

Press Release

Brunel on track in Q2 in transitional year

Amsterdam, 16 August 2013

Key points Q2 2013

- Revenue up by 1% to € 305 million
- Gross margin at 17%, equal to last year
- EBIT down by 4% to € 13.5 million

Key points H1 2013

- Revenue up by 2% to € 601 million
- Gross margin at 17%, down from 18% last year
- EBIT down by 23% to € 26.9 million

Brunel International (unaudited)

x € 1 million

	Q2 2013	Q2 2012 (restated)	Change %	H1 2013	H1 2012 (restated)	Change %
Revenue	304.5	300.6	1.3%	600.7	588.1	2.1% *
Gross Profit	52.1	51.1	2.0%	104.5	106.9	-2.3%
Gross margin	17.1%	17.0%		17.4%	18.2%	
EBIT	13.5	14.0	-3.6%	26.9	34.8	-22.6%
EBIT %	4.4%	4.7%		4.5%	5.9%	

* At constant currency 3.2%

H1 2013 results by division

Brunel Europe (unaudited)

x € 1 million

	Q2 2013	Q2 2012	Change %	H1 2013	H1 2012	Change %
Revenue	94.6	91.6	3.3%	190.2	186.3	2.1%
Gross Profit	29.3	29.1	0.7%	60.8	63.5	-4.3%
Gross margin	31.0%	31.8%		32.0%	34.1%	
EBIT	7.6	7.3	4.1%	17.9	20.6	-13.1%
EBIT %	8.0%	8.0%		9.4%	11.1%	

Q2 2013

- Revenue up by 3% to € 95 million
- Gross margin at 31%, down from 32% last year
- EBIT up by 4% to € 7.6 million

H1 2013

- Revenue up by 2% to € 190 million
- Gross margin at 32%, down from 34% last year
- EBIT down by 13% to € 17.9 million
- Germany up compared to H1 2012
- The Netherlands and Other Europe down compared to H1 2012

Brunel Germany (unaudited)

x € 1 million

	Q2 2013	Q2 2012	Change %	H1 2013	H1 2012	Change %
Revenue	49.3	43.5	13.3%	98.7	87.5	12.8%
Gross Profit	17.0	14.6	16.4%	34.9	32.1	8.7%
Gross margin	34.5%	33.6%		35.4%	36.7%	
EBIT	5.6	3.6	55.6%	12.4	10.7	15.9%
EBIT %	11.4%	8.3%		12.6%	12.2%	

Revenue

Brunel Germany continues to grow and has increased its revenue compared to the same period in 2012, both in the quarter (+13%) as well as in H1 (+13%). This growth is fully attributable to the increase in the average number of direct employees which has increased by 13% compared to H1 2012.

Brunel Germany has started the year with a direct headcount of 5% below end of 2012. During H1 2013 the number of fee earning employees has developed well. Direct headcount has increased to 2,198 at the end of June 2013 which is exactly the same number at the end of December 2012.

The bench (non productive employees) has decreased to 3.8% at the end of June 2013.

Gross Profit

The increased average number of placements has resulted in an increase in gross profit compared to the same period last year. Q2 2013 gross profit amounts to € 17.0 million, up by 16% compared to Q2 2012.

H1 2013 gross profit amounts to € 34.9 million, up 9% compared to H1 2012.

Gross margin in H1 2013 is impacted by a lower number of working days compared to H1 2012 (-1.9 days).

Operating Costs

H1 2013 operating costs amount to € 22.5 million, up 5% compared to the same period last year.

This increase is mainly due to higher staff costs. Brunel Germany has further strengthened their commercial organisation and the number of indirect employees has grown resulting in increased staff costs.

EBIT

H1 2013 EBIT amounts to € 12.4 million, up 16% compared to the same period last year. EBIT% is 12.6%, up 0.4 ppt compared to H1 2012.

