



Annual Report

2012

Summary

## Annual Report 2012 – Summary

This is a summary of the Evides Waterbedrijf annual report 2012. It includes information on the administrative and financial aspects of the company, such as the Supervisory Board, Corporate Governance and the most significant financial data.

General information in English about Evides Waterbedrijf can be found in our English-language corporate brochure and on our website. The full Dutch-language annual report for 2012 can be downloaded from our website: [www.evides.nl/jaarverslag](http://www.evides.nl/jaarverslag).

## Contents

Introduction to Evides Waterbedrijf	3
The Supervisory Board	4
Corporate Governance	5
Internal risk control and monitoring systems	6
Financial results	8
Prospects	11
Financial statement summary 2012	12
Consolidated balance sheet as of 31 December 2012	13
Consolidated profit and loss account of 2012	14
Cash flow statement of 2012	15
Appendices	16
1. Key figures	17
2. Organisational structure	18
3. Participating interests	19
4. Structure of participating interests	21
5. Ancillary positions	22

## Introduction to Evides Waterbedrijf

**Evides Waterbedrijf supplies drinking water and industrial water, in the correct quality at all times, so that all of our customers can continue to rely on the availability of good-quality water, both now and in the future.**

### **Evides Waterbedrijf**

Around 2.5 million people and companies in the southern part of the province of Zuid-Holland, the province of Zeeland and the Brabantse Wal are able to rely on water supplied by Evides Waterbedrijf every day, direct to their home or company. Evides also provides 'customised' water services especially for major industries, in countries such as the Netherlands, Belgium and Germany. For industrial customers, Evides is a partner who is able to take responsibility for the complete realisation of systems on the basis of DBFO contracts (Design, Build, Finance & Operate). We also treat waste water and for certain customers we re-use purified waste water and in doing so we wish to make an active contribution towards closing off the water chain in the Netherlands and abroad.

In 2012, Evides produced 240 million cubic metres of drinking and industrial water in total, originating from three different types of water sources: surface water and – to a lesser degree – ground water and (infiltrated) dune water. This volume makes Evides Waterbedrijf the second largest drinking water company and the largest supplier of industrial water in the Netherlands. Evides' activities in the area of drinking water and industrial water enhance and support one another. This provides opportunities to work entirely on continuously improving technologies for purifying and supplying water. As a result, Evides is a multifaceted and reliable supplier of high-quality water.

The company's roots lie in the first water companies that originated in Rotterdam and Vlissingen in around 1874. Half of Evides is currently owned by B.V. Gemeenschappelijk Bezit Evides (GBE, municipalities in the southern part of Zuid-Holland) and the other half by DELTA N.V. (DELTA is mainly owned by municipalities in and the province of Zeeland).

### **Efficient, environmentally aware and transparent**

Safe, clean and delicious drinking water at an acceptable price and with a good service level — that is what the consumer must be able to rely on, 24 hours per day, 365 days per year. In order to achieve this, we are continuously investing in large-scale purification technologies, quality control of the water and maintaining and expanding the almost 14,000 kilometre long pipeline network.

With over 600 employees, Evides works every day to excel in all of its processes. The way in which the business is managed is efficient, transparent and environmentally and customer aware. This means that we continue to be among the top three best-performing water companies in the Netherlands in all respects.

In order to achieve this, we work to achieve the following:

- To continuously respond to developments in the sector and in society;
- To innovate in order to achieve efficiency, customer service, quality and cost control;
- To collaborate with public and private partners in the sector and in the water chain;
- To increase the number of and improve drinking water facilities in developing countries;
- To achieve sustainable business management and corporate social responsibility;
- To adopt attractive employment practices;
- To achieve a socially acceptable return for our shareholders.



## The Supervisory Board

**The Supervisory Board monitors the policy promoted by the Executive Board and the general course of affairs, as well as supporting the Board by providing advice.**

### Composition and profile

The Supervisory Board consists of seven people who are appointed by the General Meeting of Shareholders. Each of the shareholders, DELTA N.V. and B.V. Gemeenschappelijk Bezit Evides (GBE), has the right to nominate two members of the Supervisory Board. Evides deviates from the Corporate Governance Code on this point, which it voluntarily applies. The Works Council has the right to recommend two members of the Supervisory Board. The Chairman is an external, independent member of the Board. The Supervisory Board has appointed two sub committees, namely the audit committee and the remuneration committee. The selection and appointment committee is formed on an ad hoc basis. Also deviating from the Corporate Governance Code, the Chairman of the Supervisory Board was also the Chairman of the remuneration committee, but as of 29 June 2012, this is no longer the case.

The Supervisory Board's profile, which was updated in 2012, describes the principles behind the composition of the Supervisory Board. The aim is to achieve an equal composition within the Board in relation to experience and affinity with the nature and culture of the company, as well as diversity in relation to the male/female ratio.

The aim of the One-Tier Board Act (Wet Bestuur en Toezicht) is to achieve a more equal balance between men and women in company boards including Supervisory Boards. An equal balance means that at least 30% of the seats are occupied by men and also a minimum of 30% by women (in so far as the seats are occupied by natural persons). The Supervisory Board currently consists of five men and one woman. One woman has been nominated for the vacancy in the Supervisory Board. If the decision is taken to appoint her in 2013, the Supervisory Board will consist of around 30% women.

