

### **Grontmij shows strong growth in first quarter of 2006**

- **After-tax profit in first quarter – EUR 3.7 million (2005 – EUR 2.5 million)**
- **Operating income consultancy and engineering activities in first quarter – EUR 88.6 million (2005 – EUR 85.2 million)**
- **Outlook for 2006 unchanged – continued growth in profitability**

**Grontmij achieved a profit after taxes of EUR 3.7 million in the first quarter of 2006 as compared to EUR 2.5 million in 2005. The increase in after-tax profit is primarily due to market recovery in the Netherlands.**

#### **Operating income and profit in first quarter of 2006**

In the first quarter of 2006, Grontmij's profit grew by 48% as compared to the same quarter of last year. The net profit amounted to EUR 3.7 million, up from EUR 2.5 million in 2005. The operating income fell to EUR 95 million from EUR 103 million in 2005. The recovering market led to more contracts in the construction, infrastructure and environment sectors, and also to a better margin, especially in the Netherlands. Profit per share was EUR 0.92 as compared to EUR 0.62 in 2005.

The fall in operating income in the first quarter of 2006 was the consequence of domestic and foreign disposals in the field of property development. The operating income of the consultancy and engineering firms rose in the first quarter by about 4%, to EUR 88.6 million over EUR 85.2 million in 2005. The operating profit (the sum of project result and capacity result) of the consultancy and engineering firms jumped 30% to EUR 5.1 million from EUR 3.9 million in 2005, thanks especially to the improved rate of capacity utilisation. In the first quarter of 2006, the margin before interest and tax for the consultancy and engineering firms was 6.1% compared to 4.9% in the first quarter of 2005 (inclusive of third-party project costs).

The operating income of the activities held for sale amounts to EUR 6.2 million (EUR 17.5 million in 2005). In the first quarter of 2006, the margin before interest and tax for the activities held for sale was zero compared to -6% in 2005.

The first-quarter figures are unaudited.

#### **Strategy**

In 2004, Grontmij undertook the largest restructuring project in its corporate history. The final stage of this operation involves executing the strategic decision to sell off the capital-intensive mineral extraction, property development and waste management businesses. The proceeds will be used to reduce the interest-bearing loan or strengthen Grontmij's liquidity position so that more investments can be made in acquisitions and innovations for the growth of the consultancy and engineering firms.

In April 2006 Grontmij came to an agreement with the shareholder of two consultancy firms, Vandertuuk and Route IV (combined operating income of EUR 1.2 million in 2005), both of which focus on market research, policy advising and

project management in the fields of leisure, recreation, tourism and traffic and transport. Thanks to this take-over, Grontmij has further strengthened its position in this market following the take-over of Marktplan in December 2005. The take-over will be completed in the second quarter of 2006.

The process of disposing of the capital-intensive activities requires due care given the large number of minority interests involved and the prevailing climate of the Dutch market. This means that more time is needed to complete the process than was originally foreseen when it was launched at the beginning of 2004, and for this reason it will continue.

Negotiations are in full swing for various projects in the Netherlands and abroad, including the exercising of the option on one of the two projects in Italy. Of the activities held for sale, which have a book value of EUR 80 million, we expect to be able to sell a substantial number by the end of 2006.

Since 1 January 2006 we acquired a number of interesting projects, of which a selection is mentioned below:

- Partner program Infrastructure Management, a partnership between Rijkswaterstaat, the British Highways Agency, Atkins and Grontmij. In this programme experiences are exchanged and best practices are collected aimed at improving customer satisfaction of Rijkswaterstaats clients by improved and smart maintenance of roads and waterways and the supply of fast and reliable circulation (turnover EUR 2 million per year);
- design and supervision of the reconstruction of the ring of Brussels (total building costs EUR 30 million);
- Masterplan reconstruction channels and sluices in Northern Brandenburg, Germany (assignment for several years )

#### **Outlook for 2006**

Given the trend in turnover and profits in the first quarter of 2006, and the market developments, the outlook for the year as a whole is unchanged. Not counting exceptional items, we expect continued growth in our profitability throughout 2006.

De Bilt, 17 May 2006

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*Financial calendar*

<i>17 May 2006</i>	<i>Annual General Meeting</i>
<i>17 August 2006</i>	<i>Publication of mid-year figures for 2006</i>
<i>9 November 2006</i>	<i>Publication of third quarter figures for 2006</i>
<i>15 March 2007</i>	<i>Publication of financial statements for 2006</i>
<i>10 May 2007</i>	<i>Publication of first quarter figures for 2007</i>
<i>10 May 2007</i>	<i>Annual General Meeting</i>
<i>16 August 2007</i>	<i>Publication of mid-year figures for 2007</i>
<i>1 November 2007</i>	<i>Publication of third quarter figures for 2007</i>

Grontmij wants to be the best local service provider for consultancy, management, engineering and contracting related to projects in the fields of construction, infrastructure and the natural environment. By doing so our employees create value for our customers and shareholders, and contribute to sustainable housing, working and living environments.

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