

Press Release

Brunel International N.V.: promising performance in Q4

Amsterdam, 28 February 2014

Key points Q4 2013

- Revenue up 4% to EUR 340 million
- Gross margin at 18.7%, up from 17.9%
- EBIT up by 46% to EUR 22.8 million

Key points FY 2013

- Revenue up 4% to EUR 1,283 million and gross profit up by 3% to EUR 231 million
- Gross margin stable at 18%
- EBIT up 3% to EUR 72 million
- Net profit up 12% to EUR 49.9 million
- Proposed dividend EUR 1.10 per share (2012: EUR 1.00 per share)
- New board members proposed

Brunel International (unaudited)

P&L amounts x EUR 1,000

	Q4 2013	Q4 2012 (restated)	Change %	FY 2013	FY 2012	Change %
Revenue	339.6	326.1	4% **	1,283.4	1,236.5	4% *
Gross Profit	63.6	58.4	9%	230.7	223.4	3%
Gross margin	18.7%	17.9%		18.0%	18.1%	
Ebit	22.8	15.6	46%	72.3	70.0	3%
Ebit %	6.7%	4.8%		5.6%	5.7%	
Average directs	11,927	10,458	14%	11,573	9,869	17%
Average indirects	1,513	1,375	10%	1,500	1,350	11%
Ratio direct / indirect	7.9	7.6		7.7	7.3	

* In constant currency 8%

** In constant currency 11%

Q4 2013 results

Revenue

In Q4 2013 Brunel achieved EUR 340 million revenue, an increase of 4% compared to Q4 2012. The main revenue driver is the Energy Division which achieved a 24% revenue increase compared to the same period last year. Driven by a strong quarter for the Finance business line, revenue in The Netherlands increased by 8%, whereas Brunel Germany increased by 4%. As expected as a result of the completion of some major projects in Australia in Q1 2013, revenue in the Projects division decreased by 46%.

Compared to 2012, full year 2013 revenue increased by 4% to EUR 1,283 million. The Energy Division is the key contributor to this revenue increase, with a growth of 28%, a true global growth. Germany increased its revenue by 10%, whereas The Netherlands' revenue decreased by 1% despite a growth in average headcount of 1%. Following the completed projects, the Projects' Division decreased its full year revenue by 49%.

Due to a depreciating Australian and US dollar against the Euro, the growth in constant currency is 8% year-on-year.

Gross Profit

Q4 2013 gross profit increased driven by the 0.8ppt gross margin increase and the revenue increase to EUR 64 million, an increase of 9%, again mainly driven by the growth in the Energy Division and a higher gross margin in all divisions except The Netherlands. The gross margin increase is mainly due to a change in the mix.

Year-on-year the gross margin development is relatively flat with a slight decrease of 0.1ppt, driving the gross profit to increase by 3% to EUR 231 million.

Operating Costs

Full year operating costs have increased by 3% to EUR 158 million in 2013, mainly as a result of continued investments in our organisation to fuel our growth, leading to increased staff costs.

EBIT

The Q-on-Q EBIT development increased by 46% to EUR 23 million. This is mainly driven by the leveraging effect of the growing revenue in the Energy Division and the decreased overhead costs compared to Q4 2012. The decrease in overhead costs is partly due to the absence of one offs in Q4 2013.

Full 2013 EBIT increased by 3% to EUR 72 million at a relatively stable EBIT margin of 5.6%, driven by the full year revenue increase.

Q4 2013 results by division

Brunel Europe (unaudited)

P&L amounts x EUR 1,000

	Q4 2013	Q4 2012	Change %	FY 2013	FY 2012	Change %
Revenue	100.3	95.5	5%	389.0	377.3	3%
Gross Profit	33.5	31.0	8%	128.8	128.1	1%
Gross margin	33.4%	32.5%		33.1%	34.0%	
Ebit	12.3	8.6	43%	42.2	40.9	3%
Ebit %	12.3%	9.0%		10.8%	10.8%	
Average directs	4,508	4,446	1%	4,360	4,232	3%
Average indirects	798	828	-4%	798	827	-4%
Ratio direct / indirect	5.6	5.4		5.5	5.1	

Brunel Europe consists of Brunel Germany, Brunel Netherlands, Brunel Belgium, Brunel Czech Republic and Brunel Austria.

