

FULL YEAR RESULTS AND DEVELOPMENTS 2018

5 March 2019

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HIGHLIGHTS &
PROGRESS STRATEGY
2018



HIGHLIGHTS 2018



(in million € unless stated otherwise)	Q4 2018	Q4 2017 ¹⁾	Δ in %
Turnover	428.7	385.3	+11.3%
EBITA before one-off expenses ²⁾	51.6	42.3	+22.2%
ROS	12.0%	11.0%	
Net profit before amortization ³⁾ and one-off income and expenses ¹⁾ attributable to shareholders	35.9	27.9	+28.4%

(in million € unless stated otherwise)	2018	2017 ¹⁾	Δ in %
Turnover	1,630.8	1,484.8	+9.8%
EBITA before one-off expenses ²⁾	184.6	149.4	+23.5%
ROS	11.3%	10.1%	
Net profit before amortization and one-off income and expenses attributable to shareholders ³⁾	121.1	95.6	+26.7%
Earnings per ordinary share before amortization and one-off income and expenses ³⁾	€ 2.88	€ 2.27	
Dividend (proposal) per share	€ 1.40	€ 1.20	
ROCE	21.3%	19.7%	

1) The comparative figures for 2017 have been restated due to retrospective application of IFRS 15 'Revenue from contracts with customers'.

2) The one-off charges in 2017 concern restructuring costs of € 6.3 million (Q4 2017: € 4.6 million).

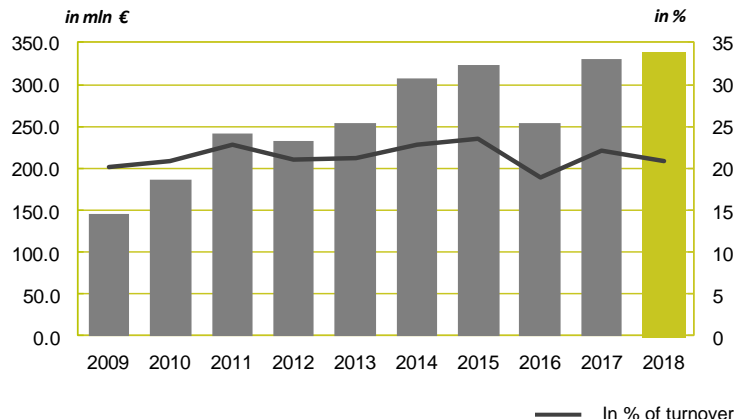
3) Amortization of intangible non-current assets related to acquisitions (after tax).

- Turnover growth of 9.8% (Q4: 11.3%)
 - Organic +9.4% (Q4: 10.2%)
 - High turnover growth in vertical growth markets: +12.0%
 - Innovations in turnover: 20.8%
- EBITA growth before one-off expenses of 23.5% (Q4: 22.2%) – increase in all Solution segments
- Net profit before amortization and one-off income and expenses attributable to shareholders € 121.1 million (+26.7%) – in line with communicated bandwidth of € 116 - € 122 million
- Successful closing of acquisition of Lakesight Technologies – strengthening position in vertical growth markets Machine Vision and Tunnel & Infra
- Dividend proposal: € 1.40 per (depository receipt of an) ordinary share

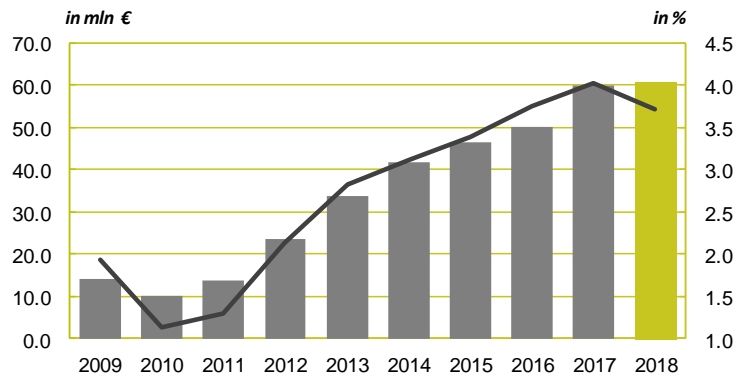


GOOD PROGRESS IN STRATEGY EXECUTION IN 2018

Turnover from innovations



R&D expenditure



- Investments in ongoing innovation, strengthening commercial and technical organization and expanding production capacity:
 - 3D smart sensor technology production capacity increased and commercial organization further expanded vision & security system
 - Acquisition of Lakesight Technologies – strengthening our position in Machine Vision and Tunnel & Infra – contribution to earnings per share as of 2019 vision & security systems
 - Acquisition of start-up Ognios GmbH (Austria) – certified mission-critical communication system for Marine & Offshore vision & security systems
 - Modernization and expansion facility for medical and industrial cable assemblies (Ukraine) industrial connectivity systems
 - Commissioning new factory for high-grade industrial cable systems (China) industrial connectivity systems
 - Doubling capacity in factory for tire building systems in Poland manufacturing systems
 - Expansion fiber-optic production capacity in progress – completed mid-2019 fiber network systems
- Our innovations respond well to positive trends for investments in robotics and constant need to increase productivity, efficiency, safety and quality
- Good progress in technologies, such as subsea cable systems and airfield ground lighting – materialization of turnover and profit still to come

