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The Netherlands an expert in drinking water production

“Vitens-Evides International is on the eve of an interesting new era. We’ve concluded the pioneering stage; our portfolio has expanded significantly since the launch in 2006 and we’ve secured many new projects. Today we contribute to supplying drinking water to well over 20 million people in various developing countries. In the coming years, we intend to show even more what we are – and will be – doing to continue making clean drinking water and sanitation more widely accessible.”

“I’ve been the director of Vitens-Evides International since May 2009. I came in at the right moment: this year was the first time that all the short-term and long-term experts of Vitens-Evides International have come together to take stock. No less than 150 people who – in addition to their regular jobs in the Netherlands – temporarily contribute their time to help set up clean drinking water and proper sanitation in our project countries. It was very inspiring to hear about their experiences during these ‘alumni’ days.

Thanks to the various projects of Vitens-Evides International, we’ve been able to contribute significantly to the improvement of the drinking water supply in Ghana, Vietnam, Mozambique, Mongolia and Yemen in 2009. Many people gained access to water, less water went to waste between the purification plant and the customer and the local drinking water companies’ business operations saw a noticeable improvement. I am especially proud of our achievements in Ghana over the past year. We’ve managed to make substantial improvements in this country. When I arrived, the project was in a critical condition, but, thanks to improved, direct communication between the parties, the project has been given a new lease of life.

We also managed to secure a fantastic project in Malawi in 2009 together with Simavi and DHV. Malawi is one of the world’s poorest countries. We aim to realise a structural improvement to the water supply and quality for well over 700,000 residents of the country’s two largest cities, Lilongwe and Blantyre, by sharing the knowledge and experience of the Dutch drinking water sector with the local water companies. We also intend to set a good example of a powerful form of collaboration through the solid consortium of drinking water companies, an engineering firm and a healthcare organisation.

Also we are in the process of setting up a number of new partnerships ventures in Southeast Asia, Africa and South America which we hope will be able to start in 2010 and 2011. We are also investing in the extension and expansion of our existing cooperation programmes. All of this means that we need even more Vitens and Evides employees who are interested in broadening their horizons by spending a period of time abroad.

The extensive international experience that has been built up at Vitens-Evides International also means we are instantly deployable on location and are able to offer support to countries hit by natural

disasters such as earthquakes that cause serious devastation. In January 2010, a special delegation travelled to Haiti to support the local Ministry of Water and the Environment (DINEPA) in the efforts to quickly restore the drinking water supply at a number of locations in the earthquake-battered capital of Port-au-Prince.

In closing, the following: the Netherlands is an expert in the provision of drinking water. With our knowledge and expertise, we have been able to help twenty million people to date. This is good, but it’s not enough. Our aim for the coming years is to pull out all the stops to further expand our international programme and make it more professional. This means setting to work actively on requests from local water companies and with the opportunities that international financial institutions can offer to support the work we do. And that means showing even more what we do and what we can do. So that we can also raise funds through our Water for Life foundation to provide even more people with access to that which many of us take for granted, but is still unattainable for many urban dwellers elsewhere in the world: clean and reliable drinking water.”

March 2010

Gerhard van den Top
Director of Vitens-Evides International



What our expats say

“I’m a firm believer in the approach

The employees of Vitens-Evides International put their knowledge and skills into practice in those parts of the world where these are most needed. In countries such as Mozambique, Ghana, Vietnam and Mongolia, they share their knowledge of management and business operations with the local drinking water companies and, importantly, contribute to the establishment of the required infrastructure. In this section they share their experiences with us.



Karin Offenberg

“I spent ten days in Mozambique to provide support to the local water company’s HR department. The company had recently merged; three components became one. It was vital that the three parent

companies be brought closer together. The head of the HR department had reached a dead end in that regard and wanted someone to come and help out. My intention was to present our view on Human Resources to the managers there. We have so much knowledge to share with a country like Mozambique! The best part of my assignment abroad was getting the locals to share in my enthusiasm. And then going for it together, turning it into a success; brilliant! Once back home, it was interesting to realise that we actually face the same problems as they do; we’re just better equipped to organise the solutions.”