In the Supervisory Board, professional knowledge is available in the following areas:

- Finance, risk management, treasury and audits;
- Drinking water facilities and affinity with the water chain;
- Entrepreneurship in a capital-intensive sector and knowledge of (international) industrial water consumers, as well as the related industrial services provided (including waste water processing);
- Knowledge of and network in public administration;
- Customer and consumer interests;
- HRM policy, business organisation and change management;
- Corporate governance and legal affairs;
- CSR (Corporate Social Responsibility).



## Corporate Governance

Evides Waterbedrijf voluntarily monitors the principles and best practices behind the Dutch Corporate Governance Code. With this monitoring, Evides also aims to exert clarity and openness to the outside over its governance and the way in which it manages its business. The principles and best practices are included or incorporated in the various regulations and arrangements that control the way in which Evides' units operate, or explain the reasons behind the regulations that apply within Evides.

In relation to the Code, Evides Waterbedrijf subsequently states which points are being deviated from in accordance with the 'apply or explain' principle:

- The regulations that were expressly written for companies that are listed on the stock exchange are not being applied.
- The management board of Evides Waterbedrijf has been appointed on a permanent basis.
- The shareholders or groups of shareholders are entitled to nominate the members of the Supervisory Board, determine their term of office and to appoint the Chairman. The Vice Chairmen together occupy the role anticipated in the Code.
- Due to the size of the company, Evides has not appointed an internal auditor. The audit committee agreed with this decision.
- Evides' website does not act as a way of communicating with its shareholders because there is a direct shareholder relationship.
- The WNT is followed for remuneration (WNT is a Dutch law for standardization of top incomes (high earners)).

Evides Waterbedrijf is a private limited liability company. In accordance with the law, a number of important decisions have been set aside for shareholder approval, such as the price of drinking water and profit distribution. The management board's appointment, dismissal and remuneration policy have also been set aside for the General Meeting of Shareholders. The Supervisory Board arranges the specific remuneration and terms and conditions of employment.

The Supervisory Board consists of seven members and has an independent Chairman. An audit committee, a remuneration committee and an (ad hoc) selection and appointment committee operate.

Evides' General Meeting of Shareholders consists of representatives from DELTA N.V. (which owns 50% of the shares and is owned by municipalities in and the province of Zeeland) and representatives from B.V. Gemeenschappelijk Bezit Evides (GBE, a collaboration of the municipalities in the southern part of Zuid-Holland that owns the other 50% of the shares).



## Internal risk management and monitoring systems

In view of the societal significance of the water company, the mitigation and management of risks are high on the agenda for Evides. In 2012 Evides continued to invest in the internal risk management and monitoring systems. The management measures that focus on the quality of customer data were therefore increased and intensified in 2012. The Hydraulics department was also established as an initial step towards further optimizing water flows and guaranteeing water quality in the pipeline network.

Continuing risks are associated with Evides operational activities, in the strategic, operational, financial and compliance fields.

The Director is responsible for the structure and the efficient functioning of the internal risk management and monitoring system. This system is designed to provide a timely awareness of the extent to which Evides has achieved its strategic, operational and financial objectives, in order to ensure reliable financial reporting and actions complying fully with the applicable legislation.

### Internal risk management and monitoring

Our aim at Evides is to use the internal risk management and monitoring system to reduce the probability of errors, wrong decisions and unforeseen circumstances to a practical minimum. This however cannot be fully guaranteed. It is possible that Evides may be exposed to as yet unrecognized risks, or risks which are not (yet) deemed to be significant. No system of internal risk management and monitoring can provide absolute assurance against the failure to achieve the objectives of the business, neither is it possible to entirely prevent all inaccuracies, losses, fraud or breaches of acts and regulations.

Managing people, responsible behavior and short lines of communication are key elements for Evides as an organization. These elements are therefore also at the heart of the risk management and monitoring system for all parts of the business. Important mechanisms in the internal risk management and monitoring system include:

- Risk management:  
This refers to the identification and analysis of risks as well as the implementation and monitoring of the control measures introduced to control these risks. The risk management system is based in part on the COSO Enterprise Risk Management-Integrated Framework (COSO-ERM). Responsibility for the management of risks lies with managers, who report every six months on this subject in the Management Team Meeting. To control risk in projects is a project risk management system in place.
- Planning and monitoring cycle:  
Evides makes use of annual and long-term budgets, quarterly reports including annual forecasts and risk management, and monthly financial and operational management reports. A quarterly treasury report is also prepared for the Management and Supervisory Boards.
- Financial reporting:  
A structured financial monthly and annual closing process is in place. The external auditor assesses the internal control measures relating to financial reporting for the purpose of the annual accounts. The external auditor reports his findings to the Director and management, the audit committee and the Supervisory Board in his annual Management Letter and Auditor's Report. Evides reports to the audit committee on the follow-up to the external auditor's recommendations.
- Security of water supply and quality:  
Important elements of this are the quality system for the supplied water, the system to ensure security of supplies, safety and the personnel selection policy (including Certification of Good Conduct).
- Security and crisis management:  
Measures including crisis management organization, procedures, training courses and the evaluation of training.
- Other:  
Such as a Code of Conduct and House Rules, a whistleblower system, the description of the administrative organization and internal audit of significant financial processes, a treasury statute and a tax control framework.