STRONG BASE FOR GROWTH IN VERTICAL GROWTH MARKETS WITH FOCUS ON 25 BUILDING BLOCKS



Fibre Optic Networks	Care	Parking	Tunnel & Infra	Marine & Offshore	Machine Vision	Tire Building
Market share growth France / Germany / Nordics / Poland	Internationalization Homecare & Community platform	Differentiation via smart-sensor / CCTV to 'frictionless' parking	Airfield Ground Lighting-technology based on CEDD- technology	Connectivity- solutions for subsea	High market growth 2D-inspectie in combination with innovations	Market share growth within Top 5- tire manufacturers
Robot solutions for patching - SAODF	Internationalization of integrated vision & security solutions for hospitals	Internationalization of integrated vision & security solutions for parking garages	Internationalization of integrated vision & security solutions for tunnels	Internationalization of integrated vision & security solutions	High market growth 3D-inspection in combination with innovations	Market share growth 'tire component preparation', Truck Tires & 'Light Truck tire manufacturing'
Smart security solutions for POP's	Blistering-technology for pharmacy – INDIVION	Market growth and TKH positioning North-America / Europe / Australia / Middle East	Market share growth Benelux / Nordics	Internationalization of connectivity- solutions	Market share growth North-America / Europe / Asia	New tire building platform UNIXX & MILEXX
	Dispenser- technology for medicines			Special portfolio 'mission critical' communication	Medical and tire building inspection systems	Increase share in turnover Service & Spare parts business

WELL ON TRACK TO REALIZE OUR MEDIUM-TERM TARGETS



Turnover (in € millions)	2012	2017	2018	Growth scenarios	
Fibre Optics Network	80	127	134	175	200
Parking	20	47	58	75	100
Tunnel & Infra ¹⁾	30	78	98	100	150
Marine & Offshore	20	58	69	100	125
Care	30	52	58	70	100
Machine Vision	95	128	129	250	300
Tire Building Industry	175	295	333	450	550
Growth verticals	450	785	879	1,220	1,525
Other vertical markets	652	700	752		
Total	1,102	1,485	1,631		

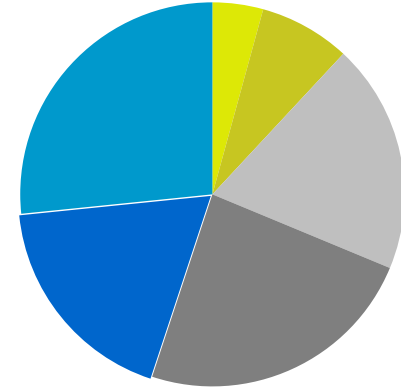
¹⁾ In 2017, revenue of € 29.9 million related to energy cable has been reclassified from Other vertical markets to Tunnel & Infra.

- Innovations, investments and focus on vertical growth markets with core technologies – 12.0% growth in vertical growth markets and 7.4% in other markets
 - Innovations not only successful within, but also outside vertical growth markets
- Scale increases efficiency – higher returns with investments in R&D, production capacity and market positioning
- Increased investment demand for energy networks in connection with the need for alternative energy supplies – turnover energy cables in growth vertical Tunnel & Infra
- Expectation that turnover in 7 vertical growth markets can grow by € 300 - € 500 million over the next 3-5 years – mainly organic growth > 80%
- Due to strategic steps taken, achievement of our targets is well on track

	2017	2018	Targets (mid-term)
ROS	10.1	11.3	12 - 13%
ROCE	19.7	21.3	21 - 23%
NET debt / EBITDA	0.9	1.5	<2.0

DEVELOPMENTS SOLUTIONS SEGMENTS 2018

Turnover per segment (in %)



	2018	2017
Telecom Solutions	12.0%	12.9%
Indoor Telecom & copper Solutions	4.3%	4.6%
Fibre Network Systems	7.7%	8.3%
Building Solutions	43.1%	42.8%
Connectivity Systems	19.3%	18.6%
Vision & Security Systems	23.8%	24.2%
Industrial Solutions	44.9%	44.3%
Connectivity Systems	18.3%	18.0%
Manufacturing Systems	26.6%	26.3%

(in million € unless stated otherwise)	2018	2017	Δ in %
Turnover	194.5	191.5	+ 1.6%
EBITA	28.1	25.9	+ 8.7%
ROS	14.5%	13.5%	



Fibre network systems: turnover share 7.7%

- Organic turnover growth: +2.6%
- Higher turnover in Germany, France and Poland
- Growth in China has slowed down – global demand for optical fibre is still strong
- Limited availability of preforms in 2018 – capacity expansion for preforms at joint venture partner available in 2019 – expansion of TKH's optical fibre production capacity operational in mid-2019
- ROS improvement due to turnover growth, high capacity utilization level, improved efficiency and increased demand for more complex cable specifications with higher gross margins

Indoor telecom & copper networks: turnover share 4.3%

- Organic turnover growth: +1.0%
- Growth driven primarily by broadband connectivity portfolio for Benelux
- Gross margin increase on the back of improved product mix

(in million € unless stated otherwise)	2018	2017 ¹⁾	Δ in %
Turnover	703.7	636.2	+ 10.6%
EBITA ²⁾	67.8	52.3	+ 29.8%
ROS	9.6%	8.2%	

1) The comparative figures for 2017 have been restated due to retrospective application of IFRS 15 'Revenue from contracts with customers'.

2) Excluding one-off income and expenses .



Vision & Security systems: turnover share 23.8%

- Organic turnover growth: +6.1%
- Successful closing acquisition of Lakesight Technologies
- Growth in Parking and Tunnel & Infra – increase in parking guidance systems – some large contracts won
- Limited organic turnover growth in Machine Vision
 - Reluctance to invest in new production lines among consumer electronics manufacturers
 - Growth of 3D smart sensor technology segment – newly introduced systems are proving successful – substantial expansion production capacity based on growth potential – additional expenses in 2018
- Last year's program to increase focus on core activities and improvement returns – termination of number of activities in security segment – limited impact on turnover

ACQUISITION LAKESIGHT TECHNOLOGIES



- › Based in Italy
- › Develop & produce area scan, line scan & smart cameras and complete vision systems
- › Interfaces: GigE & Camera Link
- › Focus on traffic infrastructure, railway and industrial vision



- › Based in Germany
- › Develop & produce high-speed cameras, recording systems and embedded PCs
- › Interfaces: CoaXPress, fibre optics, Camera Link & GigE
- › Focus on industrial automation, scientific business & high-speed applications



