such as rapid, far-reaching changes within air carrier alliances and the introduction of new 'super-airliners'. Increasingly, airports must operate as a commercial business rather than as a public amenity, and must redefine and expand their role in the urban environment. Enormous potential exists: the challenge lies in identifying and exploiting that potential.



“Compact airports which are run along commercial lines, and their development to become ‘airport living cities’: this is where the opportunities lie.”

Hein Baijer, Senior Airport Advisor

# Hidden gold at the airport

“Airports face developments which can already be seen worldwide. The introduction of new, extremely large ‘super-airliners’ and the ongoing growth in air traffic require airports to adapt their facilities and infrastructure. By virtue of its unparalleled experience and a unique vision of optimum airport design, DHV subsidiary NACO can find solutions which often remain hidden to others.

NACO bases much of its work on the concept of the ‘compact airport’. Its services are designed to help the airport conduct its core business as efficiently and effectively as possible. That demands a combination of good design skills, a sound financial-economic concept, and knowledge of the relevant administrative aspects. NACO begins by resolving capacity problems through better use of the existing facilities. Buildings and infrastructure are designed and planned as part of a fully coordinated whole, enabling maximum efficiency of logistics and handling. For Frankfurt Airport, for example, NACO produced an ingenious design for the conversion and development of existing facilities. It includes the modifications needed to accommodate the new Airbus A380 and to allow a significant increase in passenger capacity, without going beyond the airport’s existing boundaries.

The role of airports is also changing. They are no longer merely a ‘plane station’, but function as the beating heart of an entire region. They attract other forms of economic and commercial activity. They have their own retail centers. Hotels, restaurants and suchlike are keen to start business within or close to the airport. The result is a new center of travel, work and relaxation, with neighboring towns eager to have good access to these new centers of activity.

The time has come for airports to take a more proactive role in their transformation into fully developed ‘airport living cities’, with all the amenities usually associated with large urban centers. This demands a more innovative approach, not only on the part of the airports themselves, but also by the relevant regulatory authorities. NACO’s strength lies in the combination of practical experience and innovative vision with regard to ‘compact airports’ and ‘airport living cities’. And that strength is now being tapped by many enterprising airports in order to make the best possible use of their potential, which has to date, often remained unrecognized. They do so not only in their own commercial interests, but also to promote socio-economic development throughout the region.”



NACO

## Shanghai International Airport

DHV subsidiary NACO, the local DHV office in Shanghai, and Districon Management Consultants have joined forces to plan and design Pudong International Airport Logistic Park in Shanghai. The project includes a full market analysis, a logistics concept, a planning strategy and the elaboration of that strategy to form the conceptual design. The added value of DHV’s partnership with Districon can be seen in the synergy between the two companies: NACO specializes in airport planning and design, while Districon is able to offer extensive expertise in logistics and distribution, with a strong focus on air cargo logistics.



NACO

## Modern contract form for Moscow Airport project

A third terminal with a capacity of nine million passengers a year is to be built at Moscow’s Sheremetyevo International Airport. The project is being led by the Turkish contractor ENKA, under a modern ‘Design & Build’ contract which does not observe the traditional distinction between designer and constructor. The responsibility for both processes – design and construction – falls entirely to the contractor. ENKA has retained NACO to provide advice and consultancy services with regard to all airport-specific aspects of the design. NACO’s position in the project is therefore also substantially different from its traditional role.



ACSA

## Expansion of Johannesburg International Airport

The joint venture between DHV subsidiaries NACO and Stewart Scott International has created the largest airport consultancy on the African continent. This prominent position has led to the acquisition of airport development projects in Kenya, Botswana and Liberia, as well as the contract to update the masterplan for Johannesburg International Airport, further to the required increase in capacity.

# Corporate Governance

The Executive Board and the Supervisory Board of DHV Holding B.V. aim to comply with the principles and best practices of the Netherlands Code of Corporate Governance, which forms the basis for their conduct.

## Compliance

The Executive Board and Supervisory Board of DHV are jointly responsible for compliance with the Code, as it applies to DHV Holding B.V. as a closed, unlisted company. There are some instances in which the Code can not be considered directly applicable to DHV and in which exceptions are therefore made. The reasons are given below.

The company reserves the right to amend any of the adopted standpoints and to deviate from any of the voluntary provisions of the Code. Every instance in which it is decided not to observe the strict letter of the Code will be reported to the Annual General Meeting of Shareholders, with full reasons being given. If changes to the current situation result in further provisions of the Code becoming applicable to DHV, the company will make its position known to the Annual General Meeting of Shareholders.

## The Executive Board

The management of the DHV Group falls to the Executive Board, which is responsible for such matters as formulating and implementing the corporate objectives, strategy and policy. It is therefore also accountable for the financial results. The Executive Board ensures that the DHV Group applies an appropriate system of risk management and internal auditing (see page 40: Risks and Risk Management). Information concerning the remuneration of the Executive Board is given on page 38. Information about the composition of the Executive Board is given on page 4.

## The Supervisory Board

The Supervisory Board oversees the general course of the company's operations and overall policy, and monitors the performance of the Executive Board. In 2005, the Supervisory Board appointed a separate Audit Committee (see page 22: Report from the Supervisory Board).

Information concerning the remuneration payable to the Supervisory Board may be found on page 38. Information about the composition of the Supervisory Board is given on page 22.

## Annual General Meeting of Shareholders

DHV is a large closed corporation to which the full 'structure regime' is applicable. The Annual General Meeting appoints the external accountant, approves the annual accounts, appoints the members of the Supervisory Board, and establishes the remuneration payable to both the Supervisory Board and the Executive Board. Appointments to the Executive Board are made by the Supervisory Board, which also has the authority to dismiss any member in the event of poor performance. Further information concerning the shareholders is given on page 39: Shareholding structure.

## Financial reporting

The Executive Board is responsible for the quality and completeness of the published financial reports, which are produced under the supervision of the Supervisory Board and the Audit Committee. Strict internal procedures are in place with regard to the production and publication of the annual accounts, the half-yearly figures and any incidental announcements of a financial nature. These procedures are also subject to the scrutiny of the Supervisory Board. The external accountant attends the Annual General Meeting of Shareholders at which the annual accounts are approved. In 2005, an internal auditing organization was instituted under the responsibility of the Executive Board.

## Exceptions to the principles and best practice provisions

DHV endorses the principles stated in sections I, II, III and V of the Code. However, it has been decided to deviate from the Code on the following points:

- Best practice provision II.2.7 (the maximum remuneration in the event of dismissal): under the agreements made with executive directors appointed after 9 December 2003, the amount of any severance payment is limited to the equivalent of one year's (fixed) salary plus the average of variable emoluments throughout the period of service.
  - Principle III.5 (three key committees): since all Supervisory Board members are closely involved in the relevant issues, it has been decided not to appoint separate remuneration and selection committees.
  - Principle IV (the general meeting of shareholders): DHV is a closed corporation with only four legal entities as shareholders. Specific provisions to ensure the greatest possible participation of those shareholders in the corporation's decision-making processes are not therefore required. Similarly, arrangements for postal ballots and communication with shareholders are not relevant since the DHV Group has adequate procedures for these matters.
  - Best practice provisions IV.1.1 (no statutory two-tier status), IV.1.2 (voting right on financing preference shares), IV.1.3 (private bid) and IV.1.7 (registration date) do not apply.
- Section IV.2 (the issue of depositary receipts for shares) is of limited applicability. The depositary receipts for shares issued by the company are not listed on any stock exchange and can be held only by DHV employees.
- Best practice provision IV.2.8 (proxies and binding voting instructions) is observed with regard to proxy votes, but the issuance of voting instructions is not considered necessary.

- Section IV.3 (provision of information to the general meeting of shareholders) is also of limited applicability. Financial information issued by DHV can not influence a decision to acquire or dispose of shares or depositary receipts, other than by DHV employees.
- Best practice provision IV.3.1 (meetings with analysts, presentations and press conferences) is only partly applicable. DHV issues press releases regarding its annual and half-yearly figures.
- Best practice provisions IV.3.2 (analysts' reports and valuations), IV.3.4 (meetings with analysts and investors), IV.3.7 (shareholders' circular) and IV.3.9 (anti-takeover measures) are not applicable.
- Principle IV.4 (responsibility of institutional investors) is not applicable.

Further information about DHV's Corporate Governance procedures, its internal Code of Conduct, the 'Whistleblower' scheme and the standing orders of the Supervisory and Executive Boards may be found at [www.dhv.com/code](http://www.dhv.com/code).

# Remuneration report

## The Executive Board

The remuneration policy applying to members of the Executive Board requires the approval of the Annual General Meeting of Shareholders. The policy seeks to provide directors with a remuneration package that allows the company to recruit and retain executive directors of appropriate quality and ability. Each year, the Supervisory Board reassesses the remuneration of Executive Board members against current market norms. The arrangements are also scrutinized by Hay Management Consultants once every three years, the most recent assessment having taken place during the year under review. Further to this assessment, the principle on which the remuneration structure is based has been changed from 'median -5%' to 'Q1'. This is considered more in keeping with the remuneration package recommended for companies in the services sector. The executive directors' fixed salary was then found to be approximately 25% below the recommended level.

An account of the fixed salary, variable emoluments and pension contributions made by or on behalf of the members of the Executive Board is given on page 53. During the year under review, no extraordinary payment was made to any company officer or former officer.

**Fixed salary** The executive directors' fixed salary will be increased in two phases (2005 and 2006) to bring it to the recommended level identified by the independent review. This increase does not include any compensation for inflation. Executive directors' salaries will be reviewed once again in 2007.

**Variable emoluments** Variable emoluments are directly related to performance, and to the targets established annually by the Supervisory Board:

- The achievement of the profit (margin) target during the accounting year
- Development and attainment of strategic objectives
- Implementation and compliance with the corporate integrity system
- Attainment of personal targets.

This system provides a balanced combination of short-term and longer-term objectives (the attainment of which can be

measured relatively easily), representing an adequate incentive to performance.