Folkert de Jager

“I was posted abroad for a period of four years to help improve the drinking water supply in Mongolia. It’s a fascinating country: the contrast between the old Russian culture and the young generation

is enormous. You can also see it in Mongolia’s water companies. The combination of old and new production processes and policy structures does not improve efficiency. As project leader at Vitens-Evides International, I do my bit to improve the technical, financial and institutional circumstances of the local water companies. It is their company, but I try to help them. They are the ones who ultimately need to apply their business operations to become a good and stable supplier of drinking water for the country.”



Gerard Soppe

“As an expat at Vitens-Evides International, my idealism and adventurous spirit are given free rein. Thanks to our knowledge and expertise in the field of drinking water and sanitation, we can contribute to a

better economic, medical and financial situation in developing countries. I’ve been in Vietnam for a number of years now, and I still get a kick from having truly made a difference by the end of a project. The work is immensely satisfying!”

“In Holland, we get worked up over the most trivial matters; you only realise this once you’ve been on assignment abroad”

Harry van Tienen, Vietnam



of Vitens-Evides International”

“The Millennium Development Goals is a wonderful subject to focus on. As Vitens-Evides International, we like to do our bit!”

Gerhard van den Top, Director of Vitens-Evides International



Tjitske Leemans

“I went to Mozambique on behalf of Vitens-Evides International a few years ago and I’m still there. I now coordinate the team of short-term staff that Vitens-Evides International transfers to Mozambique.

I assist the local people in an indirect way; by ensuring that our expats can offer them the right support. I’m a firm believer in the way Vitens-Evides International cooperates with local water companies: both parties must make an effort to improve the situation. The aim is not for us to force our ideas upon our local partners; we do things together. And that is exactly where Vitens-Evides International’s strength lies.”



Freek van Schaik

“I spent some time in Kenya and Suriname for Vitens-Evides International. I had no idea what to expect beforehand, but I’ve always been drawn to the unknown, to adventure. In countries like these, you truly go back to basics. It’s good for your personal development. And it’s fantastic that you can combine this with applying your own expertise to help other people. Vitens-Evides International has so much to offer the world in the field of drinking water.”



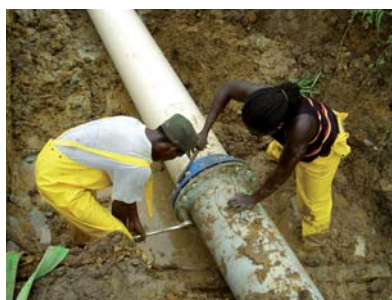
Sjaak Botterblom

“I was sent to Yemen and Ghana for some small projects. Terribly far from home, but fortunately the internet and other communication tools have made the world a smaller place, so you never really lose

touch with your family or colleagues. And the distance never outweighs the goal of our projects in the countries where Vitens-Evides International is active: lending a hand in improving the supply of drinking water for those who need it.”

“As an employee of Vitens-Evides International abroad, you do exactly what you’re good at: applying your knowledge to help people”

Pim van der Geest, Ghana





Projects

Vitens-Evides International in 2009

Vitens-Evides International concentrates on improving the day-to-day corporate performance of local water companies. Depending on the anticipated results, Vitens-Evides International does this in the capacity of manager, operator and/or consultant.

The projects of Vitens-Evides International are:

- Aimed at the improvement of urban drinking water supply and sanitation.
- Aimed at the improvement of the performance of local water companies.
- Aimed at the development of capacity and the transfer of knowledge and expertise.
- Aimed at greater autonomy for the local water companies.
- Aimed at human resources development as well as operational improvements.

Vitens-Evides International is active in various developing countries. In 2009, projects were undertaken in Ghana, Yemen, Malawi, Mongolia, Mozambique, Suriname and Vietnam.

Ghana

Project: management contract aimed at improving the supply of drinking water in Ghana's cities in a joint venture with Rand Water Services

Duration: 2006 - 2011

Population: 8 million people

Budget: € 10.5 million

The local drinking water company Ghana Water Company Ltd (GWCL) is responsible for the drinking water supply for eight million people in the urban areas of Ghana. Vitens-Evides International and the South African Rand Water Services (RWS) have concluded a five-year management contract with GWCL. Aqua Vitens Rand Water Ltd (AVRL) — a subsidiary of the joint venture between Vitens-Evides International and RWS — acts as the local operator. The project is aimed at significantly improving the urban drinking water supply system.