Regular audits are carried out on the essential elements of the control mechanisms in order to assess whether they are performing as intended. The Director reports to the audit committee and the Supervisory Board on the arrangements for and the effective performance of the internal risk management and monitoring system.

On the basis of their assessment and in accordance with best practice as set out in section II.1.5 of the Dutch Corporate Governance Code, the opinion of the Evides' Executive Board is that the risk control and monitoring system performed well in terms of financial reporting risks in 2012, and that it provides a reasonable degree of certainty that the 2012 annual accounts do not contain any material inaccuracies. The Executive Board of Evides will also maintain their commitment to further strengthen and professionalize the internal risk management and monitoring system, with continuing attention paid to potential efficiency gains within these processes.



## Financial results

### General

Evides N.V. (ENV) is 100% shareholder of Evides Drinkwater B.V. (EDW) and Evides Industriewater B.V. (EIW). Financial transparency is achieved through the delegation of Evides activities to EDW and EIW. The internal services and costs of ENV and the subsidiaries EDW and EIW are set down in service agreements. These also include agreements relating to the associated charges (Internal Transfer Price) used in calculations involving the parties. The system applied and the cost calculations have also been assessed by specialist firms. The appendix "Participating Interests" sets out the interests of EDW and EIW. Because of the structure of the Evides group consolidated annual accounts have been compiled. The legal entities in which Evides N.V. has a direct or indirect controlling interest are consolidated in this.

On 21 December 2012, the interest in Delfluent Services B.V. increased from 50% to 100%. As a result, assets and liabilities of Delfluent Services B.V. have been included in the 2012 consolidated annual accounts. Delfluent Services B.V.'s profit and loss account will be included in Evides N.V.'s consolidated annual accounts with effect from the 2013 reporting year.



The summarised balance sheet before profit allocation at year-end 2012 and the 2012 profit and loss account for EDW, EIW en ENV are:

(in € million)	EDW	EIW	ENV	Consolidated
<b>Assets</b>				
<i>Fixed assets</i>				
Intangible fixed assets	0.0	14.8	0.0	14.8
Tangible fixed assets	102.4	95.3	700.7	898.4
Financial fixed assets*	1.7	121.5	279.9	129.4
<b>Total fixed assets</b>	<b>104.1</b>	<b>231.6</b>	<b>980.6</b>	<b>1,042.6</b>
<i>Current assets</i>				
Inventories	2.2	1.3	0.0	3.5
Receivables	4.7	19.3	22.3	46.3
Cash and cash equivalents	0.0	9.3	0.0	9.3
<b>Total current assets</b>	<b>6.9</b>	<b>29.9</b>	<b>22.3</b>	<b>59.1</b>
<b>Total assets</b>	<b>111.0</b>	<b>261.5</b>	<b>1,002.9</b>	<b>1,101.7</b>

<b>Equity and liabilities</b>				
Equity	79.8	158.4	448.6	448.6
Minority interest	6.1	0.0	0.0	6.1
Provisions	0.0	2.5	3.2	5.7
Long-term loans*	35.5	8.9	293.2	302.1
Current liabilities	11.0	14.1	314.1	339.2
Intercompany receivables and liabilities	- 21.4	77.6	-56.2	0.0
<b>Total equity and liabilities</b>	<b>111.0</b>	<b>261.5</b>	<b>1,002.9</b>	<b>1,101.7</b>

\* Net equity of ENV's participation in EDW and EIW including intercompany receivables and payables has been eliminated at consolidation level.

Based on the ENV consolidated balance sheet before profit appropriation, solvency is 40.7%. Following payment of the proposed 2012 final dividend of €23.9 million, solvency stands at 38.5%.

(in € million)	EDW	EIW	ENV**	Consolidated
Turnover*	214.8	75.2	0.0	290.0
Cost of sales*	20.0	24.7	0.0	44.7
Gross profit	194.8	50.5	0.0	245.3
Operating costs	145.8	31.3	0.0	177.1
Operating result	49.0	19.2	0.0	68.2
Interest charges and income	- 15.5	6.2	0.0	- 9.3
Result before income taxes	33.5	25.4	0.0	58.9
Income taxes	0.0	- 0.6	0.0	- 0.6
Result on investment	0.2	- 1.2	57.3	- 1.0
Result after income taxes	33.7	23.6	0.0	57.3
Third-party result	0.0	0.0	0.0	0.0
<b>Net result</b>	<b>33.7</b>	<b>23.6</b>	<b>57.3</b>	<b>57.3</b>

\* In the consolidation internal revenues between EDW and EIW is set off against the internal cost of sales.

\*\* ENV only identifies the result on its participations in EDW and EIW. This result has been eliminated from the consolidated profit and loss account.

### Equity ratio

Evides operates in a bounded client market based on an associated monopoly through EDW and in a competitive market of industrial customers through EIW. The share of turnover in industrial water amounts to 92.3 million m<sup>3</sup>, or 37% of total water-related turnover. The risk profile for non-drinking water activities is higher than that for the drinking water activities. This difference in risk profile is expressed in the target solvency ratios for EIW and EDW, 55% and 30% respectively. Based on the share of turnover of the two activities, the target solvency ratio for ENV has been set at 38% following appropriation of profit.