- › Based in Germany
- › Develop & produce line scan cameras and customized 2D/3D & multispectral systems
- › Interfaces: Camera Link
- › Focus on printing, industrial vision, surface inspection & food industries

APPLICATIONS



Traffic monitoring & toll systems



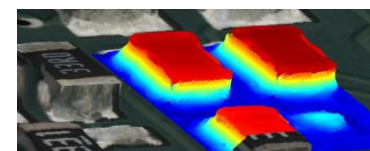
Railway & Road inspection



Medical imaging



Food packaging and inspection



PCB inspection of boards



Parking access control



Pharma packaging and sorting



Security print



Semiconductor inspections



Additive manufacturing

(in million € unless stated otherwise)	2018	2017 ¹⁾	Δ in %
Turnover	703.7	636.2	+ 10.6%
EBITA ²⁾	67.8	52.3	+ 29.8%
ROS	9.6%	8.2%	

1) The comparative figures for 2017 have been restated due to retrospective application of IFRS 15 'Revenue from contracts with customers'.

2) Excluding one-off income and expenses.



Connectivity systems: turnover share 19.3%

- Organic turnover growth: +14.2%
- Growth in several market segments – e.g. construction and infra sectors and data cable systems
- Tunnel & Infra
 - Increased investment demand for energy networks in connection with need for alternative energy supplies – positive effect on demand for energy cables from network companies
 - Growth in airfield ground lighting ('AGL') systems – new CEDD technology for AGL successfully applied in projects – integration of various TKH technologies and competencies – costs are still ahead of benefits
- Marine & Offshore
 - Growth partly due to start-up of new production facility for subsea cable systems – costs are still ahead of benefits
 - Increased market share in cable systems for marine industry

(in million € unless stated otherwise)	2018	2017 ¹⁾	Δ in %
Turnover	732.6	657.1	+ 11.5%
EBITA ²⁾	105.7	87.2	+21.2%
ROS	14.4%	13.3%	

1) The comparative figures for 2017 have been restated due to retrospective application of IFRS 15 'Revenue from contracts with customers'.

2) Excluding one-off income and expenses



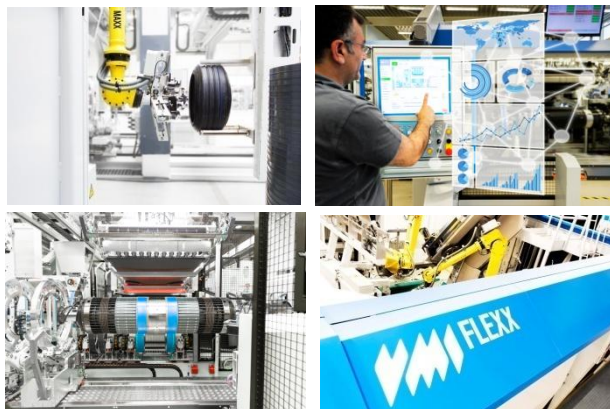
Connectivity systems: turnover share 18.3%

- Organic turnover growth: +11.4%
- Growth driven by growing demand for robot systems and automation trends in industrial production processes – excellent position with our cables and cable systems
- Increased turnover in specialty cable systems in medical industry
- Investments in expansion of production capacity
 - New production facility for high-grade industrial cable systems in China progressed as planned – into operation in Q3 2018
 - Modernization and expansion of facility for medical and industrial cable assemblies in Ukraine
 - Both investments contributed to growth

(in million € unless stated otherwise)	2018	2017 ¹⁾	Δ in %
Turnover	732.6	657.1	+ 11.5%
EBITA ²⁾	105.7	87.2	+21.2%
ROS	14.4%	13.3%	

1) The comparative figures for 2017 have been restated due to retrospective application of IFRS 15 'Revenue from contracts with customers'.

2) Excluding one-off income and expenses



Manufacturing systems: turnover share 26.6%

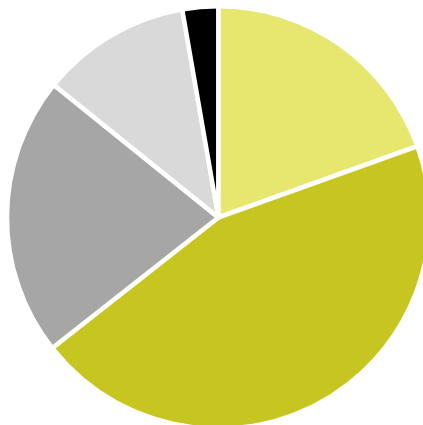
- Organic turnover growth: +11.5% – due to high order intake in 2017 and H1 2018 – engineering and production on high level
- Increase of EBITA and ROS, despite continued high proportion of engineering for clients among top-five tire manufacturers
- 'Best supplier' awards received from Michelin and Pirelli – confirmation of outstanding quality of our organization and position among world's top-five tire manufacturers
- Order intake 2018: € 334 million (2017: € 346 million)
 - Delay in announced projects in amongst others USA
 - Share of top-five tire manufacturers increased further
 - Order intake in China at a low level – given decline in capacity utilization in tire manufacturing industry situation not expected to change in 2019
- End 2018, production capacity in Poland further increased – creates more room for growth and flexibility production facilities – also with view to international trade tariffs

FINANCIAL
PERFORMANCE
2018



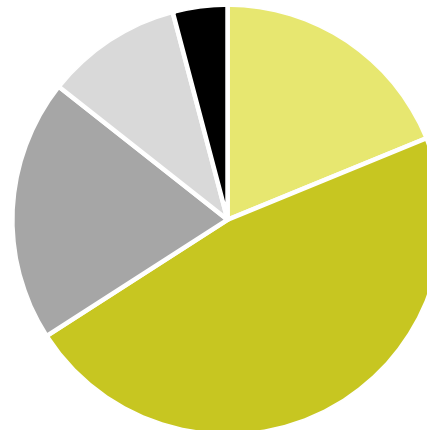
GEOGRAPHICAL DISTRIBUTION OF TURNOVER

Geographical distribution of turnover (in %)