GWCL must become a financially healthy organisation. Vitens-Evides International also works on the reduction of leakage losses and the use of chemicals and electricity must be reduced.

AVRL is currently responsible for the operational management and the maintenance of the drinking water infrastructure, including 85 purification facilities that supply 55 areas with drinking water. There are approximately 360,000 connections and more than 10,000 water stations on which some 6-7 million people depend.

Malawi

Project: service contract aimed at improving the supply of affordable, sustainable and reliable drinking water to the cities of Lilongwe and Blantyre. It concerns a partnership between the local water companies, Vitens-Evides International, WML, DHV and Simavi

Duration: 2009 - 2013

Population: 1.5 million people

Budget: € 3.85 million

In the next four years, Vitens-Evides International will cooperate with the local drinking water companies in Malawi's two largest cities: Blantyre and the capital of Lilongwe. The partnership is aimed at improving the supply of affordable, sustainable and reliable drinking water to these cities' population of about 1.5 million. The project also foresees an expansion of the drinking water supply to 700,000 people in the poorer parts of the two cities. The contract, worth € 3.85 million, will be financed by the European Union and the European Investment Bank (EIB).

In Malawi, Vitens-Evides International works in close collaboration with Waterleiding Maatschappij Limburg (Limburg Water Company or WML), DHV Consultancy and Engineering Agency and the international health organisation Simavi. Each of these partners has its own area of activity. Vitens-Evides International and WML will

provide support to the water companies in the field of organisation, finances, planning, non-revenue water (NRW), network modelling, client administration, management and maintenance, and energy conservation. Improvement of not only the technology used for the water purification and distribution network but also the organisation's management will enable local water companies to provide more people with clean and safe drinking water.

Mongolia

Project: Water Operator Partnership between Ulaanbaatar Water Supply and Sewerage Authority and Vitens-Evides International

Duration: 2007 - 2010

Population: 1.2 million people

Budget: € 1.4 million

Vitens-Evides International is working with the local water company Ulaanbaatar Water Supply and Sewerage Authority (USUG). The Mongolian capital of Ulaanbaatar has a population of about 1.2 million, of whom some 45% have no access to proper drinking water and sanitation facilities. Inhabitants of the so-called 'Ger areas', the poorer neighbourhoods, purchase their water at kiosks which are supplied by tanker trucks. Facilities for sanitation and waste water purification are nearly non-existent in the city's suburbs.

To change that, the project in Ulaanbaatar focuses on improving the supply of water to the Ger areas, on introducing sustainable management of the sources, developing the financial management and improving operational management, drains and sanitation. Vitens-Evides International is also involved as an advisor to the USUG in an institutional reform aimed at greater autonomy and the transfer of the ownership of the pipeline network and purification facilities from the local council to the USUG. Good cooperation exists with the local council of Ulaanbaatar (the current owner of the infrastructure), the housing corporations and the Water Authority of Mongolia. This facilitates the implementation of acceptable and sustainable solutions.

Mozambique

Central

Project: Water Operator Partnership between FIPAG (Urban Water Investment and Asset Holding Fund) and Vitens-Evides International aimed at improving the supply of water in the cities of Tete, Moatize, Chimoio, Manica and Gondola

Duration: 2006 - 2009

Population: 500,000 people

Budget: € 6.5 million

Since 2006, Vitens-Evides International has been providing support in the cities of Tete, Moatize, Chimoio, Manica and Gondola, in Central Mozambique. The goal is to set up independent,

sustainably functioning water companies. The project offers technical and management support to FIPAG (the Urban Water Investment and Asset Holding Fund) and the water companies in the four cities. FIPAG is a government organisation under the Ministry of Water Resources and is responsible for the improvement of the supply of water in Mozambique's urban areas.