To establish whether the targets have indeed been met, the Supervisory Board examines the results achieved (against the financial targets), the proposed strategy and the measures taken to implement that strategy. The targets are based in part on the results and objectives of comparable firms such as Arcadis, Grontmij, Royal Haskoning and Witteveen+Bos. The ratio of the variable remuneration component to the fixed salary is 1:4. The Supervisory Board prefers a relatively modest variable remuneration component, believing that this sufficiently ensures the loyalty of Executive Board members, both to DHV and to its corporate objectives.

An increase from 25% to 35% has been agreed for 2006. In view of the disappointing results for 2005, no variable emolument is to be paid with respect to the year under review.

**Pension** The pension scheme for Executive Board members is identical to that for all other employees. The pensionable age is 65, with early retirement permitted from the age of 56. The current President of the Executive Board is subject to the arrangements previously stated in the company's statutes, whereby he is required to step down from the Executive Board on reaching the age of 60. Under the Legal Status Regulation which applies to all employees, the company pays 71% of the pension contributions for Executive Board members (from 1 January 2006).

**Secondary conditions of employment** With regard to secondary conditions of employment, the company generally follows the General Conditions of Employment for the highest job grades within DHV, plus a slightly higher fixed expenses allowance and a more expensive company car (which does not require any contribution on the part of the employee).

Under the DHV employee participation scheme, an Executive Board member may acquire 1,000 depositary receipts for shares in DHV Holding B.V. A personal loan not exceeding € 4,600 may be extended to finance such acquisition. The company does not provide any other personal loans,

advances or guarantees to Executive Board members. The conditions applying to an executive director's acquisition of shares or share certificates in DHV Holding B.V. remained unaltered in 2005.

**Contracts with executive directors** Executive Board members appointed since 9 December 2003 hold contracts for a term of four years. In the event of dismissal, these contracts provide for a severance payment in the amount of one year's fixed salary and the average of the variable emoluments. The current President of the Executive Board was appointed prior to 9 December 2003. His contract is therefore without limit of time and provides for a severance payment linked to the number of years of service. These arrangements are in line with the national employment legislation in place at the time of the appointment. Any premature termination of the contract of employment is subject to six months' notice on the part of the employer and three months' notice on the part of the Board member.

## The Supervisory Board

The amount of the remuneration payable to members of the Supervisory Board is established by the Annual General Meeting of Shareholders and is not related to the results attained by DHV. Supervisory directors are not eligible to acquire shares or depositary receipts in DHV Holding B.V., and DHV does not extend personal loans, guarantees or similar financial instruments to the directors.

The remuneration paid to the Supervisory directors is also subject to a three-yearly review by Hay Management Consultants, based on a comparison with the remuneration offered by organizations of a similar size (the median principle). The most recent review was conducted in 2005. As a result, the remuneration payable to the Chairman of the Supervisory Board and to the members of the Audit Committee was increased by 8%. That payable to other members of the Supervisory Board remained unaltered. A full account of the payments made to the individual members of the Supervisory Board in 2005 is given on page 53.

# Shareholding structure

All shares in DHV Holding B.V. are held by four foundations, as listed and described alongside. The shareholding structure traces its origins to an agreement made in 1977, whereby it was decided that capital should be jointly controlled by management (the Supervisory and Executive Boards) and labor (the Central Works Council).

Originally, the Executive Board, the Supervisory Board and the Central Works Council formed the sole shareholder, known as Stichting DHV (the DHV Foundation). With a view to achieving full openness of governance, it was decided in 1998 that the governing board of the DHV Foundation should comprise (for the most part) independent appointees. In order to ensure that management and labor remained involved in any substantial alteration to the actual shareholding structure, the Stichting Prioriteit DHV (DHV Priority Foundation) was then established. Its governing board comprises representatives of the original parties.

Stichting Administratiekantoor DHV Medewerksaandelen (Employee Share Ownership Trust Office Foundation) administers the depositary receipts of shares issued to members of staff, while the Stichting Pensioenfonds DHV (DHV Pension Fund Foundation) holds cumulative preferential shares issued in redemption of a deferred loan from the pension fund.

## Stichting DHV (DHV Foundation)

Purpose: to manage A shares in DHV Holding.

### Governing board:

1. J.C. Blankert (Chairman), appointed by 2+3+4+5
2. H.H.F. Wijffels, appointed by the EB/SB\*
3. M.P. van Gemund, appointed by the CWC\*
4. R. den Besten, appointed by 2+3
5. M. Minderhoud, appointed by 2+3

This foundation holds 4,580,000 A shares, equivalent to 91% of the issued ordinary shares.

## Stichting Prioriteit DHV (DHV Priority Foundation)

Purpose: to manage priority shares of DHV Holding.

### Governing board:

1. F.H.J.J. Andriessen (Chairman), appointed by 2+3+4+5
2. A.B.M. van der Plas, appointed by the EB/SB
3. R.G. Campen, appointed by the EB/SB
4. J.A.M. Tromp, appointed by the CWC
5. J.J. Schreuder, appointed by the CWC

This foundation holds one priority share in DHV Holding, carrying the right of prior approval for any resolution to issue or transfer shares in DHV Holding, to merge, to make a public offering, to amend the articles of association and to dissolve DHV Holding, and also to amend the regulations of and dissolve the DHV Foundation and to dispose of A shares held by the DHV Foundation.

## Stichting Administratiekantoor DHV Medewerksaandelen (Employee Share Ownership Trust Office Foundation)

Purpose: to manage B shares in DHV Holding and to issue depositary receipts for shares to employees of the DHV Group.

### Governing board:

1. H. Braakensiek (Chairman)
2. F.L. Barel
3. J.M. van den Heuvel

The members of the governing board are appointed by the general meeting of certificate holders.

This foundation holds 456,281 B shares, equivalent to 9% of the issued ordinary shares.

## Stichting Pensioenfonds DHV (DHV Pension Fund Foundation)

Purpose: to provide pensions to employees of the DHV Group.

### Governing board:

1. J.M. van Geest (Chairman), appointed by the EB
2. B.M.L. Janssen-Crijns, appointed by the EB
3. J.M.N. Tummers, appointed by the EB
4. J. Krijgsman, appointed by fund members
5. J.M. Janus, appointed by fund members
6. G.J.P.J. Laseur, appointed by fund members
7. J.W. Zweers, appointed by pensioners

This foundation holds 420,000 cumulative preference shares in DHV Holding, carrying the right to a dividend of € 263,760.

\* EB = Executive Board; SB = Supervisory Board; CWC = Central Works Council

# Risks and risk management

## General

DHV strives to follow responsible decision-making processes, whereby careful consideration is given to risks and risk management. Where possible and appropriate, operational risks are insured.

DHV endorses the principles of the Netherlands Code of Corporate Governance. Accordingly, 2005 saw the start of a systematic inventory and analysis of the risks and risk management procedures in place. A Business Control Framework is being prepared, based on the recommendations of the Committee of Sponsoring Organizations of the Treadway Commission. The external auditor assisted in the production of this framework.

## Risks

The risks faced by DHV may be grouped under four headings: market risks, operational risks, financial risks and other, miscellaneous risks.

### Market risks

Economic circumstances can have a major influence on the volume of work. An economic recession can mean project delays or cancellations. Activities in the private sector are particularly vulnerable in this regard.

Similarly, activities in the public sector are particularly sensitive to shifting political priorities (both national and international), new appointments to central or local government, and new legislation, all of which call for modifications to long-term plans and ongoing projects.

DHV is active in countries with limited political stability, either directly or through internationally funded contracts. However, the value of the activities in question does not exceed 5% of the overall turnover.

### Operational risks and claims

The level of operational risk is largely determined by the form of contract under which DHV provides its services. Significant developments are now evident in this area. Increasingly, clients demand guarantees covering supply and performance. Payment

for time devoted to the project is subject to a ceiling, or may take the form of a fixed 'lump sum' payment. Clients, particularly those in the public sector, can impose unilateral contract terms intended to limit their own liability. Also common are framework and cluster contracts which state the fees and conditions for the services and/or hours to be provided over a longer period, perhaps up to four years. Increasingly, the only differentiating factor in any tendering procedure is now price.

There is growing demand for solutions in which the design and implementation of a project fall under one and the same contract. A "total package" is required, often involving the input of several parties working in partnership, and sometimes including financing and operational management for a predetermined period. One example is the integrated, or '*Design, Build, Finance and Operate*', contract form. DHV is most likely to meet this contract form in the construction, industry and water markets. In many cases, services are offered in association with third parties, whereby DHV becomes responsible for design and consultancy, while the project partners undertake implementation, financing and maintenance. Considerable costs can be incurred prior to the actual award of these projects.

Other risks are to be seen in terms of the obligations entered into (in realization and/or financing), the limited cover offered by standard insurance policies, and the changing roles of all parties within the new forms of partnership.

In practice, operational risks can occur in the following areas:

**Liability.** Errors made in the implementation of projects, such as design faults or calculation errors, failure to meet deadlines, or failure to comply with applicable legislation.

**Project risks.** Inaccurate estimates of the time or costs involved, delays in project implementation, lack of timely communication with the client.

**Capacity risks.** Under-capacity is a risk. Employment legislation in most countries

renders it difficult or costly to reduce the staffing level to match that of the available work.

Contracts with partners and outsourcing. Of the Group's total turnover, 25% is derived from work which has been outsourced to our partners. DHV is therefore sensitive to the effects of late delivery or inadequate quality.

**Working capital.** In most cases, services are subject to subsequent invoicing. During project implementation, there could be some dispute with regard to the punctuality and quality of the services, resulting in delayed payment.

**Accommodation.** Accommodation costs are high, and are for the most part inescapable due to long-term contracts. Shrinkage of activities and downsizing of staff numbers creates the risk of vacancy costs.

At the end of 2005, DHV was involved in a number of legal disputes. Any consequences have already been incorporated into the annual accounts in previous years.