Brunel The Netherlands (unaudited)

x € 1 million

	Q2 2013	Q2 2012	Change %	H1 2013	H1 2012	Change %
Revenue	38.5	40.0	-3.8%	77.0	82.6	-6.8%
Gross Profit	10.8	12.8	-15.6%	22.7	27.6	-17.8%
Gross margin	28.1%	32.0%		29.5%	33.4%	
EBIT	2.3	3.9	-41.0%	5.8	10.0	-42.0%
EBIT %	6.0%	9.8%		7.5%	12.1%	

Revenue

Market conditions in The Netherlands remain challenging. Decreasing sales rates, decreased productivity and a lower average number of fee earning employees have resulted in less revenue compared to the same period last year, both in the quarter (-4%) as well as in H1 (-7%). In addition H1 2013 revenue is impacted by a lower number of working days compared to H1 2012 (-2 days).

During H1 2013 the number of fee earning employees has developed slowly and direct headcount has not yet reached the level as at the end of December 2012. Compared to H1 2012 the average number of fee earning employees has decreased by 1%.

Gross profit

H1 2013 gross profit amounts to € 22.7 million, down 18% compared to H1 2012. Gross margins have decreased compared to the same period last year, both in the quarter (-3.9 ppt) as well as in H1 (-3.9 ppt). Margins are affected by decreasing sales rates, decreased productivity and a lower number of working days (-2 days).

Operating Costs

H1 2013 operating costs amount to € 16.9 million, down 4% compared to the same period last year which is mainly due to lower staff costs. Mainly staff costs have decreased due to improved efficiency in the organisation and processes.

EBIT

As a result of less revenue, lower margins and lower overhead costs H1 EBIT amounts to € 5.8 million, down 42% compared to H1 2012. EBIT% amounts to 7.5% and has decreased by 4.6 ppt.

Brunel Europe other (unaudited)

x € 1 million

	Q2 2013	Q2 2012	Change %	H1 2013	H1 2012	Change %
Revenue	7.1	8.3	-14.5%	14.8	16.5	-10.3%
Gross Profit	1.5	1.7	-11.8%	3.3	3.7	-10.8%
Gross margin	21.1%	20.5%		22.3%	22.4%	
EBIT	-0.3	-0.2	-50.0%	-0.3	-0.1	-200.0%
EBIT %	-4.2%	-2.4%		-2.0%	-0.6%	

Revenue

The region Europe other consists of Belgium, Austria, Switzerland and Czech Republic. The latter two are still in the start up phase and have not yet generated revenue. Belgium and Austria are still facing challenging conditions.

H1 2013 revenue amounts to € 15 million and has decreased compared to the same period in 2012, both in the quarter (-15%) as well as in H1 (-10%).

Gross profit

H1 2013 gross profit amounts to € 3 million, down 11% compared to H1 2012. Gross margin amounts to 22.3%, down 0.1 ppt compared to the same period last year.

Operating Costs

H1 operating costs amount to € 3.6 million, down 5% compared to the same period last year.

EBIT

In the first half year Europe other has incurred a small loss which is in line with expectations.

Brunel Oil & Gas (unaudited)

x € 1 million

	Q2 2013	Q2 2012 (restated)	Change %	H1 2013	H1 2012 (restated)	Change %
Revenue	210.1	209.1	0.5%	410.8	402.0	2.2%
Gross Profit	22.8	22.0	3.6%	43.7	43.4	0.7%
Gross margin	10.9%	10.5%		10.6%	10.8%	
EBIT	7.1	8.9	-20.2%	14.1	17.8	-20.8%
EBIT %	3.4%	4.3%		3.4%	4.4%	

Q2 2013

- Revenue up by 1% to € 210 million
- Gross margin at 10.9%, up from 10.5% last year
- EBIT down by 20% to € 7.1 million

H1 2013

- Revenue up by 2% to € 411 million
- Gross margin at 10.6%, down from 10.8% last year
- EBIT down by 21% to € 14.1 million
- Energy up compared to H1 2012
- Projects down compared to H1 2012

Brunel Energy (unaudited)

x € 1 million

	Q2 2013	Q2 2012 (restated)	Change %	H1 2013	H1 2012 (restated)	Change %
Revenue	183.3	144.4	26.9%	348.3	271.1	28.5%
Gross Profit	20.2	16.2	24.7%	38.3	31.2	22.8%
Gross margin	11.0%	11.2%		11.0%	11.5%	
EBIT	5.8	4.6	26.1%	11.3	8.6	31.4%
EBIT %	3.2%	3.2%		3.2%	3.2%	

Revenue

Energy continues to grow. H1 2013 Energy revenue amounts to € 348 million and has increased by 28% compared to the same period last year. During H1 2013 all regions within the Energy division have realised double digit growth compared H1 2012.