2018

	Netherlands	20
	Europe (other)	45
	Asia	21
	North America	11
	Other	3



2017

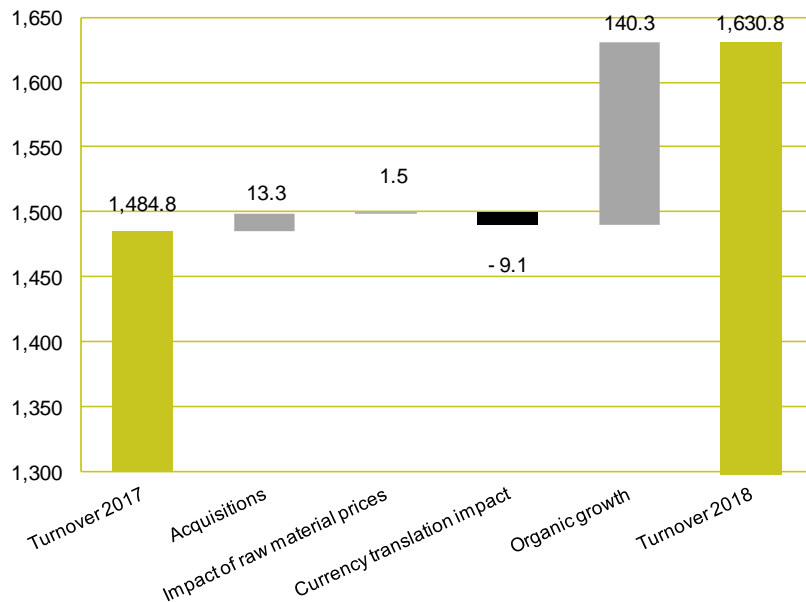
	Netherlands	19
	Europe (other)	47
	Asia	20
	North America	10
	Other	4

TURNOVER AND GROSS MARGIN

(in € million)	2018	2017 ¹⁾	Δ in %
Turnover	1,630.8	1,484.8	+ 9.8%
Raw materials and subcontracted work	-889.6	-816.5	
Gross margin	741.2 45.5%	668.3 45.0%	+ 10.9%

1) The comparative figures for 2017 have been restated due to retrospective application of IFRS 15 'Revenue from contracts with customers'.

Change in turnover (in € million)



- Organic revenue growth of 9.4%
- Revenue from acquisitions :
 - Acquisitions from 2017
 - Redline CNC Manufacturing Ltd
 - Jacques Technologies Pty Ltd
 - Akutron LLC (1 January 2018)
 - Lakesight Technologies (16 October 2018)
- Gross margin increased to 45.5% (2017: 45.0%)
 - Change in product mix
 - Normalization of start-up costs

OPERATING EXPENSES AND EBITA

(in € million)	2018		2017 ¹⁾		Δ in %
Turnover	1,630.8		1,484.8		+ 9.8
Raw materials and subcontracted work	-889.6		-816.5		
Gross margin	741.2	45.5%	668.3	45.0%	+ 10.9
Operating expenses	-556.6		-518.9		+ 7.3
EBITA before one-off expenses	184.6	11.3%	149.4	10.1%	+ 23.5

1) The comparative figures for 2017 have been restated due to retrospective application of IFRS 15 'Revenue from contracts with customers'.

- Operating expenses decreased as a percentage of turnover to 34.1% (2017: 34.9%), but increased in value by 7.3% due to:
 - Higher production level
 - Start-up production facility in China for high-grade industrial cable systems, expansion production capacity for 3D smart sensor technology and expansion production facility for tire building systems in Poland
 - Acquisitions increased costs by 1.7%
 - R&D expenses increased slightly to € 60.8 million (2017: € 59.9 million)
 - 49.6% capitalized as development costs (2017: 51.2%)
 - Increase depreciation with € 3.1 million due to high level of investments in recent years
- Higher start-up costs for new technologies and strengthening organization
- EBITA growth before one-off expenses: 23.5%
- ROS: 11.3% (2017: 10.1%)

ITEMS BELOW EBITA

(in € million)	2018		2017 ¹⁾		Δ in %
EBITA before one-off expenses	184.6	11.3%	149.4	10.1%	+ 23.5
Amortization	-40.3		-36.5		
Impairments	-1.5		-1.8		
One-off expenses			-6.3		
Operating result	142.7		104.9		
Financial expenses	-6.7		-8.0		
Result from associates	1.9		0.9		
Result from available-for-sale financial assets			6.3		
Change in value financial liabilities	0.5		3.9		
Result before taxes	138.4		108.0		
Taxes	29.7		20.5		
Net profit	108.7	6.7%	87.5	5.9%	+ 24.2
Net profit before amortization and one-off income and expenses attributable to shareholders	121.1		95.6		+ 26.7

1) The comparative figures for 2017 have been restated due to retrospective application of IFRS 15 'Revenue from contracts with customers'.