### Financial risks

Exchange rate risks at project level are limited, since DHV strives to match income and expenditure in the same currency. If this is not feasible, the risks are hedged to the greatest extent possible.

Translation risks are relatively minor, and are therefore not hedged. The largest investment outside the Netherlands is DHV's participating interest in Delcan of Canada. The level of short-term interest-bearing liabilities is low, whereby the interest risk is also limited. Long-term liabilities are subject to fixed interest rates for several years. Since 2002, goodwill paid out has been capitalized and will, in principle, be amortized over a period of 20 years. Where the companies acquired do not meet expectations and the capitalized goodwill can no longer be justified, an additional amortization will be made.

In 2005, the pension scheme with the greatest number of participants, administered by the DHV Pension Fund Foundation, was converted from an average pay scheme to a collective 'defined contribution' scheme. This represents a substantial reduction of

the risks to the company. Although involving only a small number of participants and hence of limited extent, obligations further to the 'defined benefit' pension schemes have been included in the balance sheet as at 31 December 2005.

The figures relating to tax obligations included in the balance sheet are based in part on estimates. It is possible that (substantial) differences will be seen when the final assessments are presented by the authorities.

#### Miscellaneous risks

Doing business with integrity is important to the reputation of a company, and hence to its income and profits. In order to maintain the quality of DHV's services, it is essential to recruit and retain staff of good quality, and to do so in sufficient numbers. If quality and quantity are not at the required level, our reputation could suffer. This would in turn lead to a reduction in contract opportunities.

#### Risk management

DHV applies a number of instruments to manage and control risks.

- Services are spread over various geographic areas and between various client groups, serving to reduce the market risks.
- The rights and responsibilities of the various management levels within the organization are precisely established by means of an 'authorization matrix'.
- The authorities have been defined in the Group's standing order with respect to undertaking major projects or entering into long-term obligations.
- Directors and senior managers are required to sign a "*Letter of Representation*", whereby they accept express responsibility for compliance with internal procedures and external legislation.
- A 'Whistleblower' scheme is in place to protect any member of staff who reports a (suspected) breach of the Code of Conduct or other irregularity.
- *The Compliance Officer* oversees observance of the *business principles* throughout the organization.

- In 2005, the first steps in creating an internal auditing department were taken.
- Risk management relating to the acceptance of projects is primarily undertaken at business group level. Each business group must ensure that an adequate number of suitably qualified staff are available, must maintain the required level of expertise, and must compile and maintain the necessary procedures. Such matters are accountable by means of the business plans, quarterly reports, and (management) meetings.
- A *Tender Board* exists to manage the risks of integrated, major or particularly risk-laden projects. This board advises the business groups and the Executive Board.
- Professional and corporate liability risks for the Dutch and main business units abroad are covered under Group insurance policies (which have a combined own-risk excess of € 450,000 per year).
- The holding company, the DHV Group's overall management system and those of the operational business units are all certified to ISO 9001:2000 standard. The quality systems in place ensure structured procedures in tendering for and implementing contracts, and provide guidelines for the retention of third-party services.
- Expertise in Dutch construction law and its part in project acceptance and implementation is provided by the Construction Law Steering Group.

#### Management control

DHV has embedded *performance* planning and monitoring into the following procedures.

- The long-term strategy is established by means of the *Corporate Policy Paper*. The business groups develop their medium-term plans on the basis of this document. These plans are subject to annual review. Progress is reported and discussed quarterly.
- Reporting guidelines and formats are established in a *Financial Manual* that is updated regularly.
- Key information, including cash flow, is

reported monthly. Frequent consultation is held between the Executive Board and the directors of each business group.

- Since mid-2005, the business group and regions controllers are directly reporting to the holding company. This procedural amendment, together with the matrix structure introduced on 1 January 2005, can already be seen to have improved the reporting and control structure.
- The Executive Board meets with the Supervisory Board at least five times a year to discuss strategy, results, risks and any other matters that may arise.
- The Supervisory Board consults with the external auditor at least twice a year. The auditor is appointed annually by the shareholders.
- In 2005, the Supervisory Board appointed an Audit Committee from among its own members. The Committee will oversee compliance with financial legislation, the quality of reporting procedures and products, and the efficacy of the internal control systems.

# Financial statements 2005

## Consolidated balance sheet after profit appropriation

### Assets

<i>(€ thousands)</i>		31-12-2005	31-12-2004
	<b>Fixed assets</b>		
(1)	Intangible fixed assets	14,351	13,888
(2)	Tangible fixed assets	36,443	38,920
(3)	Financial fixed assets	2,847	2,190
		53,641	54,998
	<b>Current assets</b>		
(4)	Work in progress	10,551	6,291
(5)	Receivables	63,031	72,786
	Cash at bank and in hand	10,149	9,939
		83,731	89,016
		137,372	144,014

### Group equity and liabilities

<i>(€ thousands)</i>		31-12-2005	31-12-2004
(6)	<b>Group equity</b>		
	Shareholders' equity	50,830	49,337
	Minority interests	517	615
		51,347	49,952
(7)	<b>Provisions</b>	13,314	11,741
(8)	<b>Long-term liabilities</b>	19,001	19,428
(9)	<b>Current liabilities</b>	53,710	62,893
		137,372	144,014

## Consolidated profit and loss account

<i>(€ thousands)</i>		2005	2004
(10)	<b>Net turnover</b>	300,601	294,118
	Movement in work in progress	- 390	- 3,760
	<b>Total operating income</b>	300,211	290,358
	Costs of work contracted out and other external charges	71,201	61,299
	Wages and salaries	130,372	124,209
	Social security costs	28,355	27,272
	Profit sharing	1,409	1,930
	Depreciation of tangible fixed assets	6,194	6,599
	Other operating expenses	56,397	59,562
	<b>Operating expenses before goodwill amortization</b>	293,928	280,871
	<b>Operating profit before goodwill amortization</b>	6,283	9,487
	Amortization of goodwill	- 750	- 1,492
	<b>Operating profit</b>	5,533	7,995
	Interest income	87	355
	Interest expense	1,755	1,980
	<b>Net interest expense</b>	- 1,668	- 1,625
	<b>Profit on ordinary activities before taxation</b>	3,865	6,370
(11)	Taxation	- 388	- 2,506
	Profit of non-consolidated participating interests	233	259
	<b>Group profit after taxation</b>	3,710	4,123
	Minority interests	- 41	- 54
	<b>Net profit</b>	3,669	4,069

## Consolidated cash flow statement

<i>(€ thousands)</i>	2005	2004
<b>Cash flow from operating activities</b>		
Operating profit	5,533	7,995
Depreciation of tangible fixed assets	6,194	6,599
Amortization of intangible fixed assets	750	1,492
Movement in work in progress	- 4,260	- 19,406
Movement in debtors	9,755	11,331
Movement in current liabilities	- 9,058	2,012
	<hr/>	<hr/>
Cash flow from business operations	8,914	10,023
Net interest expense	- 1,668	- 1,625
Movement in provisions	- 1,357	2,011
Taxation	- 388	- 2,506
Dividend	- 401	- 355
Other movements	- 41	- 54
	<hr/>	<hr/>
Total cash flow from operating activities	5,059	7,494
<b>Cash flow from investing activities</b>		
Additions to intangible fixed assets	- 1,213	- 2,538
Additions to tangible fixed assets	- 3,913	- 9,628
Disposals of tangible fixed assets	297	4,741
Investments in group companies	- 184	- 580
Investment in non-consolidated participating interests	637	278
Other movements	80	- 60
	<hr/>	<hr/>
	- 4,296	- 7,787
<b>Cash flow from financing activities</b>		
Repayments	- 427	- 1,508
	<hr/>	<hr/>
<b>Total net cash flow</b>	336	- 1,801

<i>(€ thousands)</i>	2005	2004
Cash at bank and in hand less amounts owed to credit institutions at 1 January	2,941	4,742
Cash at bank and in hand less amounts owed to credit institutions at 31 December	3,277	2,941
	<hr/>	<hr/>
<b>Movement in cash position</b>	336	- 1,801

## Accounting policies

### BASIS OF PREPARATION

The consolidated financial statements have been prepared under the historical cost convention.

### BASIS OF CONSOLIDATION

The consolidated balance sheet and profit and loss account include the financial data of DHV Holding BV and those group companies in which DHV Holding BV has a direct or indirect controlling interest. The financial data of these companies are consolidated in full, with minority interests being disclosed separately in the consolidated balance sheet and profit and loss account. Joint ventures are consolidated proportionally, unless the financial interest is negligible. The results of participating interests are consolidated from the date of acquisition or incorporation until the date on which the unconditional decision is taken to wind up such interests. Consolidated companies are valued in accordance with uniform accounting policies. Results of participating interests are consolidated up to the date on which control is transferred. The exemption referred to in section 403 (1) of Book 2 of the Netherlands Civil Code is applied to the financial statements of most of the Dutch companies included in the consolidated financial statements of DHV Holding BV.

### FOREIGN CURRENCY TRANSLATION

Assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date. Turnover, expenses and results included in the profit and loss accounts of foreign companies are also translated at the exchange rates ruling at the balance sheet date. Other transactions in foreign currencies during the year under review are translated at the rate ruling on the settlement date.

Exchange differences are taken to the profit and loss account, except for exchange differences arising from the conversion of the net investment in a participating interest, which are taken directly to reserves, net of taxes where necessary.

### FINANCIAL INSTRUMENTS

DHV Holding BV hedges currency risks through the use of financial instruments. In accordance with the treasury policy of the DHV Group, no financial instruments are held for trading purposes. Financial instruments are not disclosed in the balance sheet. Their fair value as disclosed in the notes is the forward rate as at the balance sheet date.

### CHANGES IN ACCOUNTING POLICIES

With effect from 2005, DHV has recognised pension plans in accordance with the provisions of Dutch Accounting Standard 271. Where the defined benefit plans are concerned, this means that the balance sheet discloses the present value of the pension obligation by virtue of the defined benefit plans net of the fair value of the plan assets and having regard to the past-service cost attributable to the following financial years.