Gross profit

H1 2013 gross profit amounts to € 38 million, up 22% compared to the same period last year. Gross margin is 11%, down 0.5 ppt compared to H1 2012.

Operating Costs

H1 2013 operating expenses amount to € 27 million and have increased by 20% up compared to the same period last year. During H1 2013 further investments have been made in our Global IT infrastructure resulting in more IT costs. In addition the commercial organisation has been strengthened resulting in higher staff costs.

EBIT

H1 2013 EBIT amounts to € 11 million, up 31% compared to the same period last year. EBIT% is 3.2% which is in line with H1 2012.

Brunel Projects (unaudited)

x € 1 million

	Q2 2013	Q2 2012	Change %	H1 2013	H1 2012	Change %
Revenue	26.8	64.7	-58.6%	62.5	130.9	-52.3%
Gross Profit	2.6	5.8	-55.2%	5.4	12.2	-55.7%
Gross margin	9.7%	9.0%		8.6%	9.3%	
EBIT	1.3	4.3	-69.8%	2.8	9.2	-69.6%
EBIT %	4.9%	6.6%		4.5%	7.0%	

Revenue

Total offshore projects revenue in H1 2013 amounts to € 63 million and consists mainly of the projects Gorgon, Kipper Tuna and Domgas. Compared to the same period last year revenue has decreased by 52% as a result of the completion of Kipper Tuna and Domgas in Q1 2013.

Gross profit

H1 2013 gross profit amounts to € 5 million, down 56% compared to H1 2012. Gross margin is 8.6%, down 0.7 ppt which is mainly a result of lower margins generated on the Kipper Tuna Project.

Operating Costs

Operating costs amount to € 2.6 million and have decreased by 13% compared to H1 2012.

EBIT

As a result of less projects revenue and lower margins EBIT has decreased by 70% compared to the same period last year. H1 2013 EBIT amounts € 2.8 million.

Effective tax rate

The effective tax rate has decreased from 33.7% in H1 2012 to 32.3% in H1 2013.

Cash position

The cash position at the end of June 2013 is € 37 million lower compared to December 2012. This is mainly a result of the termination payments for the major projects in Australia following the completion of these projects.

Risk profile

Reference is made to our 2012 Annual Report (pages 34 – 39). Reassessment of earlier identified risks and the potential impact on occurrence has not resulted in required changes in our Internal Risk management and Control systems.

Outlook for 2013

The outlook remains positive and we therefor reiterate the outlook as presented during the Q1 2013 trading update.

The activity level for offshore projects will be significantly lower in 2013 than in 2012. We expect further growth in the Energy business will compensate the anticipated decline in projects' revenue. As a result we expect low single digit growth for the total Oil & Gas division.

For The Netherlands we expect a revenue slightly below 2012 and for Germany we expect high single digit growth. As a result the Brunel total 2013 performance will be in line with 2012.

Interview with J.A. van Barneveld on the website

A recorded interview in which Jan Arie van Barneveld provides comments in relation to this press release is available on www.brunel.net.

Jan Arie van Barneveld, CEO of Brunel International: *"I am very happy to see that Brunel is on track in this transitional year and already in the second quarter has reached the levels of 2012. This gives great comfort for the rest of the year and 2014."*

Not for publication

For further information:

Jan Arie van Barneveld

CEO Brunel International

tel.: +31(0)20 312 50 81

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Financial Calendar

November 1, 2013 Trading update for the third quarter 2013

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