- Increase amortization due to acquisition of Lakesight Technologies and higher R&D investments in recent years
- Decrease financial expenses
 - Lower interest rates due to expiration of interest rate swaps
 - Negative exchange rate effect of € 0.3 million
- Result from other participations improved mainly due to 12.5% interest in Chinese preform Joint Venture (ShinEtsu - Fasten)
- Result from available-for-sale financial assets in 2017 relate to disposal of 5.06% interest in Nedap
- Change in financial liabilities was in 2017 impacted by release for squeeze-out procedure due to settlement with former minority shareholders of Augusta Technologies AG
- Increase tax rate to 21.4% (2017: 18.9%)
 - Tax rate in 2017 was impacted by relatively high one-off tax-exempt income
 - Fiscal R&D facilities, such as Dutch innovation box facility had a reducing effect on effective tax rate
- No contribution from acquisition Lakesight Technologies to net result, as acquisition costs were higher than consolidated results due to relatively short remaining period in 2018

BALANCE SHEET AS OF 31 DECEMBER 2018

(in € million)	31-12-2018	31-12-2017 ¹⁾
Assets		
<u>Non-current assets</u>		
Intangible non-current assets	544.1	392.2
Tangible non-current assets	245.4	229.2
Investment property	0.3	0.3
Financial non-current assets	14.0	13.5
Deferred tax assets	17.1	14.2
<u>Current assets</u>		
Inventories	255.0	218.8
Receivables	224.6	220.0
Contract assets	140.1	94.6
Contract costs	3.5	12.3
Cash and cash equivalents	83.2	87.7
Total	1,527.3	1,282.8

(in € million)	31-12-2018	31-12-2017 ¹⁾
Equity and liabilities		
<u>Group equity</u>		
Shareholders' equity	646.5	594.4
Non-Controlling interests	1.2	8.4
<u>Non-current liabilities</u>		
Non-current liabilities	238.5	187.3
Financial liabilities	0.6	2.9
Non-current provisions	73.6	56.5
<u>Current liabilities</u>		
Borrowings	170.6	57.4
Contract liabilities	57.0	60.3
Current financial liabilities	4.8	11.8
Current liabilities	334.5	303.8
Total	1,527.3	1,282.8

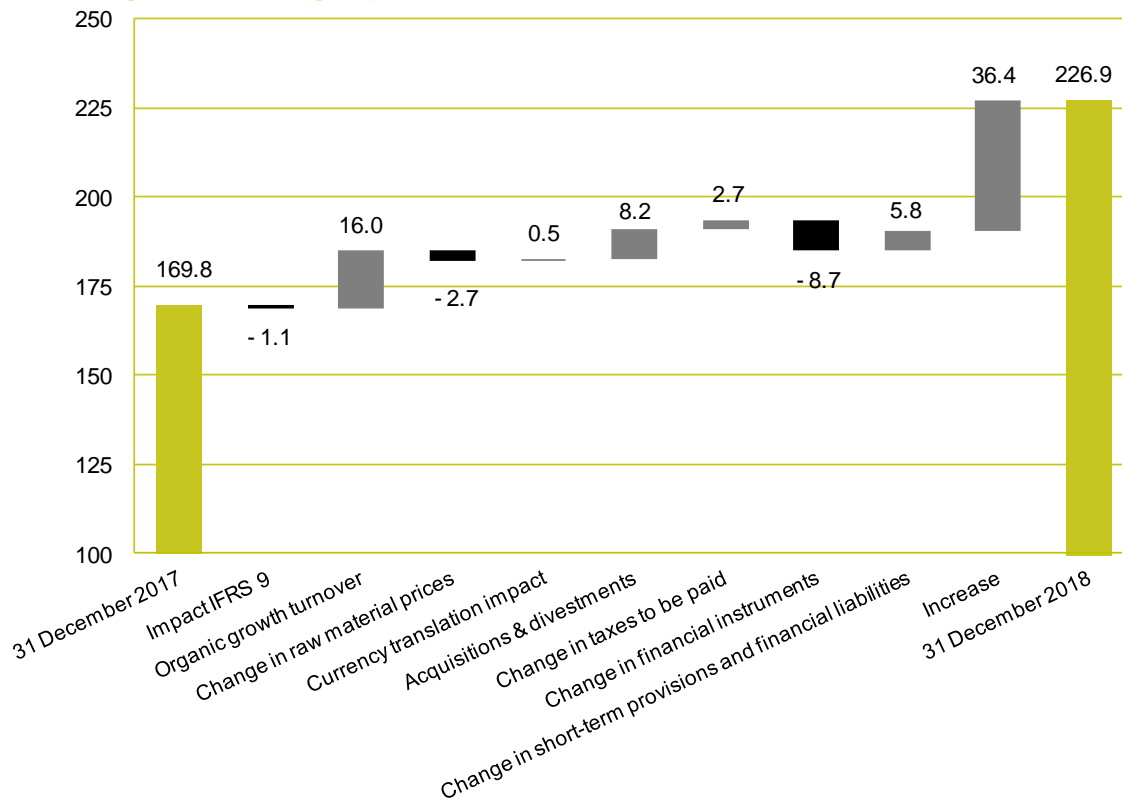
¹⁾ The comparative figures for 2017 have been restated due to retrospective application of IFRS 15 'Revenue from contracts with customers'.

- Cash and cash equivalents includes € 22.3 million (2017: € 42.0 million) that are part of a balance and interest compensation schemes
- Solvency of 42.4% (2017: 47.0%)

- Financial covenants
 - Net debt, based on financial covenant as agreed with banks, of € 326.6 million (2017: € 157.8 million)
 - Net debt/EBITDA of 1.5 (2017: 0.9), well below agreed covenant of 3.0

WORKING CAPITAL

Changes in working capital (in € million)



➤ Increase working capital as percentage of turnover to 13.9% (2017: 11.4%)

➤ Use of non recourse factoring:

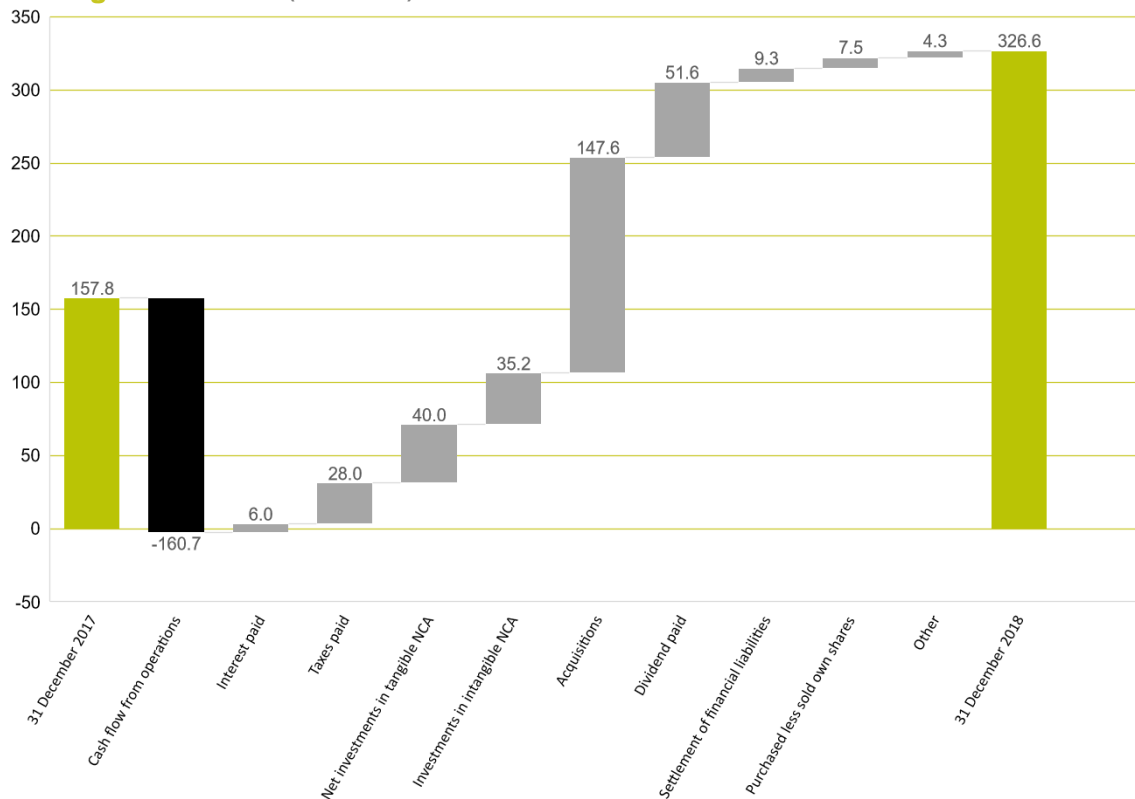
31-12-18	€ 52.6 million
30-06-18	€ 60.5 million
31-12-17	€ 50.9 million

➤ Use of supply chain finance:

31-12-18	€ 32.5 million
30-06-18	€ 47.9 million
31-12-17	€ 47.1 million

NET DEBT DEVELOPMENT

Change in net debt (in € million)



- Cash flow operations impacted by an increase in working capital
- Investments
 - Large part related to production sites, including expansion of capacity for sub-segments fibre network systems, vision & security systems, industrial connectivity systems and manufacturing systems
 - Investments intangible assets mainly in R&D, patents, licenses and software.
- Acquisitions mainly relate to Lakesight Technologies. Amount paid includes acquired net debt on the balance sheet of the acquisitions
- Cash dividend of € 1.20 per share, related to 2017, paid out in 2018

OUTLOOK



We expect, barring unforeseen circumstances, the following developments per business segment for the year 2019:

➤ Telecom Solutions

- Continued growth in investments in optical fibre systems in Europe and China
- TKH investments in market penetration in Europe and capacity expansions expected to contribute to growth from mid-2019
- In coming quarters more clarity if current over-capacity China will normalize due to investment plans announced by Chinese telecoms companies. If not (eventually) some margin pressure expected

➤ Building Solutions

- Vision & security systems: Growth primarily in this segment. Acquisition of Lakesight Technologies (Q4 2018) added a broad portfolio of high-grade vision technologies for industrial and mobility markets. Expected to translate into growth in Machine Vision. Expected growth in Parking due to further market penetration in North America and Europe with parking management, guidance and communications systems

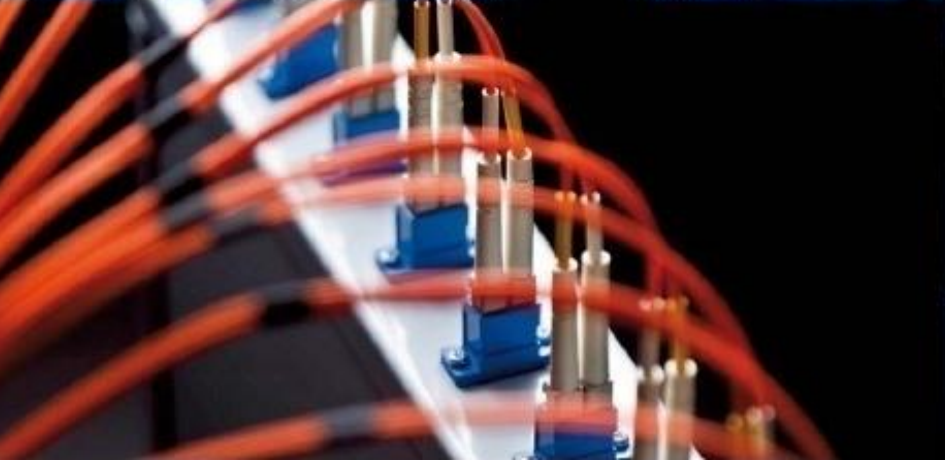
- Connectivity systems: Further growth in Tunnel & Infra due to increased demand for investment in energy networks. Turnover in subsea cable systems and airport technologies (CEDD/AGL) could still be limited due to focus on new contracts as from Q4 2018

➤ Industrial Solutions

- Connectivity systems: Some reluctance to invest in the industrial sector has impact on growth opportunities
- Manufacturing systems: Limited negative impact expected on order intake due to situation in China, but contribution to turnover from China already at very low level. Order book is well-filled and outlook for order intake in H1 2019 is good, which is reflected by projects already announced and investments carried over from 2018