Brunel Germany (unaudited)

P&L amounts x EUR 1,000

	Q4 2013	Q4 2012	Change %	FY 2013	FY 2012	Change %
Revenue	49.6	47.5	4%	201.5	183.7	10%
Gross Profit	17.7	16.4	8%	73.2	67.4	9%
Gross margin	35.6%	34.5%		36.3%	36.7%	
Ebit	6.9	4.1	67%	27.9	22.0	27%
Ebit %	14.0%	8.7%		13.9%	12.0%	
Average directs	2,239	2,216	1%	2,194	2,035	8%
Average indirects	403	404	0%	399	384	4%
Ratio direct / indirect	5.6	5.5		5.5	5.3	

Revenue

Brunel Germany continued to grow in the fourth quarter, however at a somewhat lower growth rate (4%) than in the last years and last three quarters. Compared to Q3 2013 a decline of 7% is visible, mainly driven by a lower productivity.

Year-on-year Brunel Germany showed a revenue growth of 10% leading to a full year revenue of EUR 202 million, mainly driven by an increase in headcount, the opening of four new branches and increased average rates, offset by a lower productivity.

Gross Profit

Compared to Q3 2013, the Q4 2013 gross margin decreased by 3.1ppt, mainly driven by the above mentioned lower productivity.

The year-on-year gross profit increased by 9% to EUR 73 million, closely following the revenue development as a result of a fairly stable gross margin in full year 2013.

Operating Costs

Full year operating costs remained relatively stable at EUR 45 million compared to last year despite the growth of the business; staff costs increased but bad debt expenses decreased.

EBIT

Due to the leveraging effect of the growing business in Germany and the flat overhead development, EBIT increased by 27% leading to an EBIT of EUR 28 million, representing an EBIT margin of 13.9%.

Brunel Netherlands (unaudited)

P&L amounts x EUR 1,000

	Q4 2013	Q4 2012	Change %	FY 2013	FY 2012	Change %
Revenue	43.9	40.6	8%	160.1	161.9	-1%
Gross Profit	14.3	13.4	7%	49.2	53.9	-9%
Gross margin	32.6%	32.9%		30.8%	33.3%	
Ebit	5.7	4.9	15%	15.1	19.5	-23%
Ebit %	12.9%	12.1%		9.4%	12.0%	
Average directs	1,937	1,829	6%	1,830	1,810	1%
Average indirects	325	316	3%	319	326	-2%
Ratio direct / indirect	6.0	5.8		5.7	5.6	

Revenue

Brunel Netherlands had a strong fourth quarter in 2013 compared to 2012 leading to a revenue growth of 8% to EUR 44 million in Q4 2013. Especially the business line Finance (where we serve mainly our Insurance and Banking clients) performed very well. From July onwards the Dutch headcount has shown consistent growth, except for December when the growth showed a small drop; in contrast to 2012, when the headcount development has been relatively flat during the whole year. In Q4 productivity was relatively high compared to the rest of the year.

Despite the growth in the second half of the year and a 1% headcount increase compared to 2012, Brunel Netherlands showed a year on year revenue decrease of 1%, mainly driven by decreased productivity and decreased rates in the first half of the year, which has not been fully made up in the second half of 2013.

Gross Profit

Due to a relatively stable gross margin in the fourth quarter, gross profit increased by 7% to EUR 14 million.

Over full year 2013 gross profit has decreased by 9%, mainly as a result of decrease of a gross margin decrease by 2.5ppt. This is mainly caused by price pressure and reduced productivity in the first half of 2013, which has improved in the second half of the year.

Operating Costs

As a result of the cost efficient operations and a slight decrease in indirect headcount, full year operating costs decreased by 1%.

EBIT

Driven by the reduced gross margin and resulting gross profit decrease, year-on-year EBIT decreased by 23% to EUR 15 million.

Brunel Oil & Gas (unaudited)

P&L amounts x EUR 1,000

	Q4 2013	Q4 2012 (restated)	Change %	FY 2013	FY 2012	Change %
Revenue	239.4	230.7	4%	894.3	859.3	4%
Gross Profit	30.1	27.4	10%	101.9	95.3	7%
Gross margin	12.6%	11.9%		11.4%	11.1%	
Ebit	12.9	9.7	33%	39.9	38.6	3%
Ebit %	5.4%	4.2%		4.5%	4.5%	
Average direct	7,419	6,012	23%	7,213	5,637	28%
Average indirect	715	547	31%	702	523	34%
Ratio direct / indirect	10.4	11.0		10.3	10.8	

The Oil & Gas division consist of the Energy division and the Projects division.