## Prospects

Sales in drinking water and industrial water are remaining stable. By working in a cost-efficient manner, Evides Waterbedrijf has once again been able to keep the drinking water tariffs for 2013 the same as the year before.

### Investments

The level of investment to be made in the infrastructure for drinking water activities will be 397 million euros over the next five years. In 2013, an investment budget of 73 million euros is forecasted, for replacing distribution pipelines, increasing reliability of supply in Central Zeeland (Walcheren, North and South Beveland), installing a UV purification unit on the Braakman production site and creating a pipeline between Hulst and Terneuzen. Estimated investments for industrial water activities will be 41 million euros over the next five years. In 2013, Evides Waterbedrijf will produce a long-term investment plan for the next twenty years in preparation for future developments (such as climate change and emerging substances). Investments need to be made in sourcing, production and distribution for this purpose, in order to continue to be a reliable water supplier in the future too.

### Developments

In 2012, Evides revised its strategy for the next few years under the motto 'further ahead and further out'. Evides wants to be a state-of-the-art water company, with its ambition to be among the top three water companies in relation to customer performance and knowledge of production and distribution.

Evides anticipated the following developments in 2013:

- The further development of customer policy, by optimizing customer processes and customer focus;
- The production and implementation of a complete and company-wide long-term research programme, in order to continue to be a reliable water supplier in the future too. The research programme will be implemented with partners from within and outside of the water sector;
- Further implementation of business management sustainability;
- The entering into of collaborations in the water chain in order to achieve the objectives formulated in the Board Water Agreement;
- The development of various promising Product Market Combinations (PMCs) for industrial water activities;
- Increased employee capacity to Vitens Evides International to improve drinking water facilities in developing countries;
- Continue attention for the protection of fresh water sources is required, which is why Evides is actively participating in the Delta programme, in order to promote its drinking water interests;
- The further professionalisation of the crisis organisation by regularly practising crisis situations together with different partners;
- No major changes are expected in relation to staffing in 2013. Evides remains committed to retaining knowledge, recruiting new staff, maintaining an equal balance of ages and keeping staff healthy, motivated and productive.

The financial economic situation in Europe remains uncertain, which is having a direct impact on industrial activities, and as a result, it is not expected that many new contracts will be started. Opportunities for growth in industrial water activities mainly exist in affiliated activities and abroad, especially in emerging economies. Evides Industriewater aims to achieve growth in these countries, but always subject to strict risk management, partnerships with local parties and good staffing.

Evides staff is once again enthusiastically committed to purifying and distributing drinking water and industrial water in 2013, so that Evides is and remains in the future a reliable water supplier for households, companies and industries.

Peter Vermaat  
General Director  
Evides Waterbedrijf  
7 March 2013

**Financial statements Summary 2012**



## Consolidated balance sheet as of 31 December 2012

(before profit appropriation)

(in € million)	31 December 2012			31 December 2011		
<b>ASSETS</b>						
<b>Fixed assets</b>						
Intangible fixed assets	14.8			2.3		
Tangible fixed assets	898.4			890.8		
Financial fixed assets	129.4			141.6		
<b>Total fixed assets</b>		<b>1,042.6</b>			<b>1,034.7</b>	
<b>Current assets</b>						
Stocks	3.5			2.3		
Projects work in progress	0.0			0.0		
Accounts receivable	46.3			50.4		
Cash and cash equivalents	9.3			4.9		
<b>Total current assets</b>		<b>59.1</b>			<b>57.6</b>	
<b>Total assets</b>		<b>1,101.7</b>			<b>1,092.3</b>	
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>		<b>448.6</b>			<b>447.8</b>	
<b>Minority interest</b>		<b>6.1</b>			<b>6.1</b>	
<b>Provisions</b>		<b>5.7</b>			<b>5.3</b>	
<b>Long-term loans</b>		<b>302.1</b>			<b>368.4</b>	
<b>Current liabilities</b>		<b>339.2</b>			<b>264.7</b>	
<b>Total equity and liabilities</b>		<b>1,101.9</b>			<b>1,092.3</b>	

## Consolidated profit and loss account of 2012

(in € million)	2012		2011	
<b>TURNOVER</b>				
Water revenues	262.7		266.2	
Other turnover	10.2		43.3	
<b>Total turnover</b>		<b>272.9</b>		<b>309.5</b>
<b>COST OF SALES</b>				
Raw and ancillary materials	24.5		25.9	
Other cost of sales	3.1		25.5	
<b>Total cost of sales</b>		<b>27.6</b>		<b>51.4</b>
<b>Gross profit</b>		<b>245.3</b>		<b>258.1</b>
<b>OPERATING EXPENSES</b>				
Personnel costs	44.8		42.6	
Other operating costs	67.1		65.8	
Depreciations	65.2		65.2	
<b>Total operating expenses</b>		<b>177.1</b>		<b>173.6</b>
<b>OPERATING RESULT</b>		<b>68.2</b>		<b>84.5</b>
<b>FINANCIAL INCOME AND EXPENDITURE</b>				
Interest charges and income		-9.3		-12.4
<b>Result before income taxes</b>		<b>58.9</b>		<b>72.1</b>
Income taxes		0.6		0.5
Result on investments		-1.0		-1.0
<b>RESULT AFTER INCOME TAXES</b>		<b>57.3</b>		<b>70.6</b>
Third-party result		0.0		0.1
<b>NET RESULT AFTER TAXES</b>		<b>57.3</b>		<b>70.5</b>