The project offers support to the water companies at various levels, such as support in the development of business plans and the implementation of management information, technical and financial administration systems. Efforts are also made towards a healthy financial operational management with realistic and affordable water charges. Vitens-Evides International furthermore offers support in the development of standard procedures for production, distribution and sales processes.

The activities focus on expanding the number of connected residents and on improving the water quality and the security of supply. Vitens-Evides International has assisted FIPAG in the drafting of the tender documents for the Emergency Investment Programme and is responsible for supervising the construction activities. We also assist in the drafting of a master plan for the medium and long term and in the development and implementation of a major investment programme. Thanks to this programme, the number of connections in the cities is growing and the financial position of the companies has improved dramatically. The programme in Central Mozambique is co-financed by the Embassy of the Netherlands in Maputo.

South

Project: Water Operator Partnership between FIPAG (Urban Water Investment and Asset Holding Fund) and Vitens-Evides International aimed at improving the supply of water in the cities of Chokwé, Xai-Xai, Inhambane and Maxixe

Duration: 2005 - 2008 (first phase) / 2008 - 2012 (second phase)

Population: 500,000 people

Budget: € 5.3 million

In addition to the project in Central Mozambique, Vitens-Evides International has, since 2004, also been cooperating with FIPAG on the improvement of the day-to-day operational management of the water companies for the cities of Chokwé, Inhambane, Maxixe and Xai-Xai in Southern Mozambique. The content of this programme is similar to the activities in Central Mozambique. The programme in Southern Mozambique has been running for five

years and is proving to be very successful. The number of people with access to safe piped water in these cities has increased from 20-30 percent to 70-90 percent. The companies have seen their technical and financial position strengthen and demonstrate a strong growth in technical and operational capacity.

Suriname

Project: technical assistance in investment programme in drinking water projects in Groot-Paramaribo

Duration: 2005 - 2009

Population: 300,000 people

Budget: € 0.5 million

The Surinaamsche Waterleiding Maatschappij (SWM) and Vitens-Evides International are working together on the improvement of the quality and availability of drinking water for some 300,000 people in the coastal regions of Suriname. The purpose of this programme is to improve and expand the groundwater extraction and methods to purify drinking water. To this end, we are constructing six new drinking water purification systems. We are also engaged in the renewal and expansion of the distribution network and the installation of some 30,000 water meters.

Vitens-Evides International provides support in the preparation and implementation of the short-term investment programme. The technical assistance consists of support for project management, the preparation of tender documents, support during the tendering procedure and supervision of the construction activities.

Vietnam

Da Nang

Project: Water Operator Partnership between Da Nang Water Supply Company, the municipal government of Da Nang and Vitens-Evides International

Duration: 2007 - 2010

Population: 800,000 people

Budget: € 2.4 million

The project in Da Nang is aimed at establishing sustainable management of drinking water facilities in Da Nang. Some



65 percent of the city's residents currently have access to the piped water of the Da Nang Water Supply Company (DAWACO). Since the demand for water exceeds the capacity of the distribution system, the water pressure drops on a regular basis, resulting in discontinuous supply of tap water. Vitens-Evides International is working on a solution to this problem in partnership with DAWACO.

Our efforts are geared towards reducing water leakage losses and improving the tap water quality. We are working on a financial management system and a client registration system for the water company's management and will also introduce a professional billing and collection system. These changes should help DAWACO become a strong enterprise that is able to provide the residents of Da Nang with good water supply with consistent water pressure.

We also plan to introduce a programme to set up home connections in the poor districts. Some 35 percent of Da Nang's residents use shallow groundwater and surface water. This water is not clean, and brings with it the usual risks for public health. That is why Vitens-Evides International wants to improve the supply of water in these districts.

Ho Chi Minh

Project: Water Operator Partnership between the Saigon Water Supply Corporation, the municipal government of Ho Chi Minh City and Vitens-Evides International

Duration: 2008 - 2011

Population: 8 million people

Budget: € 4.2 million

Vitens-Evides International is working in partnership with the Saigon Water Supply Corporation (SAWACO) to provide all residents of Ho Chi Minh with sufficient drinking water. The emphasis is on the management and maintenance of the water production and on making the distribution tasks more professional. There are many complaints about the tap water running brown or black, and the water pressure in the distribution system is very low. By improving the water purification system and the distribution network, SAWACO will be able to offer a high-quality and consistent supply of water.

