

Press Release

TKH Group N.V. (TKH)
Trading update 1st quarter 2012

Lower turnover and result in first quarter

Highlights

- Turnover down by 7.1% to € 258.9 million.
- Increase in turnover Telecom Solutions, mainly due to optical fibre systems.
- Decrease in turnover Industrial Solutions in line with announced lower order intake in 2011 – increase in order intake in first quarter 2012.
- EBITA decreases 12.2% to € 20.2 million.
- Difficult comparison basis due to exceptional good first quarter 2011.

Key figures (in mln. € unless otherwise stated)

	Q1 2012	Q1 2011	Change in %
Turnover	258.9	278.6	- 7.1
EBITA	20.2	23.0	- 12.2
Net profit before amortisation ¹⁾	12.5	16.3 ²⁾	- 23.1
Net profit	11.1	15.0 ²⁾	- 26.2
ROS	7.8%	8.3%	

1) Amortisation of intangible fixed assets related to acquisitions (after taxes)

2) Including a one off tax gain of € 1.0 million as a result of the application of the innovation box of the Dutch tax authority related to prior periods.

Alexander van der Lof, CEO of technology company TKH: *"Turnover and profit developed in line with our expectations. The exceptional good first quarter 2011 made it difficult to equal turnover and profit. Compared to the fourth quarter 2011 turnover did increase. The level of costs was relatively high due to the lower capacity utilisation and to the anticipating of a higher level of activity in some segments. The increased order intake in Industrial Solutions offers perspective that related markets are recovering. The market conditions within Building Solutions are expected to remain challenging for the remainder of this year due to the adverse conditions in the construction sector."*

Developments first quarter

Turnover decreased with 7.1% to € 258.9 million (Q1 2011: € 278.6 million). Of this decrease 1.3% was the result of lower raw material prices charged on to customers. Acquisitions accounted for 2.5% of turnover. On balance, revenue organically declined with 8.3%. Compared to the fourth quarter 2011 turnover increased by € 1.3 million.

The decrease in turnover was the strongest in Industrial Solutions with 9.2%. Turnover within Building Solutions fell by 8.5%. Within Telecom Solutions turnover increased 5.0%.

The operating result before amortisation of intangible assets (EBITA) decreased by 12.2% from € 23.0 million in the first quarter of 2011 to € 20.2 million in the first quarter of 2012. In Telecom and Industrial Solutions, an increase was realized, the Building Solution segment showed a decrease. This decrease was mainly caused by the lower capacity utilisation followed by the lower turnover.

Financial expenses were with € 1.7 million at the same level as in the first quarter of 2011. The rise due to the increased bank debts was compensated by a positive currency effect of € 0.6 million compared with the first quarter of 2011.

The effective tax burden increased from 18.4% in the first quarter of 2011 to 23.2% in the first quarter of 2012. In the first quarter of 2011 a one-off gain was booked following the application of the innovation box of the Dutch tax authority which was related to prior periods. The normalized tax burden in the first quarter of 2011 amounted to 23.7%.

Net profit before amortisation in the first quarter of 2012 amounted to € 12.5 million (Q1 2011: € 16.3 million). Net profit for the first quarter of 2012 decreased to € 11.1 million (Q1 2011: € 15.0 million), a drop of 26.2%. As a result of a one-off tax gain in 2011 the decrease in net profit was larger than the decrease in EBITA.

Net bank debts increased by € 27.5 million to € 128.0 million from year-end 2011, primarily as a result of acquisitions. The net debt/EBITDA ratio came in at 1.1 and the interest coverage ratio at 13.0, by which TKH is operating well within the financial ratios agreed with its banks.

Telecom Solutions

Turnover in the Telecom Solutions segment rose by 5.0% to € 39.0 million. This turnover increase came primarily from the sub-segment optical fibre systems. The markets in both Europe and Asia grew. The launch of the expansion investments went well. The other segments showed a slight decrease in turnover. EBITA increased.

Building Solutions

Turnover in the Building Solutions segment decreased by 8.5% to € 92.0 million. Within the sub-segments building technologies and connectivity systems turnover decreased while security systems showed an increase, mainly due to acquisitions. The adverse market conditions in the construction sector as well as the frost period had a negative effect on the turnover in connectivity systems. EBITA declined.

Industrial Solutions

Turnover in the Industrial Solutions segment decreased by 9.2% to € 127.9 million. Within connectivity systems turnover declined slightly. Turnover in manufacturing



systems declined in line with the lower order intake in recent quarters. The order intake increased in the first quarter of 2012, which confirmed the interest from the market to continue with the announced renewal and expansion plans, although with some delay. EBITA rose slightly.

Outlook

In view of the uncertain economic conditions it is still too early to issue a profit forecast for TKH for 2012. In line with previous years, TKH will strive to give a forecast for the full year at the publication of its first-half results 2012.

Haaksbergen, 9 May 2012

Executive Board

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Financial calendar

15 May 2012	General Meeting of Shareholders 2012
22 August 2012	Q2 and interim results 2012
8 November 2012	Trading update Q3 2012

Profile

Technology company TKH Group NV (TKH) is an internationally active group of companies that specialises in the creation and delivery of innovative Telecom, Building and Industrial Solutions.

Telecom Solutions develops, produces and supplies systems ranging from outdoor infrastructure for telecom and CATV networks through to indoor home networking applications. TKH Telecom Solutions operates in three distinct sub-segments: optical fibre networks, copper networks and indoor telecom systems.

Building Solutions develops, produces and supplies solutions in the field of efficient electro-technology ranging from applications within buildings through to technical systems that – combined with software – provide efficiency solutions for among others the care, traffic and security sectors. Building Solutions operates in three distinct sub-segments: building technologies, security systems and connectivity systems.

Industrial Solutions, develops, produces and supplies solutions ranging from specialty cable, “plug and play” cable systems through to integrated systems for the



production of care and truck tyres. Industrial Solutions operates in two distinct sub-segments: connectivity systems and manufacturing systems.

TKH's continuous focus on research and development gives the company a portfolio of products and services that guarantee technologically-advanced solutions. TKH and its various operating companies are active worldwide. Growth is concentrated in North West and Central and Eastern Europe and Asia. In 2011, TKH booked turnover of € 1.1 billion with a workforce of 4,062 employees.