Where the obligation exceeds that based on the accounting policies applied up until the previous year, the excess is charged against equity, taking account of the relevant tax effects. Up to and including 2004, the contributions to all existing pension plans were recognised in the income statement.

Impact of changes in accounting policies

<i>(€ thousands)</i>	Shareholders' equity	Minority interest	Group equity
Balance at 1 January 2005	49,337	615	49,952
<i>Pension obligations</i>			
Changes in accounting policies	- 4,184	-	- 4,184
Taxation	1,255	-	1,255
<b>Balance at 31 December 2005</b>	<b>46,408</b>	<b>615</b>	<b>47,023</b>

### **INTANGIBLE FIXED ASSETS**

This item consists for the most part of goodwill. The goodwill paid on the acquisition of participating interests is calculated as the difference between the fair value of the assets and liabilities (determined in accordance with DHV's accounting policies) and the cost of the acquired company. If applicable, goodwill is translated into euros at the rate ruling at the date of acquisition and is amortized over its expected useful economic life, subject to a maximum of 20 years.

On a yearly basis management reviews the goodwill for potential impairment.

The other intangible fixed assets are costs related to own developed software. This software is amortized over its expected useful economic life with a maximum of 5 years.

### **TANGIBLE FIXED ASSETS**

Tangible fixed assets are stated at cost, net of depreciation. Fixed assets produced by the company are carried at full absorption cost, including labor costs.

Depreciation is calculated using fixed percentages of cost, taking into account the expected useful economic lives of the assets and their estimated residual values.

The estimated useful lives per category is:

Land and buildings	10-33 years
Other fixed assets	3-10 years
Assets in course of construction	3 years
Land is not depreciated.	

### **FINANCIAL FIXED ASSETS**

Consolidated participating interests and non-consolidated participating interests over whose operating and financial policies the company exercises a significant influence are valued at the company's share of their net asset value. Net asset value is determined in accordance with the accounting policies set out in these financial statements.

Amounts owed by participating interests included under financial fixed assets are carried net of any provisions for doubtful debts deemed necessary.

### **WORK IN PROGRESS**

Work in progress are valued at market value, net of provisions for known risks and expected losses on specific orders and net of instalments invoiced.

### **RECEIVABLES**

Debtors are stated net of provisions for doubtful debts.

### **PROVISIONS**

Provisions are stated at face value. The provision for deferred taxes relates to the face value of deferred tax liabilities resulting from temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In addition, the provision includes deferred tax assets connected with the provision for defined benefit plans. DHV operates a number of defined benefit plans with a limited number of members. The pension obligation disclosed in the balance sheet represents the present value of the pension obligation net of the fair value of the plan assets. This is offset against unrecognised actuarial gains and losses and unrecognised past-service cost. Independent actuaries calculate the pension provision annually based on the projected unit credit method. The discounted cash flow analysis of the pension obligation is based on interest rates applicable to high-quality corporate bonds whose term is more or less equal to that of the pension obligation. Actuarial gains and losses following changes in actuarial principles that exceed 10% of the higher of the pension obligation and the fair value of the plan assets at the beginning of the year are recognised as income or expense over the expected average remaining working lives of the employees in question. Unless stated otherwise, the provisions are of a long-term nature.

### **OTHER ITEMS**

The other items are valued against face value.

## NET TURNOVER

Turnover is stated net of discounts and value added taxes and is accounted for in the year in which goods or services are delivered.

## PROFIT ON ORDERS

Profit on orders is calculated in accordance with the percentage of completion method. It includes profit on orders executed entirely for the company's own account and risk and a share of the profit on orders executed together with partners. When calculating profit on orders, expected losses are charged in full to the financial year.

## OPERATING EXPENSES

Expenses and interest are allocated to the financial year to which they relate.

## TAXATION

Corporate income tax is calculated on the basis of the regulations and tax rates applicable in the countries where the consolidated companies are established.

This item includes both taxes payable in the short term and deferred taxes. Deferred tax assets on account of the carry forward tax losses, are recognized if it can be reasonably assumed that the assets will be realized in due course.

# Notes to the consolidated financial statements

## Fixed assets

### 1 Intangible fixed assets

<i>(€ thousands)</i>	Goodwill	Other intangible fixed assets	Total
<i>Balance at 1 January 2005</i>			
Costs	16,339	-	16,339
Amortization	2,451	-	2,451
<b>Book value</b>	<b>13,888</b>	<b>-</b>	<b>13,888</b>
<i>Movements in book value</i>			
Additions	1,066	147	1,213
Amortization	750	-	750
<b>Total movements</b>	<b>316</b>	<b>147</b>	<b>463</b>
<i>Balance at 31 December 2005</i>			
Costs	17,405	147	17,552
Amortization	3,201	-	3,201
<b>Book value</b>	<b>14,204</b>	<b>147</b>	<b>14,351</b>

## 2 Tangible fixed assets

Land is stated at cost, being € 1,711,000. Based on a recent appraisal, the private sale of the buildings with vacant possession would yield some € 46 million.

<i>(€ thousands)</i>	Land and buildings	Other fixed assets	Total
<i>Balance at 1 January 2005</i>			
Purchase price	40,353	44,334	84,687
Depreciation	- 14,511	- 31,256	- 45,767
<b>Book value</b>	<b>25,842</b>	<b>13,078</b>	<b>38,920</b>
<i>Movements in book value</i>			
Additions	236	3,677	3,913
Disposals	- 14	- 283	- 297
Depreciation	- 1,983	- 4,211	- 6,194
Exchange differences	1	100	101
Re-allocation	1,356	- 1,356	0
<b>Total movements</b>	<b>- 404</b>	<b>- 2,073</b>	<b>- 2,477</b>
<i>Balance at 31 December 2005</i>			
Purchase price	41,933	46,472	88,405
Depreciation	16,495	35,467	51,962
<b>Book value</b>	<b>25,438</b>	<b>11,005</b>	<b>36,443</b>

## 3 Financial fixed assets

<i>(€ thousands)</i>	31-12-2005	31-12-2004
Participating interests	2,349	1,912
Amounts owed by participating interests	498	278
	<b>2,847</b>	<b>2,190</b>

## Participating interests

<i>(€ thousands)</i>	2005	2004
Balance at 1 January	1,912	2,052
Movement in consolidation	-	- 10
Investments	497	3
Disposals and impairment	- 6	- 271
Share of profits	233	259
Dividend distribution and other movements	- 287	- 121
<b>Balance at 31 December</b>	<b>2,349</b>	<b>1,912</b>

## Amounts owed by participating interests

<i>(€ thousands)</i>	2005	2004
Balance at 1 January	278	341
Loans granted	220	42
Repayments	-	- 105
<b>Balance at 31 December</b>	<b>498</b>	<b>278</b>

## Current assets

### 4 Work in progress

<i>(€ thousands)</i>	31-12-2005	31-12-2004
Balance of work in progress	28,866	29,253
Payments on account	- 5,277	- 6,057
Invoiced in advance	- 13,038	- 16,905
	<b>10,551</b>	<b>6,291</b>

### 5 Receivables

<i>(€ thousands)</i>	31-12-2005	31-12-2004
Debtors	55,463	63,053
Participating interests	636	1,790
Other receivables	3,429	5,498
Prepayments and accrued income	3,503	2,445
	<b>63,031</b>	<b>72,786</b>

Other receivables include loans to staff totaling € 1,183,000.  
The term of these loans is more than one year.

## 6 Group equity

For details of the composition of and movements in shareholders' equity, please refer to the notes to the company balance sheet on pages 57-59.

## 7 Provisions

(€ thousands)	Pensions	Deferred taxation	Other	Total
Balance at 1 January 2005	184	2,092	9,465	11,741
Provision defined benefit pension plans 1 January 2005	4,184	- 1,255	-	2,929
Amounts charged to the provision	- 57	- 32	- 4,241	- 4,330
Additions charged to profit	-	347	2,627	2,974
<b>Balance at 31 December 2005</b>	<b>4,311</b>	<b>1,152</b>	<b>7,851</b>	<b>13,314</b>

Provisions for deferred taxation and pensions are predominantly long-term in nature.

### Pensions

Most of the Dutch defined pension plans are administered by Stichting Pensioenfondsv DHV. In 2005, the plan was converted from an average-pay scheme into a group defined contribution plan. The contribution to this scheme paid to Stichting Pensioenfondsv DHV amounted to EUR 11.4 million in 2005. DHV introduced new accounting policies for the recognition and measurement of its pension obligation in 2005. A number of smaller defined benefit obligations are disclosed based on the accounting policies described. The comparative figures for 2004 have not been revised based on the new accounting policies

since DHV has decided to apply the relevant option offered by Dutch Accounting Standard 271.

For a breakdown of the pension obligation as at 31 December 2005, reference is made to page 45. The measurement of this obligation by virtue of the defined benefit plan in 2005 does not affect cash flows for 2005. In addition to the aforementioned plans, DHV operates defined contribution plans both in and outside the Netherlands.

The pension obligation can be broken down as follows:

(€ thousands)	Position on 1-1-2005	Profit and loss account	Cash and cash equivalents	Estimated position on 31-12-2005
Present value of pension obligation	- 17,179	- 1,615	248	- 18,546
Fair value of plan assets	12,995	659	721	14,375
Pension obligation	- 4,184	- 956	969	- 4,171
Recognised actuarial gains and losses	-	-	-	-
<b>Net pension obligation</b>	<b>- 4,184</b>	<b>- 956</b>	<b>969</b>	<b>- 4,171</b>

The key actuarial principles are as follows:

<i>(as a %)</i>	<b>2005</b>
Discount rate	4,75
Expected return on investments	4,75
Expected pension indexation	2,00
Expected salary increases	2,00

In the pension obligation in the balance sheet is also a provision for accumulated benefit obligation for personell of one of the groupcompanies.

### Other

The other provisions concern mainly liabilities for restructuring, social plans and claims.