## Cash flow statement of 2012

(indirect method)

(in € million)	2012		2011	
<b>Cash flow from operating activities</b>				
Operating result		68.2		84.5
Corrections for:				
Depreciation		65.3		65.3
Movements in provisions		-1.1		-1.3
Changes in working capital:				
Movements in receivables	4.8		-1.2	
Movements in inventory	0.1		0.1	
Movements in work in progress	0.0		20.2	
Movements in short-term liabilities	-2.1		-3.2	
		2.8		15.9
<b>Operating cash flow</b>		<b>135.2</b>		<b>164.4</b>
Interest charges and income	-9.3		-12.4	
Dividends received	1.1		0.8	
Income taxes paid	-0.6		-0.5	
		-8.8		-12.1
<b>Cash flow from operating activities</b>		<b>126.4</b>		<b>152.3</b>
<b>Cash flow from investment activities</b>				
Acquisition of group companies	-13.9		0.0	
Investments in financial fixed assets	0.0		-42.4	
Received payments on investments	6.9		5.1	
Investments in tangible fixed assets	-64.5		-52.1	
Des-investments in tangible fixed assets	0.1		0.3	
<b>Cash flow from investment activities</b>		<b>-71.4</b>		<b>-89.1</b>
<b>Cash flow from financing activities</b>				
Dividend paid	-56.5		-41.8	
Repayments of loans	-52.5		-80.0	
<b>Cash flow from financing activities</b>		<b>-109.0</b>		<b>-121.8</b>
<b>Increase/decrease in funds*</b>		<b>-54.0</b>		<b>-58.6</b>
*including movements in short-term cash loans and overdrafts.				
		<b>2012</b>		<b>2011</b>
<b>The movements of the funds are as follows</b>				
Situation as of 1 January		-156.3		-97.7
Movement financial year		-54.0		-58.6
<b>Situation as at 31 December</b>		<b>-210.3</b>		<b>-156.3</b>

**Appendices**





## Appendix 1 Key figures

		Unit	2012	2011	2010	2009
<b>Financial</b>						
1.	Liquidity ratio	%	17.4	21.8	32.7	32.9
2.	Solvency ratio	%	40.7	41.0	38.5	37.9
3.	Average credit term receivables	Days	27.1	27.4	27.1	28.2
4.	Net working capital	€ million	- 279.9	- 207.1	- 159.6	- 104.7
5.	Return on total equity	%	6.0	7.6	6.0	5.9
6.	Cash flow	€ million	122.5	135.7	113.3	106.6
7.	Cash flow ratio	%	18.9	20.6	17.0	16.1
8.	Internal financing ratio	x 1	0.6	0.7	0.6	1.1
9.	Purchase of drinking water	million m <sup>3</sup>	10.4	8.7	8.3	6.6
10.	Sales of drinking water	million m <sup>3</sup>	155.3	156.2	160.7	158.7
11.	Sales of industry water	million m <sup>3</sup>	92.3	92.7	81.2	78.5
12.	Treatment of waste water (excl. Delfluent)	p.e. <sup>1</sup> x 1.000	61.0	65.1	63.0	52.6
13.	Turnover	€ million	272.9	309.5	294.7	307.7
<b>Operating assets</b>						
14.	Number of consumer addresses	x 1	1,028,181	1,019,684	1,007,449	1,003,053
15.	Number of water meters	x 1	973,489	965,803	960,157	950,029
16.	Length of transport and distribution pipes	Km	13,066	13,013	12,969	12,906
17.	Length of desti pipes	Km	68	67	52	52
18.	Length of source/raw/industrial water pipes	Km	845	844	833	829
19.	Number of disruptions	x 1	9,774	9,599	10,940	11,124
20.	Number of qualitative complaints	x 1	142	146	144	198
<b>Personnel</b>						
21.	Number of employees (as at year-end)	x 1 fte	636.7 <sup>2</sup>	583.6	592.0	552.2
22.	Average wage costs per employer	x € 1.000	75.9	71.4	70.3	67.4
23.	Sickness absence	%	3.8	3.2	4.2	3.7