SAWACO produces approximately 325 million m³ of drinking water annually, 140 million m³ of which generate no income for the company. This is mainly due to leakage losses in the distribution

network and unregistered connections to the network. The reduction of leakage losses is helping to improve SAWACO's financial position. This in turn makes it possible for the company to increase its production of good-quality drinking water, so that more people gain access to safe water. Vitens-Evides International also supports the launch of a programme to set up home connections in the poor districts.

Yemen

Project: Water Operator Partnership between Ta'iz Water and Sanitation Corporation and Vitens-Evides International

Duration: 2006 - 2009

Population: 800,000 people

Budget: € 1.7 million

Vitens-Evides International provided support to the local water company Ta'iz Water and Sanitation Corporation (TWSC) in Yemen in its operational management. It concerned a Water Operator Partnership between the two parties and the Ministry of Development Cooperation. In the 2006-2009 period, Vitens-Evides International was also involved in the efforts to improve the drinking water and waste water facilities for some 800,000 residents.

Great efforts have been made in recent years with respect to institutional improvement, reinforcement of human resources and the improvement of the financial transparency of the water company. Thanks to these efforts, the management of the drinking water supply and sanitation has improved and the percentage of leakage losses declined. The quality of the customer service has also improved: both invoicing and collection have become better organised. The project in Yemen was concluded in March 2009.



Financial statements 2009

Company balance sheet before allocation of profits

<i>x € 1,000</i>	<i>31-12-09</i>	<i>31-12-08</i>
<i>Assets</i>		
Financial fixed assets ⁽¹⁾	268.0	36.8
Fixed assets	268.0	36.8
Debtors, prepayments and accrued income ⁽²⁾	1,912.6	2,040.6
Cash at bank and in hand ⁽³⁾	2,348.9	974.5
Current assets	<u>4,261.5</u>	<u>3,015.1</u>
Total assets	4,529.5	3,051.9
<i>Shareholders' equity and liabilities</i>		
Paid-up and called-up share capital	36.0	36.0
Other reserves	115.4	41.8
Un-appropriated profit	503.6	73.6
Shareholders' equity ⁽⁴⁾	655.0	151.4
Provision for participating interests ⁽¹⁾	186.3	—
Current liabilities ⁽⁵⁾	<u>3,688.2</u>	<u>2,900.5</u>
Total shareholders' equity and liabilities	4,529.5	3,051.9

Company profit and loss account

<i>x € 1,000</i>	<i>2009</i>	<i>2008</i>
Other operating income	6,652.0	6,014.1
Total operating income ⁽⁶⁾	6,652.0	6,014.1
Work contracted out and other external costs ⁽⁷⁾	3,814.9	3,659.4
Secondment of staff	2,125.4	2,284.9
Total operating expenses	5,940.3	5,944.3
Operating result	711.7	69.8
Interest income and similar income	15.0	20.5
Interest costs and similar costs	—	10.8
Financial income and expenses	15.0	9.7
Result on ordinary activities before taxation	726.7	79.5
Result of non-consolidated participating interests ⁽⁸⁾	-223.1	-5.9
Result	503.6	73.6

Cash flow statement

<i>x € 1,000</i>	<i>31-12-09</i>	<i>31-12-08</i>
Operating result	711.7	69.8
Movement in debtors, prepayments and accrued income	128.0	-45.2
Movement in current liabilities, accruals and deferred income	787.7	1,078.3
Movement in working capital	915.7	1,033.1
Cash flow from business operations	1,627.4	1,102.9
Financial income and expenses	15.0	9.7
Result of group companies	-223.1	-5.9
	-208.1	3.8
Cash flow from operating activities	1,419.3	1,106.7
Movement in financial fixed assets	-44.9	5.9
Cash flow from investing activities	-44.9	5.9
Movement in cash and cash equivalents	1,374.4	1,112.6
Cash at bank and in hand at 1 january	974.5	-138.1
Cash at bank and in hand at 31 december	2,348.9	974.5
Movement in cash at bank and in hand	1,374.4	1,112.6

Explanatory notes to the company balance sheet and profit and loss account

General

Vitens-Evides International BV is a joint venture of Vitens NV and Evides NV. Vitens-Evides International BV receives contributions from its shareholders and other benefactors within the framework of development cooperation. It uses these contributions to finance its activities in the field of management support of water companies in developing countries. Vitens-Evides International BV has its registered office in Utrecht. The activities of Vitens-Evides International BV qualify as drinking water activities, and the organisation is consequently exempt from corporate income tax.