## 8 Long-term liabilities

<i>(€ thousands)</i>	<b>31-12-2005</b>	<b>31-12-2004</b>
Mortgage loan	10,404	11,416
Lease commitments	7,530	7,530
Other	1,067	482
	<b>19,001</b>	<b>19,428</b>

The mortgage loan has a remaining term of 14 years and is being repaid in three-monthly installments. A fixed interest rate of 4,79% is payable on an amount of € 5,427,000 until 1 April 2015 for an amount of € 4,978,000 the interest percentage is 5,8% until 1 January 2010. The repayment for 2006 of € 281,000 has not been deducted from the principal.

The mortgage loan is secured on real estate of DHV in Amersfoort, the Netherlands.

The lease commitments have a term to 2018. A purchase option can be exercised in 2013. There is no repayment obligation before the end of the lease contract. The annual rate of interest up to 2013 is 5,54%.

## 9 Current liabilities

<i>(€ thousands)</i>	<b>31-12-2005</b>	<b>31-12-2004</b>
Amounts owed to credit institutions	6,872	6,998
Trade creditors	20,854	22,781
Taxation and social security	2,700	6,370
Amounts owed to participating interests	219	169
Other liabilities	16,024	16,900
Accruals and deferred income	7,041	9,675
	<b>53,710</b>	<b>62,893</b>

Bank overdrafts and short-term loans have been contracted from credit institutions. No securities have been furnished except for pari passu clauses.

## Commitments not disclosed in the balance sheet

### Long-term commitments

Future commitments under lease and rental agreements at 31 December 2005 amounted to:

(€ thousands)	2006	2007	2008	2009	2010	Later years	Total
	9,208	7,035	5,605	3,488	2,062	4,830	32,228

### Forward exchange contracts

At 31 December 2005, DHV held exchange contracts with the contract value of € 5,5 million.

The real value amounts per 31 December 2005 to € 5,8 million.

### Guarantee commitments

Banks have issued guarantees to third parties (banks and clients) totalling € 30.542,000 (2004: € 36.480.000. Of this amount, € 17.734.000 (2004: 27.889.000) relates to clients outside the Netherlands. The guarantees concern mostly commitments arising from advance payments received from clients and commitments concerning current tenders and projects.

### Tax risks

By virtue of its operations in various countries, DHV incurs operational and/or tax claims. Where their effect can be reasonably estimated, such claims are provided for as soon as they arise. The existing provisions are considered sufficient to cover the potential consequences of pending claims.

### Other commitments

The company has filed statements with the trade registries

assuming joint and several liability for commitments arising from the legal acts of the majority of its Dutch group companies. None of the group companies is involved in legal proceedings, either as a plaintiff or as a defendant that could significantly affect the group's financial position.

The company is obliged to grant loans to the Employee Share Ownership Trust Foundation (Stichting Administratiekantoor DHV Medewerksaandelen), enabling the foundation to repurchase the depositary receipts for shares offered by employees.

A loan of € 1.7 million was granted to the foundation on 31 December 2005. The repurchase price of the shares held by employees at the balance sheet date amounted to € 2.3 million.

## 10 Net turnover

Geographical spread of net turnover:

(€ thousands)	2005		2004	
		(%)		(%)
The Netherlands	170,303	57	170,753	58
Europe (excl. the Netherlands)	56,594	19	49,291	17
North America	18,452	6	15,227	5
Asia	31,290	10	33,997	12
Africa	18,453	6	17,283	6
Other	5,509	2	7,567	2
	300,601	100	294,118	100

## Restructuring costs

Operating expenses include restructuring costs of € 1,970.000 (2004: € 1.085.000). This amount relates mainly to wages and salaries.

## Workforce

At the end of 2005 DHV Holding BV and its group companies employed 3,762 people (2004: 3,867). In average fte's this were 3,574 (2004: 3,683), of which 1,545 (2004:1,503) stationed outside the Netherlands. The item social security costs includes an amount of € 12,036,000 (2004: € 11,746,000) in pension and early retirement costs.

The geographical spread of the average work force is as follows:

<i>(in fulltime-equivalenten)</i>	2005	2004
The Netherlands	2,029	2,180
Europe (excl. the Netherlands)	504	475
North America	188	182
Asia	650	650
Africa	203	196
	<b>3,574</b>	<b>3,683</b>

## Remuneration of the Executive Board and the Supervisory Board

The Supervisory Board determines the compensation of the members of the Executive Board. In addition, the Executive Board members are entitled to a monthly expense allowance, as well as to a company car. Furthermore, they receive a contribution towards group health insurance and telephone expenses. At year-end 2005, the two members of the Executive Board each held 1,000 depositary receipts for shares in the company. This corresponds with the maximum interest that individual employees are allowed to hold in the company. In accordance with the employee participation scheme, a loan was granted in the sum of EUR 2,830.

<i>(in €)</i>	Fixed salary (incl social charges)	Variable remuneration	Pension costs
ir. R.G. Campen, President	328,000	-	51,000
ir. B.M. van Ee	299,000	-	45,000

The remuneration of the members of the Supervisory Board over 2005 is as follows:

<i>(in €)</i>	2005
H. Zwarts, chairman	32,500
Ir. J.H.M. Lindenberg	27,500
Prof. Dr. K.A.L.M. van Miert	12,500
Ir. A.B.M. van der Plas	27,500
Ir. A.P.M. van der Poel	25,000

Mr. Van Miert was member of the Advisory Board until 1 July 2005

Beside above-mentioned remuneration, all members of the Supervisory Board receive a monthly expense allowance. No loans or advances were granted to the Supervisory Board members. At year-end 2005, no Supervisory Board members held any shares in the company.

## Taxation

The tax burden for 2005 can be broken down as follows:

(in %)	2005	2004
Applicable tax rate on profits	28,5	33,4
Transparent participating interests	-	0,4
Tax relief facilities	- 28,2	3,2
Losses not accounted for	9,7	2,4
<b>Effective rate</b>	<b>10,0</b>	<b>39,4</b>

The effective tax expense in 2005 was greatly affected by tax-deductible liquidation losses suffered on IRIS N.V., a Belgian group company, and DHV International (UK) Ltd., a UK-based group company. As a result of these liquidation losses, no Dutch corporate income tax is due for 2005, as well as allowing a carry-back to prior years. The tax effects of the winding-up of foreign group companies are recognised as current liabilities.

## Other information relating to financial instruments

### Interest rate risk

No financial instruments were employed in the 2005 financial year to hedge the interest rate risk on net current assets and liabilities.

### Credit risk

The maximum credit risk for instruments included in the balance sheet at 31 December 2005 is equal to their net book value. There is virtually no concentration of credit risk.

### Fair value of financial assets and liabilities

With the exception of long-term liabilities, the fair value of financial assets and liabilities is equal to their net book value. The fair value of long-term liabilities is approximately € 19.2 million (2004: € 20.7 million).

## Related parties

The following are related parties:

- Stichting DHV (DHV Foundation);
- Stichting Administratiekantoor DHV Medewerkers aandelen (Foundation for the Employee Share Ownership Trust Office);
- Stichting Prioriteit DHV (DHV Priority Foundation).

## Company balance sheet after profit appropriation

### Assets

<i>(€ thousands)</i>		31-12-2005	31-12-2004
	<b>Fixed assets</b>		
(12)	Intangible fixed assets	13,796	13,570
(13)	Tangible fixed assets	97	23
(14)	Financial fixed assets	68,633	75,939
		82,526	89,532
	<b>Current assets</b>		
(15)	Subsidiary companies	2,129	2,118
	Other receivables	4,681	926
	Cash at bank and in hand	5	10
		6,815	3,054
		89,341	92,586

### Liabilities

<i>(€ thousands)</i>		31-12-2005	31-12-2004
(16)	<b>Shareholders' equity</b>		
(16,1)	Issued share capital	546	546
(16,2)	Share premium account	6,139	6,303
(16,3)	Reserve for translation differences relating to group companies	- 60	- 1,378
(16,4)	Statutory reserve for loans to shareholders	878	1,012
(16,5)	Statutory reserve for participating interests	1,628	1,680
(16,6)	Other reserves	41,585	41,037
(16,7)	Proposed dividend	114	137
		50,830	49,337
(17)	<b>Provisions</b>	9,179	5,820
(18)	<b>Current liabilities</b>		
	Subsidiary companies	431	1,415
	Other liabilities	28,901	36,014
		29,332	37,429
		89,341	92,586

## Company profit and loss account

<i>(€ thousands)</i>	2005	2004
Profit of participating interests	6,769	11,986
Balance of other income and expenses after taxation	- 3,100	- 7,917
<b>Net profit</b>	<b>3,669</b>	<b>4,069</b>

The company profit and loss account has been prepared in accordance with the provisions of section 402 of Book 2 of the Netherlands Civil Code.

## Notes to the company balance sheet

### Fixed assets

#### 12 Intangible fixed assets (goodwill)

<i>(€ thousands)</i>	2005	2004
Balance at 1 January	13,570	12,457
Additions	976	2,538
Amortization	- 750	- 1,425
<b>Balance at 31 December</b>	<b>13,796</b>	<b>13,570</b>
Accumulated amortization	3,129	2,379
Original amount of goodwill paid	16,925	15,949

#### 13 Tangible fixed assets

Under the provisions of section 363 (3), Book 2, of the Netherlands Civil Code, no details are given of this item because of its negligible significance for the company balance sheet as a whole.