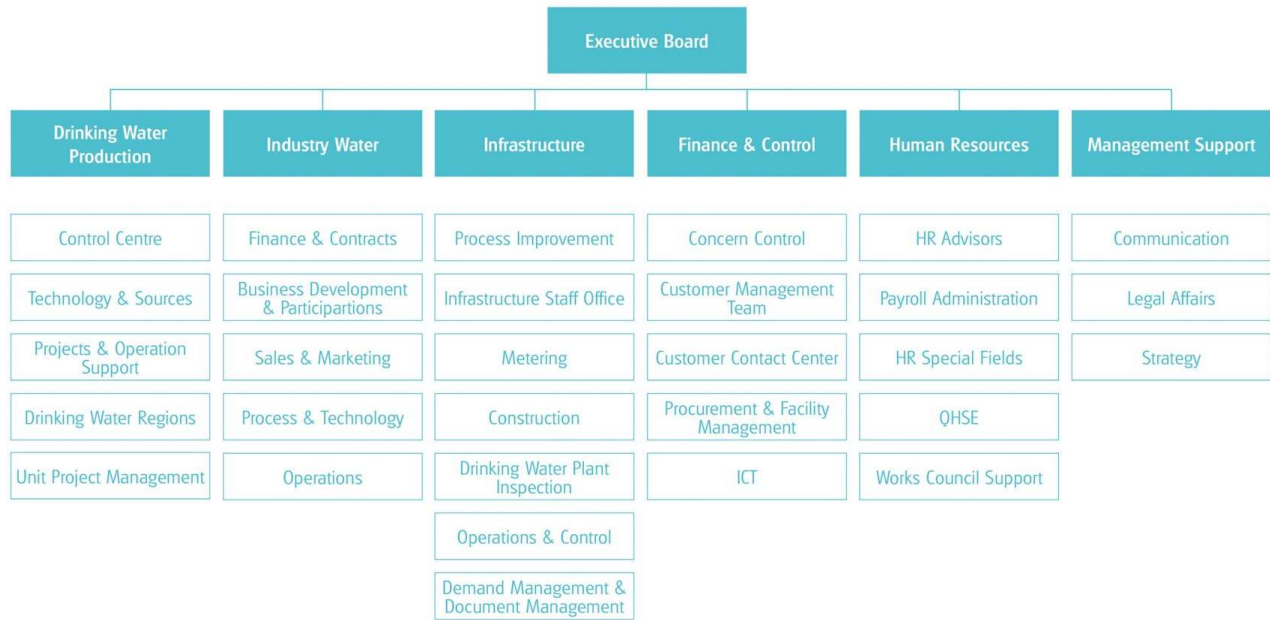
<sup>1</sup> Pollution equivalents

<sup>2</sup> Including 49.3 fte as a result of the acquisition of Delfluent Services B.V. in 2012

### Explanation key figures

- |                                    |   |
|------------------------------------|---|
| 1. Liquidity ratio                 | = (current assets : current liabilities) x 100%   |
| 2. Solvency ratio                  | = (equity : total assets) x 100%                  |
| 3. Average credit term receivables | = (receivables : turnover) x 365 days             |
| 4. Net working capital             | = current assets - current liabilities            |
| 5. Return on total equity          | = ((net profit + interest) : total assets) x 100% |
| 6. Cash flow                       | = profits + depreciation                          |
| 7. Cash flow ratio                 | = (cash flow : liabilities) x 100%                |
| 8. Internal financing ratio        | = investments : cash flow                         |

## Appendix 2 Organisational Structure



Evides NV is the holding company of the Evides group. The most significant activities are carried out by two businesses grouped under the two divisions Evides Drinkwater B.V. (EDW) and Evides Industriewater B.V. (EIW). Evides Drinkwater concentrates on activities related to the extraction, production and supply of drinking water. The subsidiary companies falling under Evides Industriewater focus on the extraction, production and supply of industrial water and the treatment of waste water.

#### **Evides N.V. participating interests**

Apart from Evides Drinkwater B.V. and Evides Industriewater B.V. which are 100% owned by Evides N.V., Evides N.V. has the following participating interests:

##### *Facturatie B.V.*

Evides and Vitens participate on a 50/50 basis in a joint venture concerned with the invoicing and collection of monies relating to drinking water from domestic and small business water clients.

##### *KWH Water B.V.*

KWH Water provides Evides with access to research and development projects relating to drinking and other water types, primarily in the context of Vewin. Evides' shareholding is 13.3%.

##### *Reststoffenunie Waterleidingbedrijven B.V.*

Reststoffenunie was established by the drinking water companies in the Netherlands with the aim of jointly identifying good destinations for residual substances generated in the production of drinking water. The Evides' shareholding is 12.6%.

#### **Evides Drinkwater B.V. has shares in:**

##### *N.V. Waterwinningbedrijf Brabantse Biesbosch (WBB)*

WBB owns the reservoirs in which pre-treatment of water from the Maas takes place, and from where it is transported to Evides purification installations. This water is the most significant source of drinking and industrial water in the Evides supply area. Evides is by far the largest customer (97%) and responsible for running WBB operations on the basis of long-term contracts on market terms. WBB is owned 60% by Evides and 40% by Brabant Water.

##### *Aqualab Zuid B.V.*

Aqualab Zuid is an accredited laboratory carrying out water analyses on behalf of shareholders and third parties. Aqualab Zuid is owned 50% by Evides, while Brabant Water N.V. hold 32.5% and N.V. Waterleiding Maatschappij Limburg hold 17.5%.

##### *Vitens Evides International B.V.*

Evides shares the joint venture 50/50 with Vitens. Vitens Evides International concentrates on the acquisition and implementation of international drinking water projects.