Standards used The financial statements have been drawn up in accordance with the Guidelines for Annual Reporting in the Netherlands and the provisions of Part 9 of Book 2 of the Dutch Civil Code.

Accounting policies

Financial fixed assets Participating interests are carried at net asset value. A provision equal to the shareholders' equity is made for investments in participating interests with negative net asset values. Other debtors, including loans granted, are carried at face value and provision for doubtful debts where necessary.

Debtors Debtors are carried net of a provision for doubtful debts where necessary.

Cash at bank and in hand Cash at bank and in hand is carried at face value.

Liabilities Liabilities are carried at face value.

Income and expenses

General Income and expenses are recognised at the time the goods or services are provided.

Other operating income Income is based on contributions and subsidies received. Income is allocated to the year to which it relates.

Cash flow statement

The cash flow statement is prepared according to the indirect method.

Notes to the company balance sheet

x € 1,000

Financial fixed assets and provision for participating interests ⁽¹⁾

	Other securities	Debtors	Total 2009
Balance at 1 January	36.8	—	36.8
<i>Movements</i>			
Result	-223.1	—	-223.1
Reversal of provision for loan		268.0	268.0
Net profit/(loss)	-223.1	268.0	44.9
Balance at 31 december	-186.3	268.0	81.7

Other securities includes Vitens-Evides International's 51% interest in the share capital of Vitens Rand Water Services BV, a joint venture set up together with Rand Water Services Limited, a company established in South Africa. The joint venture was set up to perform the Management Contract in Ghana. The result of participating interests include a VAT liability on the received management fee on the Management Contract in Ghana for the years 2006 till 2008 (Total VAT liability was € 637,000). This VAT liability has been fully settled with a last payment in January 2010. The directors of Aqua Vitens Rand Limited have taken actions in 2009 to recover the loss as a result of the VAT liability in the coming years till the end of the Management Contract in June 2011. In 2009, the provision for the loan granted to Vitens Rand Water Services in 2007 of € 268,000 has been reversed.

Debtors, prepayments and accrued income ⁽²⁾

	31-12-09	31-12-08
Taxes and social security contributions	141.3	31.8
Other debtors	1,771.3	2,008.8
Total	1,912.6	2,040.6

Cash at bank and in hand ⁽³⁾

Cash at bank and in hand is at the company's free disposal, except for a Performance Guarantee for the Malawi Service Contract of € 0.5 million. Vitens-Evides International BV has a bank credit of € 1.0 million, Vitens NV and Evides NV stand surety for this credit facility.

Shareholders' equity ⁽⁴⁾

	31-12-09	31-12-08
Paid-up and called-up share capital	36.0	36.0
Other reserves	115.4	41.8
Un-appropriated profit	503.6	73.6
Total	655.0	151.4

<i>Movement in shareholders' equity</i>	<i>Paid-up share capital</i>	<i>Other reserves</i>	<i>Unappropriated profit</i>	<i>Total 2009</i>
Balance at 1 January	36.0	41.8	73.6	151.4
<i>Movements</i>				
Addition to other reserves		73.6	-73.6	—
Profit for 2009 financial year			503.6	503.6
Net profit/(loss)	—	73.6	430.0	503.6
Balance at 31 december	36.0	115.4	503.6	655.0

The authorised share capital amounts to € 90,000 and comprises 1,800 shares with a nominal value of € 50 per share. At the end of 2009, 720 shares were issued and fully paid.