TKH will give a concrete forecast for the full-year 2019 profit at the presentation of its interim results in August 2019

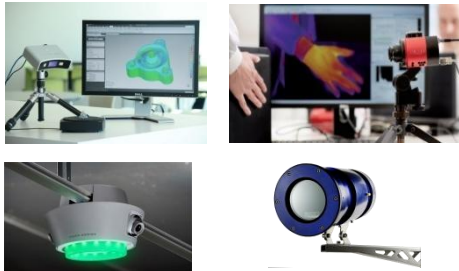
Innovative technology makes the difference



CORE TECHNOLOGIES

VISION & SECURITY:

- Video surveillance
- safety cameras (explosion proof)
- Video management and –analysis
- Guiding & lighting systems
- Access control & registration systems
- Industrial inspection & automation
- Robot control and diagnostics
- Quality control systems



MISSION CRITICAL COMMUNICATION

- Optical fibre systems
- Mission critical communication
- Intercom systems
- (Personal) alarm systems
- Evacuation systems
- Emergency systems
- Building management & monitoring
- Public address
- Audio systems



CONNECTIVITY

- Subsea cable systems
- Marine cable systems
- Optical fibre connectivity
- Contactless energy & data connectivity
- Specialty cable systems for robot, medical & machine building
- Drag chain systems
- Multi-Media-Connect
- Energy, building & Infra and installation connectivity



SMART MANUFACTURING

- Medicine distribution
- Tire assembling
- Tire component systems
- Passenger & Truck tire systems
- Vision inspection
- Product handling
- Production automation
- Scada systems



ANNEX II: VERTICAL GROWTH MARKETS



TKH – VERTICAL GROWTH MARKETS – FIBRE OPTIC NETWORKS



Growth drivers

- Data use through the impact of information and communication technology on the way we live our lives continues to grow
- Internet has become a basic service, like gas, water and electricity
- Developments such as the 'Internet of Things', 'Industry 4.0' and 'Internet of Vehicles' will require a high (mobile) internet speed - emergence of 5G internet
- 24-hour availability is becoming more established and accepted
- Several European countries have announced investment plans for rollout of FttH projects to meet the strong increasing need for bandwidth

Fibre optic networks



Position

- Integrated solutions – connectivity – security
- High knowledge level of network requirements customers
- Cost leadership
- Strong innovative power
- Resources prepared for growth with available and exiting capacity

Growth drivers

- Life expectancy is continually increasing and healthcare spending will increase sharply due to more and better, but also more expensive care – therefore, the demand for technologies for care solutions is increasing
- Changing healthcare funding: shifting from the government to the institutions and healthcare insurers
- Innovation in the field of domotics, diagnostics, e-health and self-testing for prevention and screening, provide new business in the sector.
- Shortage of skilled workers
- Informal caregivers play an important role and, together with the client and the healthcare professionals, are equal partners - technology support is necessary for the required information exchange
- The demand for medicines (volume) has been growing as a result of demographic developments, while the cost of care will have to be lowered
- Increase central task of preparing medicines in a remote location - acceptance of robotics in pharmacy wholesale

Position

- Smart Care concept with centralized management and community platform
- End to end, modular care platform including service concept with data hosting to increase care efficiency and quality
- Viedome is leading care concept in NL with increasing service model – selected international roll-out (Germany, France)

CARE

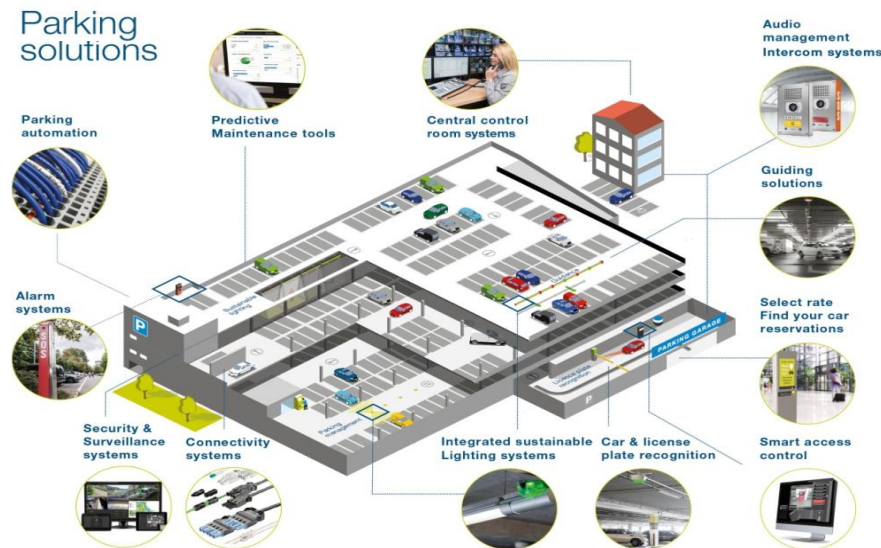


Growth drivers

- Revenue from car parks is under pressure due to low supply and mobility - need to reduce OPEX
- Demand for providing a visual dashboard with parking information - managers and car park operators can react faster and more efficient to current situations
- Increase capacity utilization and revenues by means of differentiated parking fee
- Demand for comfort and convenience for parkers
- Use of technologies to improve safety, access and payment possibilities
- Emergence of demand for frictionless parking can be achieved with new technology solutions

Position

- Efficiency through centralization, smart maintenance, yield management, modular parking solutions
- Expand leading position in North America, Australia and Europe with integrated parking solutions and address top locations ME
- Strong position with parking operators as well as hospitals, airports, retail and event locations