#### **Evides Industriewater B.V. hold shares in:**

##### *Evides Afvalwater B.V.*

Evides Afvalwater purifies waste water from clients connected with the sewage treatment works at Sloe and Schiphol. Evides Industriewater owns 100% of this business.

##### *Delfluent Services B.V. (DSBV)*

The operating company DSBV has managed the Houtrust and Harnaschpolder waste water treatment plants over a 30 year period. DSBV was a 50/50 joint venture of Evides and Veolia Water until the end of 2012. Now it has become a 100% participating interest of Evides Afvalwater B.V.

##### *Brielse Meer water B.V.*

The water extracted from the Brielse Meer and supplied via Brielse Meer Water B.V. is an important source of industrial water for the Rotterdam port area. Evides Industriewater owns 100% of this company.

*Evides Terneuzen Water B.V.*

Evides Terneuzen supplies industrial water to Dow Terneuzen via local installations. Evides Industriewater owns 100% of this business.

*Evident Industriewater B.V.*

Evident Industriewater collaborates with Vitens on activities relating to the acquisition and operation of projects in the process and waste water market in the provinces of Flevoland, Utrecht, Overijssel, Gelderland and Friesland. Evides Industriewater owns 100% of this business.

*Delfluent B.V. (DBV)*

The DBV consortium has obtained a DBFO contract (design, build, finance and operate) from the Delfland Water Board for the construction of the Harnaspolder waste water treatment plant, modifications to the existing Houtrust waste water treatment plant and the operation of both waste water treatment plants and the associated transport systems. DBV is owned by Evides (54.5%), Veolia Water (11%), Strukton Finance (10%) and DIF Infrastructure II (24.5%).

*North Water B.V.*

Evides has cooperated with Waterbedrijf Groningen on the joint venture North Water B.V. since 2006. The objective of the joint venture is to combine forces to acquire and operate projects in the industrial and waste water markets in the northern provinces. Evides has a 50% participating interest in North Water B.V.

*Evilim B.V.*

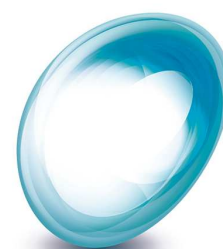
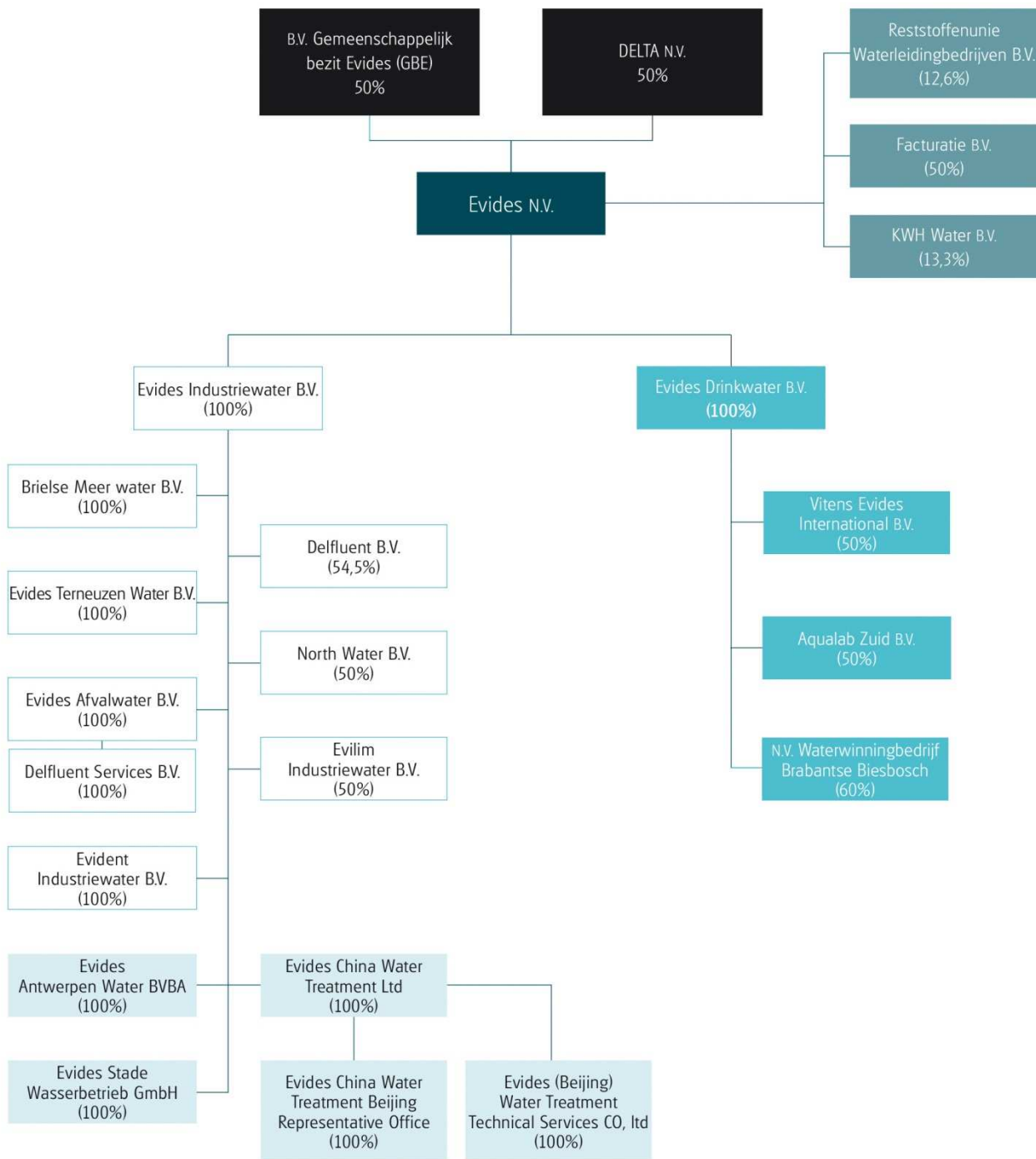
Evides established the Evilim Industriewater BV joint venture in collaboration with Waterleiding Maatschappij Limburg with the aim of combining forces to acquire and operate projects in the process and waste water markets in the south of the Netherlands. Evides has a 50% participating interest in Evilim.