Current liabilities ⁽⁵⁾

	31-12-09	31-12-08
Trade creditors	44.3	68.9
Foreign income tax	263.2	535.0
Current other liabilities	745.1	690.2
Accruals and deferred income and amounts received in advance	2,635.6	1,606.4
Total	3,688.2	2,900.5

The 'foreign income tax' is an estimation of income tax claim for staff members who have been seconded to the project in the different countries. The calculation is based on actual paid tax in the past.

Commitments not disclosed in the balance sheet

Guarantee Vitens NV issued a Performance Guarantee of US\$ 3 million for the Management Contract in Ghana in 2006. This amount decreases annually. End of 2009 the guarantee is US\$ 0.5 million. Rand Water Services issued a 49% Counter Guarantee to Vitens, resulting in a guarantee for Vitens NV end 2007 of US\$ 0.25 million. Vitens-Evides International BV issued a Performance Guarantee of € 0.5 million for the Service Contract in Malawi in 2009. This Performance Guarantee has to be extended each year till the end of the Service Contract in 2013.

Notes to the company profit and loss account

x € 1,000

<i>Other operating income</i> ⁽⁶⁾	2009	2008
Contributions from Vitens	1,000.0	1,000.0
Contributions from Evides	1,000.0	1,000.0
Other contributions and subsidies	4,652.0	4,014.1
Total	6,652.0	6,014.1

<i>Costs of work contracted out and other external costs</i> ⁽⁷⁾	2009	2008
Consultancy fees	181.6	230.0
Travelling and hotel expenses	1,389.2	1,194.3
Materials and outsourced activities	1,830.0	1,468.0
Reversal of provision for loan	-268.0	0.0
Other costs	682.1	767.1
Total	3,814.9	3,659.4

Secondment of staff

Secondment of staff 2009 includes a reversal of provision for foreign income tax previous years for total amount of € 357,000.

Result of non-consolidated participating interests ⁽⁸⁾

This item relates to Vitens International's 51% share in the profit of Vitens Rand Water Services BV.

Utrecht, March 15, 2010

Vitens NV
Evides NV

Other information

Appropriation of profit Under the Articles of Association, the provisions governing the appropriation of profit are as follows:

- Profit is at the free disposal of the General Meeting of Shareholders.
- The company has the right to make distributions to the shareholders and other parties entitled to the distributable profit only to the extent that the shareholders' equity exceeds the paid-up and called-up share capital plus the reserves required to be held by law.
- Any profit will be distributed after adoption of the financial statements authorising such a distribution.

The Board of Management proposes to add the profit of 2009 of € 503,650 to other reserves.

Auditor's report

To: The General Meeting of Shareholders of Vitens-Evides International BV

Report on the financial statements We have audited the financial statements for 2009 of Vitens-Evides International BV, Utrecht, as included on pages 10 to 13, which comprise the balance sheet as at 31 December 2009, the profit and loss account for the year then ended and the notes.

Management's responsibility Management is responsible for the preparation and fair presentation of the financial statements and for the preparation of the management board report, both in accordance with Part 9 of Book 2 of the Dutch Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that

are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion In our opinion, the financial statements give a true and fair view of the financial position of Vitens-Evides International BV as at 31 December 2009 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements Pursuant to the legal requirement under Section 393(5)(e) of Book 2 of the Dutch Civil Code, we report, to the extent of our competence, that the board report is consistent with the financial statements, as required by Section 391(4) of Book 2 of the Dutch Civil Code.

Zwolle, March 15, 2010

*Ernst & Young Accountants LLP
w.g. drs. J. Hetebrij RA*

Colophon

Published by Vitens-Evides International
in cooperation with the Corporate
Communication Department of Vitens and
the Communication Department of Evides
Waterbedrijf

Text

Covertteam Mediarealisatie - Eemnes

Design

Bit Agency - Ewijk

Photography

Gerard van Bree - Arnhem

Arthur Batenburg - Apeldoorn

Print

Drukkerij Tesink bv - Zutphen

FSC

This Annual Report is available in both a Dutch and an English edition. A total of 2,900 copies has been issued. The 2009 Annual Report is printed on 9lives silk machine-coated paper, of which 55% is recycled (25% post-consumer) and FSC-certified.





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