Growth drivers

- In Europe, investment in tunnel technology for new and existing tunnel are planned for the next few years
- Due to strict legislation and regulations in the field of security, ever increasing demands are made on the technical equipment
- Increasing demand for technologies in order to comply with strict requirements: evacuation - communication - detection - identification – security
- Principals are shifting responsibilities to the contractors - formation of alliances between principals and contractor so that parties have a common interest in cost control
- Availability infrastructure - tunnels, airports and roads - is increasing by the TKH advanced technologies that require less maintenance with more efficiency

Position

- Increasing demand for highly integrated security designed solutions for infrastructure tunnels
- Total security concepts (video and communication) for tunnels
- Disruptive airfield lighting concept based on CEDD technology
- Number 1 position in Benelux for tunnel security concepts

Tunnel & Infra solutions



Tunnel & Infra solutions Airport



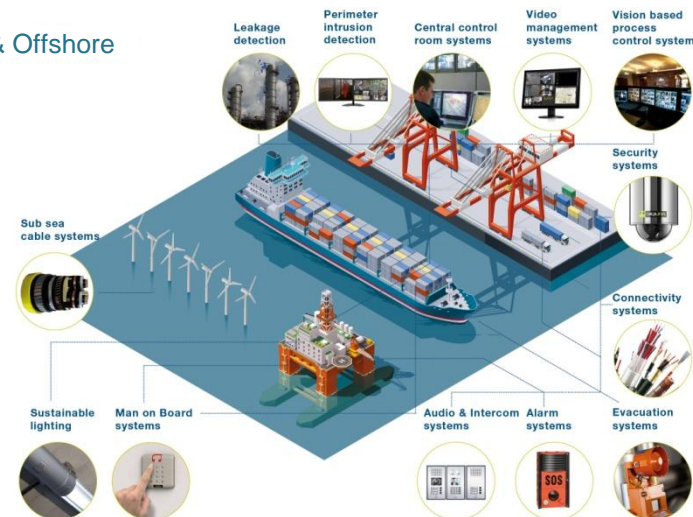
Growth drivers

- Large increase global generated power by wind power
- Demand for larger cargo ships and need for efficient external site management
- Increase in the building of quality ships, cruise liners and luxury yachts
- Increase of remote control and secure of unmanned operations on platforms
- A lot of attention for safety on platforms via special 'zone' certification.
- Modification of supply chain due to limited storage capacity on shipyards and platforms and high cost of downtime
- High demands on system availability under various environmental conditions, such as extreme temperatures, humidity, oil, salt water

Position

- Addressing Safety & Security in certification rich environment
- Vessel attendance system
- Subsea cable solutions
- Smart camera solutions incl. thermal, leakage detection, ATEX housing
- Mission critical communication
- Completing portfolio in data connectivity, power cables and safety
- Expanding in international large accounts

Marine & Offshore



TKH – VERTICAL GROWTH MARKETS – MACHINE VISION



Growth drivers

- Demand for vision technology is increasing due to trend towards industrial automation and robotics need
- Continue demand for more productivity and improvement of high quality of produced products
- Vision technology is a superior alternative for the inspection of production systems and for detection, inspection and identification that cannot be seen by the human eye
- Strong increase of new applications where vision technology will be applied
- Because of strict regulations to the quality of food and medicines, vision technology offers the solutions because of the 100% traceability and 'fail / pass' application

Industrial Machine Vision



Position

- Technology leadership in many application areas
- Market leader for high-end systems
- Strong innovation and R&D competence with breakthrough technology for 3D inspection
- Strong worldwide sales organisation
- Recognised by leading Industrial application companies worldwide as key supplier

TKH – VERTICAL GROWTH MARKETS – TIRE BUILDING



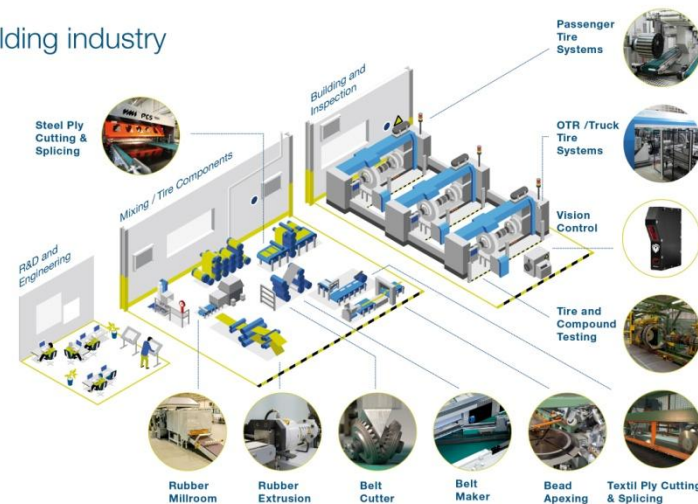
Growth drivers

- High priority of the tire manufacturing industry to replace existing technology with an emphasis on high productivity, efficiency, waste reduction, quality improvement and smaller batches
- The number of types of tire for passenger cars has increased more than tenfold in recent decades. This calls for more flexible production methods
- The trend towards ever larger tire dimensions and towards safer, better-quality tires requires technological developments
- Local production - innovations have become essential to reduce the working capital requirement in the supply chain of the tire manufacturing industry
- Over 70% of the existing tire manufacturing systems are older than 15 years
- Due to the high prices of raw materials, there is a need for a more efficient use of materials in the production of tires which asks for high tech manufacturing systems
- Due to rising labour costs, demands for manufacturing systems with higher productivity and high operator independence – ‘eyes & hands off’ manufacturing

Position

- Market share TKH in outsourced market: > 70%
- Total market share including top five tire manufacturers: > 20% – target >50%
- Technology leadership through high level of R&D - protected with patents and high innovation level
- Proprietary vision technology strong differentiator for the technology leadership

Tire building industry





TKH Group the solution provider <

Disclaimer

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The forward-looking statements are based upon our current expectations, plans, estimates, assumptions and beliefs that involve numerous risks and uncertainties. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, our actual results and performance could differ materially from those set forth in the forward-looking statements.