*Other subsidiaries*

Evides has the following 100% subsidiaries handling the company's international industrial water projects: Evides Stade Wasserbetrieb GmbH, Evides Antwerpen Water BVBA, Evides China Water Treatment Ltd (with premises in Beijing and Shanghai) and Evides (Beijing) Water Treatment Technical Services CO, Ltd.



Appendix 4 **Structure of Participating Interests**



## **Members of the Supervisory Board**

### **Mr J.A. van Manen (1950), chairman**

Nationality: Dutch

Profession/principal position: Partner Strategic Management Centre Laren

Date of first appointment: 28 June 2012

Current term of appointment: until 28 June 2016

#### *Ancillary positions*

- Partner Strategic Management Centre (boardroom consultants)
- Academic Corporate Governance (Rijksuniversiteit Groningen)
- Member of the Supervisory Board Stichting de Nationale Sporttotalisator (De Lotto)
- Member of the Supervisory Board De Nederlandsche Bank
- Member Monitoring Commission Corporate Governance Code (Commission Streppel)
- Member of the Supervisory Board Museum Boijmans van Beuningen
- Member of the Board of Stichting Maatschappij en Veiligheid
- Chairman Advisory group Management board issues of the VTW (Union of Supervisors in Housing corporations)
- Member of the Board Stichting Globetrotter

### **Mr J.P. de Kreij (1959)**

Nationality: Dutch

Profession/principal position: Vice chairman of the Board of Directors and CFO Koninklijke Vopak N.V.

Date of first appointment: 28 June 2006

Current term of appointment: until 28 June 2014

#### *Ancillary positions*

- Member of the Advisory Council for Security Issuing Institutions Euronext Amsterdam
- Member of the Supervisory Board CSM N.V.

### **Mrs A.G. Nijhof (1966)**

Nationality: Dutch

Profession/principal position: General Director Tauw Group BV

Date of first appointment: 30 September 2012

Current term of appointment: until 30 September 2016

#### *Ancillary positions*

- Member of the supervisory board Naturalis Biodiversity Centre
- Member Adaptation Committee UNFCCC

### **Mr F. Verhagen (1961)**

Nationality: Dutch

Profession/principal position: CFO of DELTA N.V.

Date of first appointment: 24 June 2009

Current term of appointment: until 24 June 2013

#### *Ancillary positions*

- Member of the Supervisory Board of DELTA Netwerkbedrijf
- Vice chairman of the Board of Directors of Indaver N.V.
- Member of the Supervisory Board Admiraal de Ruyter Ziekenhuis

### **Mr S. J. Heijning (1952-2012)**

Nationality: Dutch

Profession/principal position: Member Provincial Executive of Zeeland

Date of first appointment: 1 June 2011

#### *Ancillary positions*

- none

**Mr D.A. van Doorn (1950)**

Nationality: Dutch

Profession/principal position: Director /Owner Van Doorn Consultancy

Date of first appointment: 28 June 2012

Current term of appointment: until 28 June 2016

*Ancillary positions*

- Chairman Delta Port Donatiefonds
- Chairman Dry Bulk Experts Group
- Member of the Advisory Council Erasmus SmartPort, EUR
- Several advisory functions in trade and industry

**Mr. H.G. Bouwman (1952)**

Nationality: Dutch

Profession/principal position: Director /Legal advisor Masuca Advies BV

Date of first appointment: 30 September 2012

Current term of appointment: until 30 September 2016

*Ancillary positions*

- Recommendation commissioner Supervisory Board LindeGas BOC
- Member of the Board Stichting Preferente Aandelen Wolters-Kluwer
- Member of the Advisory Council Amstelco plc en Amstelco Energy Resources tbk Jakarta
- Member of the Advisory Council The Waste Transformers
- Member Hague Legal Partners (HLP)

**Executive Board****Mr P. Vermaat (1965)**

Nationality: Dutch

Profession/principal position: General Director, Evides Waterbedrijf

Date of appointment: March 2008

*Ancillary positions*

- Member of the Supervisory Board KWH Water B.V.
- Member of the Supervisory Board Delfluent B.V.
- Board Member of the Water Training Institute
- Board Member of Water for Life