#### 14 Financial fixed assets

<i>(€ thousands)</i>	31-12-2005	31-12-2004
Subsidiary companies	46,644	50,001
Other participating interests	1,036	643
	<b>47,680</b>	<b>50,644</b>
Amounts owed by group companies	20,953	25,295
	<b>68,633</b>	<b>75,939</b>

## Group companies and other participating interests

<i>(€ thousands)</i>	2005	2004
Balance at 1 January	50,644	47,204
Capital contribution/acquisitions	1,990	8,029
Goodwill	- 976	- 2,434
Net profit	6,769	11,986
Dividend received	- 12,703	- 13,750
Exchange differences and other movements	1,956	- 391
<b>Balance at 31 December</b>	<b>47,680</b>	<b>50,644</b>

### 15 Amounts owed by group companies and other participating interests

<i>(€ thousands)</i>	2005	2004
Balance at 1 January	25,295	25,158
Loans granted	7,306	6,084
Repayments conversions into share capital	- 11,756	- 6,099
Exchange differences	108	152
<b>Balance at 31 December</b>	<b>20,953</b>	<b>25,295</b>

### 16 Shareholders' equity

The authorized share capital amounts to € 2,500,000 and comprised 25 million shares of € 0.10 each. For an amount of € 545,628 these shares are issued and fully paid up in cash. The Employee Share Ownership Trust Foundation (Stichting Administratiekantoor DHV Medewerksaandelen) currently holds 9.1% of the ordinary shares (B shares). DHV Foundation (Stichting DHV) holds the remaining 90.9% of the ordinary shares (A shares). DHV Pension Fund (Pensioenfonds DHV) holds the cumulative preference shares. These shares are entitled to an annual profit share of € 263,760 under the Articles of Association.

DHV Priority Foundation (Stichting Prioriteit DHV) holds one issued priority share. The approval of DHV Priority Foundation is required in order to:

- issue shares;
- grant rights to acquire shares in the company;
- transfer A and B shares and cumulative preference shares if such transfer will result in others obtaining control;
- propose a merger;
- apply for a stock exchange listing;
- amend the Articles of Association or dissolve the company.

#### 16.1 Issued share capital

<i>(€ thousands)</i>	A shares	B shares	Cumulative preference shares	Priority shares	Total
<b>Balance at 1 January and 31 December 2005</b>	<b>458</b>	<b>46</b>	<b>42</b>	<b>-</b>	<b>546</b>

## 16,2 Share premium account

<i>(€ thousands)</i>	2005	2004
Balance at 1 January	6,303	6,364
Loan to finance repurchase of own shares	- 164	- 61
<b>Balance at 31 December</b>	<b>6,139</b>	<b>6,303</b>

## 16,3 Reserve for translation differences relating to group companies

<i>(€ thousands)</i>	2005	2004
Balance at 1 January	- 1,378	- 1,178
Movement in year under review	1,318	- 200
<b>Balance at 31 December</b>	<b>- 60</b>	<b>- 1,378</b>

## 16,4 Statutory reserve for loans to shareholders

<i>(€ thousands)</i>	2005	2004
Balance at 1 January	1,012	1,146
Transfer to other reserves	- 134	- 134
<b>Balance at 31 December</b>	<b>878</b>	<b>1,012</b>

The statutory reserve is formed for loans provided to staff under employee share ownership schemes.

## 16,5 Statutory reserve for participating interests

<i>(€ thousands)</i>	2005	2004
Balance at 1 January	1,680	539
Transfer from other reserves	1,048	1,288
Transfer to other reserves in connection with dividends received	- 1,100	- 147
<b>Balance at 31 December</b>	<b>1,628</b>	<b>1,680</b>

## 16,6 Other reserves

<i>(€ thousands)</i>	2005	2004
Balance at 1 January	41,037	38,376
Reservation defined benefit pensionplans 1 January 2005	- 2,929	-
Transfer from/to statutory reserve for loans to shareholders	134	134
Transfer to statutory reserve for participating interests	52	- 1,141
Cumulative preference dividend for year under review	- 264	- 264
Profit for the financial year	3,669	4,069
Proposed dividend	- 114	- 137
<b>Balance at 31 December</b>	<b>41,585</b>	<b>41,037</b>

16,7 **Proposed dividend**

<i>(€ thousands)</i>	<b>2005</b>	<b>2004</b>
Balance at 1 January	137	91
Dividend distributed	- 137	- 91
Proposed dividend	114	137
<b>Balance at 31 December</b>	<b>114</b>	<b>137</b>

17 **Provisions**

<i>(€ thousands)</i>	<b>31-12-2005</b>	<b>31-12-2004</b>
Deferred taxes	457	1,712
Other	8,722	4,108
	<b>9,179</b>	<b>5,820</b>

18 **Current liabilities**

<i>(€ thousands)</i>	<b>31-12-2005</b>	<b>31-12-2004</b>
Amounts owed to credit institutions	25,106	32,983
Trade creditors	201	745
Taxation and social security	1,075	-
Other liabilities	919	812
Accruals and deferred income	1,600	1,474
	<b>28,901</b>	<b>36,014</b>

*Amersfoort, 2 March 2006*

*Executive Board*

R.G. Campen, President  
B.M. van Ee

*Supervisory Board*

H. Zwarts, Chairman  
Ir. J.H.M. Lindenberg  
Ir. A.B.M. van der Plas  
Ir. A.P.M. van der Poel

## Other information

### Audit opinion

#### INTRODUCTION

We have audited the annual accounts of DHV Holding B.V., Amersfoort, for the year 2005. These annual accounts are the responsibility of the company's management. Our responsibility is to express an opinion on these annual accounts based on our audit.

#### SCOPE

We conducted our audit in accordance with auditing standards generally accepted in the Netherlands. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the annual accounts. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual accounts. We believe that our audit provides a reasonable basis for our opinion.

#### OPINION

In our opinion, the annual accounts give a true and fair view of the financial position of the company as at 31 December 2005 and of the result for the year 2005 in accordance with accounting principles generally accepted in the Netherlands and comply with the financial reporting requirements included in Part 9 of Book 2 of the Netherlands Civil Code.

Furthermore, we have to the extent of our competence, established that the annual report is consistent with the annual accounts.

*Utrecht, 2 March 2006*

PricewaterhouseCoopers Accountants N.V.

J.A. Nijhuis RA  
Partner

### Profit appropriation

#### ARTICLES OF ASSOCIATION PROVISIONS GOVERNING PROFIT APPROPRIATION

Article 22 of the Articles of Association contains the following provisions on profit appropriation:

- 1 The profit shall first be used to pay the cumulative preference dividend of € 263,760 per year.
- 2 The remaining profit shall be at the disposal of the Annual General Meeting.
- 3 The profit referred to under paragraph 2 shall be distributed proportionally to the holders of A and B shares. The Annual General Meeting may decide to deviate from a proportional distribution of profit.
- 4 Profit shall be distributed only if shareholders' equity exceeds the paid-up and called-up capital plus the statutory reserves.
- 5 The Annual General Meeting may decide to pay interim dividends.
- 6 The Annual General Meeting may decide to make distributions on A and B shares chargeable to a reserve.

#### PROPOSED PROFIT APPROPRIATION

Under the Articles of Association, the holders of preference shares are entitled to an annual dividend of € 263,760. This distribution of the profit for 2005 is accounted for as a current liability in the balance sheet at 31 December 2005. The remaining profit for 2004 is at the free disposal of the general meeting of shareholders. It will be proposed to the general meeting of shareholders to distribute a dividend of € 114,000, representing € 0,25 per share, to the holders of B shares. The Board of Management proposes that no dividend be distributed to holders of A shares. The remaining profit of € 3,291,000 will be added to other reserves.

## Interests held in the following companies have been accounted for as group companies

*(Unless stated otherwise, all interests are 100% interests)*

A+D Engels NV, Genk, Belgium

DHV Bouw en Industrie BV, Eindhoven and Amersfoort, the Netherlands

DHV Canada Holding Inc., Saint John, Canada, including:

Delcan Group Inc., Toronto, Canada (40%)\*

DHV China BV, Amersfoort, including:

DHV Hong Kong, Hong Kong

DHV (Beijing) Environmental Engineering Co. Ltd., Beijing, China

DHV Engineering Consultancy Co. Ltd, Shanghai, China

DHV CIS BV, Amersfoort

DHV Consultants BV, Amersfoort, including:

Environment and Management Lanka (Pvt) Ltd, Colombo, Sri Lanka (67%)

DHV CR s.r.o, Prague, Czech Republic

DHV Global Engineering Consultancy BV, Amersfoort

DHV Holding (South Africa) (Pty) Ltd, Johannesburg, South Africa, including:

Stewart Scott International, Johannesburg, South Africa (65%)\*

DHV Holdings USA, Inc., Wilmington, Delaware, United States

DHV Hungary Kft., Budapest, Hungary

DHV Polska Sp. z o.o., Warsaw, Poland

DHV Ruimte en Mobiliteit BV, Amersfoort, including:

IBZH Raadgevend Ingenieursbureau BV, The Hague, the Netherlands

DHV SGPS, S.A., Algés, Portugal, including:

DHV CEM, S.A., Algés, Portugal

FBO-Consultores, S.A., Algés, Portugal

SEED Lda., Maputo, Mozambique (50%)

TECNOPOR Lda., Porto, Portugal (90%)

Temid BV, Heerhugowaard, the Netherlands

DHV Water BV, Amersfoort, including:

DHV Sudamérica S.R.L., La Paz, Bolivia

MDP Consultants Private Ltd., New Delhi, India

NACO, Netherlands Airport Consultants B.V., The Hague

Prisma BV, Heerhugowaard, the Netherlands (64%)

PT DHV Indonesia, Jakarta, Indonesia (85%)

PT Mitra Lingkungan Dutaconsult, Jakarta, Indonesia (77,4%)

In 2005, the foundation was laid for the one-company concept. On 3 January 2006, DHV Ruimte en Mobiliteit BV, DHV Water B.V. and DHV Consultants B.V. merged with DHV B.V. (formerly known as DHV Services B.V.) and DHV Bouw en Industrie B.V. hived off its operations to DHV B.V..

\* Consolidated proportionally

## Other participating interests

DHV MED Ltd., Ra'anana, Israel (37%)

DHV Planetek Co. Ltd., Kaohsiung, Taiwan R.O.C. (49,8%)

DHV Hsiung Ling Engineering Co. Ltd., Kaohsiung, Taiwan R.O.C. (36%)

Infracflex BV, Utrecht, the Netherlands (33%)

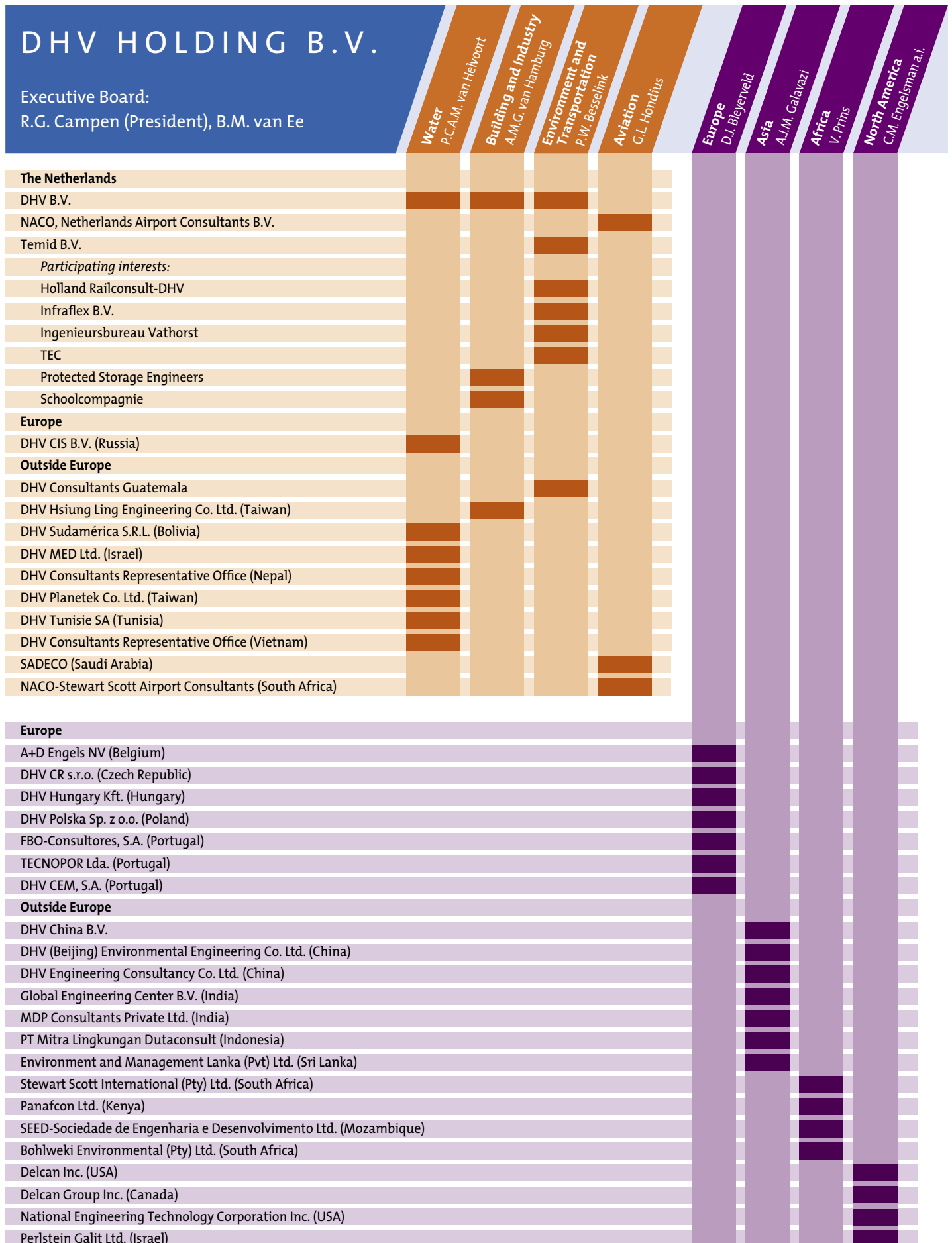
TEC vof, Veenendaal, the Netherlands (33,3%)

Holland Railconsult-DHV vof, Utrecht, the Netherlands (50%)

Schoolcompagnie vof, Amersfoort, The Netherlands (50%)

Under the provision of section 363 of Book 2 of the Netherlands Civil Code, several companies in which DHV holds only minor interests have not been listed.

# Structure and management DHV Group



# Addresses

## The Netherlands

### DHV Group

#### Executive Board

R.G. Campen (President)  
B.M. van Ee

#### Business Development:

C.M. Engelsman

#### Finance and Control:

J.T. van Manen

#### Legal Affairs:

J.C. Overbosch

#### Human Resource Management:

drs. B.M.L. Janssen-Crijns

#### Information and Knowledge:

J.H. Kulicki

#### Communications:

M.J.L.A.M. Voestermans a.i.

Laan 1914 no 35

3818 EX Amersfoort

P.O. Box 219

3800 AE Amersfoort

Tel +31 33 4683700

E-mail info@dhv.nl

Website www.dhv.com

### DHV B.V.

#### management:

P.W. Besselink

A.M.G. van Hamburg

P.C.A.M. van Helvoort

Laan 1914 no 35

3818 EX Amersfoort

P.O. Box 1132

3800 BC Amersfoort

Tel +31 33 4682000

E-mail info@dhv.com

### Arnhem

Tel +31 26 3540450

E-mail arnhem@dhv.nl

### Den Haag

Tel +31 70 314 33 33

E-mail denhaag@dhv.nl

### Eindhoven

Tel +31 40 2509250

E-mail eindhoven@dhv.nl

### Groningen

Tel +31 50 3695300

E-mail groningen@dhv.nl

### Hengelo

Tel +31 74 2552000

E-mail hengelo@dhv.nl

### Maastricht Airport

Tel +31 43 3294848

E-mail maastricht@dhv.nl

### Rotterdam

Tel +31 10 4044040

E-mail rotterdam@dhv.nl

### Westerhoven

Tel +31 40 2074545

E-mail westerhoven@dhv.nl

### Zaandam

Tel +31 75 6530300

E-mail zaandam@dhv.nl

## Trade names

### DHV ANR

Amersfoort

Tel +31 33 4682020

### DHV Consultants

Amersfoort

Tel +31 33 4683990

### DHV Interim Management

Amersfoort

Tel +31 33 4682000

www.dhvinterimmanagement.nl

### DHV Investment Services

Amersfoort

Tel +31 33 468 35 80

www.dhv.nl/dis

### DHV Management Consultants

Amersfoort

Tel +31 33 4683529

www.dhv.nl/mc

### DHV Sustainability

Amersfoort

Tel +31 33 4682000

www.dhv.nl/milieu

### DHV Temid Bouw en Industrie

Heerhugowaard

Tel +31 72 5750505

www.dhvtomidbouwenindustrie.nl

### Rijswijk

Tel +31 70 3070888

### DHV Temid Rail

Amersfoort

Tel +31 33 4683310

www.dhvtomidrail.nl

### Heerhugowaard

Tel +31 72 5750533

### IBZH Ingenieursbureau Zuid-Holland

Den Haag

Tel +31 70 3143333

### Holland Railconsult-DHV vof

Amersfoort

Tel +31 33 4683300

E-mail hsl-zuid@dhv.nl

### Infraflex B.V.

Utrecht

Tel +31 30 2239799

E-mail infraflex@infraflex.nl

www.infraflex.nl

### Ingenieursbureau Vathorst vof

Amersfoort

Tel +31 33 4682685

E-mail piet.westeneng@dhv.nl

### Tunnel Engineering

Consultants (TEC) vof

Veenendaal

Tel +31 318 554666

E-mail info@tec-tunnel.com

www.tec-tunnel.com

### Protected Storage

Engineers vof

Rotterdam

Tel +31 10 4044040

E-mail info@psengineers.nl

www.psengineers.nl

## NACO, Netherlands

### Airport Consultants B.V.

management: H.A. Brockmeier

Anna van Saksenlaan 10

2593 HT Den Haag

P.O. Box 93056

2509 AB Den Haag

Tel +31 70 3446300

E-mail naco-haag@naco.nl

www.naco.nl

## Europe

### BELGIUM

A + D Engels n.v.

management: V.L. Langenaeker, G.L.

Leemans

Dieplaan 55

3600 Genk

P.O. Box 90

3600 Genk

Tel +32 89 32 26 00

E-mail info@adengels.be

www.adengels.be

### Nijlen

Tel +32 34 11 09 07

E-mail sb-engels@pandora.be

### Tienen

Tel +32 16 76 52 98

E-mail adtienens@belgacom.net

### CZECH REPUBLIC

DHV CR, spol. s r.o.

management: V. Bizek

Táboritská 1000/23

130 87 Prague 3

Tel +4 20 267 092 350

E-mail dhv@dhv.cz

www.dhv.cz

### Brno

Tel +420 545 212 671-2

E-mail dhv@brn.dhv.cz

### Ostrava

Tel +420 597 310 229

E-mail dhv@ova.dhv.cz

### HUNGARY

DHV Hungary Kft.

management: L. Deme

Devai utca 26-28, 4th floor

1134 Budapest

Tel +36 1 450 27 30

E-mail dhv@dhv.hu

www.dhv.hu

### POLAND

DHV POLSKA Sp. z o.o.

management: C. Luczak

ul. Domaniewska 41

Warsaw 02-672

Tel +48 22 606 28 02

E-mail dhvpolska@dhv.pl

www.dhv.pl

### PORTUGAL

DHV FBO - Consultores, S.A.

management: J. Viana

Rua Dr. António Loureiro Borges, 5-6°

Arquiparque - Miraflores

1495-131 Algés

Tel +351 21 412 74 00

E-mail info@dhvfbo.pt

www.dhvfbo.pt

## DHV CEM, S.A.

management: L. Rebouço

Rua Dr. António Loureiro Borges, 5-6°

Arquiparque - Miraflores

1495-131 Algés

Tel +351 21 412 74 00

E-mail info@dhvcem.pt

www.dhvcem.pt

## DHV Tecnopor, Lda.

management: M. Braga da Cruz

Rua Ricardo Severo, 3-4°

4050-515 Porto

Tel +351 22 606 13 40

E-mail info@dhvttecnopor.pt

www.dhvttecnopor.pt

## RUSSIA

### DHV CIS B.V.

management: A.E. Kosssov

Vorontsovskaya Street 41, 7th Floor

Moscow 109147

Tel +7 495 911 69 96

E-mail cis@dhv.ru

www.dhv.ru

## Near East

### ISRAEL

#### DHV MED Ltd.

management: G. Siboni

1 Gad Manela st., P.O. Box 8058

New Industry Zone

Netanya

Tel +972 9 8852312

E-mail contact@dhvmed.com

www.dhvmed.com

#### DELCAN Perlstein Galit Ltd. (PGL)

management: D.H. Smith

16 Shoncino street

Tel Aviv 61570

Tel +972 3 56 16333

E-mail israel@delcan.com

www.delcan.com

## Africa

### BOTSWANA

Stewart Scott Botswana (Pty) Ltd.

management: P. Manyumwa

1st Floor, Modiri House

Plot 22076, P.O. Box 1517

Gaborone West

P.O. Box 1517

Tel +267 395 2557

E-mail gabs@ssi.info.bw

www.stewartscott.com

### KENYA

Panafcon Ltd.

management: R. Okello

Wood Avenue No 1/779

(off Argwings Kodhek Rd)

P.O. Box 53147

00200 City Square, Nairobi

Tel +254 20 57 1017/18/20

E-mail info@panafcon.com

www.stewartscott.com

### MOZAMBIQUE

SEED, Sociedade de Engenharia e

Desenvolvimento, Lda.

management: H. Cardoso

Av. Patrice Lumumba no. 178

CP 1923, Maputo

Tel +258 1 322502/3

E-mail seed@seed.co.mz

www.seed.co.mz

## SOUTH AFRICA

Stewart Scott International  
*management:* N. Bhojaram  
2 Norwich Close  
Sandown  
2196 Sandton  
P.O. Box 784506  
2146 Sandton  
Tel +27 11 780 0821  
E-mail corporate@ssi.co.za  
www.stewartscott.com

## Bohlweki Environmental (Pty) Ltd.

*management:* G. Moon  
271 Monte Carlo Crescent  
Kyalami Office Park  
Kyalami 1684  
P.O. Box 11784  
Vorna Valley  
1686 Midrand  
Tel +27 11 466 3841  
E-mail info@bohlweki.co.za  
www.bohlweki.co.za

## TUNISIA

DHV Tunisia  
*management:* H. Daoud  
Immeuble Féki  
Bloc A – 1er étage  
Les Berges du Lac  
1053 Tunis  
Tel +216 71 962 326/961 799  
E-mail dhvt@dvh.com.tn

## ZIMBABWE

Stewart Scott Zimbabwe  
*management:* H. Rapson  
10th Floor  
Pax House  
87-89 Kwame Nkrumah Avenue  
P.O. Box 1748  
Harare  
Tel +263 4 79 7108/9  
E-mail sshre@ssi.co.zw

## Asia

### CHINA

DHV China BV  
*management:* H.R.J. van Maanen  
Estoril House 405-408  
2 Jiangtai Road  
Beijing 100016  
Tel +86 10 64379187  
E-mail info@dvh.cn  
www.dvh.cn

### DHV Beijing Environmental Engineering Company Ltd.

*management:* D. Ji  
Estoril House 405-408  
2 Jiangtai Road  
Beijing 100016  
Tel +86 10 64379187  
E-mail info@dvh.cn  
www.dvh.cn

### DHV Engineering Consultancy Shanghai Ltd.

Shanghai  
*management:* T. Jeanné  
Tel +86 21 6447 0808  
E-mail dhv.sh@dvh.sh

### Guangzhou

*management:* T. Jeanné  
Tel +86 20 8732 1551  
E-mail lucy.gong@dvh.sh,  
maggie.ma@dvh.sh

## HONG KONG

DELCAN  
Wanchai  
Tel +852 2836 3191

## INDIA

DHV Global Engineering Center BV  
*management:* M.A.M. Willemsen  
India Branch Office  
13 & 14, I Block SDF  
Noida Special Economic Zone  
Noida – 201 305  
Tel +91 120 530 5000  
E-mail info@dvh.in

## MDP Consultants Pvt. Ltd.

*management:* M.S. Prakash  
C-154, Greater Kailash - I  
New Delhi – 110 048  
Tel +91 11 2923 2433  
E-mail mdpdelhi@airtelbroadband.in  
mdpdelhi@del6.vsnl.net.in  
www.mdppindia.com

## Lucknow

Tel +91 522 2393152/052  
E-mail mdplkocg@satyam.net.in

## Chennai

Tel +91 44 2434 4138/140  
E-mail mdp\_chennai@vsnl.net  
chennai@mdppindia.com

## INDONESIA

PT Mitra Lingkungan  
Dutaconsult  
*management:* E.B. Delianto  
Ventura Building, Suite 405  
Jl. RA. Kartini No. 26  
(Outer Ring Road)  
Cilandak Barat,  
Jakarta Selatan 12430  
P.O. Box 1015  
Jakarta Selatan 12010  
Tel +62 21 7504605  
E-mail mitrald@rad.net.id  
www.mld.co.id

## NEPAL

DHV Consultants Representative Office  
*management:* H.R. Subedi  
Lokanthali, Madhyapur  
(Thimi)-16  
P.O. Box 5685  
Kathmandu  
Tel +977 1 6631077  
E-mail subedi@wlink.com.np

## SAUDI ARABIA

SADECO  
*management:* M.Z. Chouayeb  
Dar Al-Hijaz Building 2, Floor 5  
apt. 25, Tahliya Street, Jeddah  
P.O. Box 2320  
Jeddah 21451  
Tel +966 2 667 9071  
E-mail info@naco-jeddah.com.sa  
www.sadeco.biz

## SRI LANKA

Environment & Management Lanka  
(Pvt) Ltd.  
*management:* A. Jayatilake  
68, Davidson Road  
Colombo 4  
Tel +94 11 5535880  
E-mail eml@sltnet.lk  
www.eml-consultants.com

## TAIWAN

DHV Hsiung Ling Engineering Co., Ltd.  
*management:* S.T. Chiang  
9F-1, No. 80, Szu Wei 3 Road  
Kaohsiung  
Tel +886 7 3392083  
E-mail dhvhl@ms54.hinet.net

## DHV Planetek Co., Ltd.

*management:* C.F. Su, dr. W.K. Liu  
4F, 505, Chung Shan 2nd Road  
Kaohsiung, 801  
Tel +886 7 215 0508  
E-mail planetek@ms7.hinet.net  
www.dhvplanetek.com.tw

## Taipei

Tel +886 2 25603303  
E-mail planetek@tpts7.seed.net.tw

## DELCAN

Taipei  
Tel +886 2 2792 0699

## VIETNAM

DHV BV Representative Office  
*management:* D.H. Bac  
Suites 810 - Artexport Building  
31 - 33 Ngo Quyen Street  
Hoan Kiem District  
Hanoi  
Tel +84 4 936 3889/878  
E-mail dhvietnam@hn.vnn.vn

## North America

### CANADA

DELCAN  
*management:* J.A. Kerr  
625 Cochrane Drive, Suite 500  
Markham  
Ontario, L3R 9R9  
Tel +1 905 943 0500  
E-mail info@delcan.com  
www.delcan.com

Calgary, Alberta  
Tel +1 403 228 9450

Hamilton, Ontario  
Tel +1 905 525 2554

London, Ontario  
Tel +1 519 681 8771

Montreal, Quebec  
Tel +1 514 694 1744

Niagara Falls, Ontario  
Tel +1 905 356 7003

Ottawa, Ontario  
Tel +1 613 738 4160

Vancouver, British Columbia  
Tel +1 604 438 5300

Victoria, British Columbia  
Tel +1 250 477 2206

### UNITED STATES

DELCAN Inc.  
Vienna, Virginia  
Tel +1 703 752 6060

Atlanta, Georgia  
Tel +1 404 320 1776

Chicago, Illinois  
Tel +1 847 577 6257

Denver, Colorado  
Tel +1 720 228 4051

Los Angeles, California  
Tel +1 714 521 3999

### DELCAN.NET

Denver, Colorado  
Tel +1 720 228 4051

Vienna, Virginia  
Tel +1 703 752 6060

### National Engineering Technology (NET) Corporation

*management:* J. Prince  
14320 Firestone Blvd., Suite 100  
La Mirada, CA 90638  
Tel +1 714 562 5725  
E-mail web@la.nateng.com  
www.nateng.com

Arlington Heights, Illinois  
Tel +1 847 394 8287

Atlanta, Georgia  
Tel +1 404 320 1776

Jefferson City, Missouri  
Tel +1 573 893 4508

Milwaukee, Wisconsin  
Tel +1 414 225 3725

Overland Park, Kansas  
Tel +1 913 897 9030

Schaumburg, Illinois  
Tel +1 847 925 0120

Towson, Maryland  
Tel +1 443 838 7755

Vienna, Virginia  
Tel +1 703 752 6060

## Latin America

### BARBADOS

DELCAN International Corporation  
Tel +1 246 430 5166

### BOLIVIA

DHV Sudamérica S.R.L.  
*management:* G.W. van Barneveld  
Avenida Arce 2799, Esq. Cordero  
Edif. Fortaleza, Piso 16, Of. 1601  
Casilla Postal 5147  
La Paz  
Tel +591 2 243 5379  
E-mail dhvbolivia@megalink.com

### GUATEMALA

DHV Consultants Guatemala  
*management:* J.M. Solares  
Km. 8.6, Antigua Carretera a El Salvador  
Centro Corporativo Muxbal,  
Torre Este 6to. Nivel  
Santa Catarina Pinula  
Tel +502 6637 2221  
E-mail jmsolares@dvh-ca.com  
www.dvh-ca.com

### VENEZUELA

DELCAN International Corporation  
Caracas  
Tel +58 212 953 0041

Margarita Island  
Tel +58 295 264 3055