Brunel Energy (unaudited)

P&L amounts x EUR 1,000

	Q4 2013	Q4 2012 (restated)	Change %	FY 2013	FY 2012	Change %
Revenue	203.0	163.8	24%	755.7	589.9	28%
Gross Profit	26.4	21.1	25%	88.7	70.4	26%
Gross margin	13.0%	12.9%		11.7%	11.9%	
Ebit	10.6	5.1	108%	31.9	19.8	61%
Ebit %	5.2%	3.1%		4.2%	3.4%	
Average direct	6,901	5,331	29%	6,741	4,875	38%
Average indirect	684	517	32%	670	495	35%
Ratio direct / indirect	10.1	10.3		10.1	9.8	

Revenue

Compared to Q4 2012 the Energy Division increased its revenue again by double digit growth, for the fourth consecutive quarter this year.

Year-on-year revenue showed a growth of 28% to EUR 756 million, the reflection of our growing global energy playing field. In constant currency the growth is even 34%. Across all our regions we have

established double digit growth, with some regions exceeding 30% growth. The main growth driver is the headcount development, which increased by 38%.

Gross Profit

At a slightly higher gross margin of 13% (+0.1ppt), the gross profit increase of 25% lead to a quarterly gross profit of EUR 26 million.

Full year gross margin decreased marginally by 0.2ppt, leading to a gross profit increase of 26% to EUR 89 million.

Operating Costs

Full year operating costs increased by 12% to EUR 57 million, mainly as a result of investments made in our indirect personnel and IT-systems to facilitate the growth.

EBIT

As a result of the leveraging impact of the growing Energy Division and the limited increase in overhead, EBIT increased by 61% to EUR 32 million, leading to a 0.8ppt EBIT margin increase to 4.2%.

Brunel Projects (unaudited)

P&L amounts x EUR 1,000

	Q4 2013	Q4 2012	Change %	FY 2013	FY 2012	Change %
Revenue	36.4	66.8	-46%	138.7	269.3	-49%
Gross Profit	3.7	6.2	-41%	13.2	24.8	-47%
Gross margin	10.1%	9.3%		9.5%	9.2%	
Ebit	2.3	4.5	-48%	8.0	18.7	-57%
Ebit %	6.4%	6.8%		5.8%	7.0%	
Average direct	518	681	-24%	472	762	-38%
Average indirect	31	30	3%	32	28	14%
Ratio direct / indirect	16.7	22.7		14.8	27.2	

Revenue

Revenue in Q4 2013 decreased by 46% compared to Q4 2012, since Q4 2012 included several major Australian projects which were completed in Q1 2013. The Gorgon project was the single biggest revenue driver in Q4 2013.

Year-on-year revenue decreased by 49%, also due to the above mentioned completion. In 2013 the Gorgon project was the main revenue driver, followed by Kipper Tuna (completed in Q1 2013).

Gross Profit

Gross profit followed the revenue development to EUR 13 million, although gross margin was slightly higher than previous year (+0.3ppt), due to slightly higher margins on the Gorgon project compared to the other projects.

Operating Costs

Following the downsizing of the operations, overhead decreased by 16% to EUR 5 million.

EBIT

As a result of the negative revenue development, EBIT decreased to EUR 8 million, at an EBIT margin of 5.8%, 1.2ppt lower than last year.

Effective tax rate

In 2013 the effective tax rate reduced to 31.1% (2012: 35.9%) mainly driven by the reduced profitability of the Projects division in Australia, with its relatively high tax rate, and restructuring of operations.

Cash position

The December 2013 cash balance reduced to EUR 90 million compared to EUR 99 million at the end of 2012, mainly as a result of relatively high project completion payments relating to the Projects Division at the start of 2013. The balance at 31 December 2013 relating to completion payments amounts to approximately EUR 20 million, to be paid out on the completion of projects in Q1 and Q2 of 2014. Driven by the growth in the business, especially Energy, working capital levels have increased compared to last year.

Dividend

Brunel proposes to increase the dividend by 10% to EUR 1.10 per share.

New Board Members

The growth in recent years, as well as the expectation of continued growth, has created a need to expand the Board of Directors. The Supervisory Board proposes to the General Meeting of Shareholders to appoint three new board members: Jeroen Ekkel as COO for Europe, Peter de Laat as CFO and Arjan de Vries as COO for Energy.

Outlook for 2014

We expect continued growth in revenue and profitability. We will provide a more detailed outlook with the presentation of our Q1 results.

Jan Arie van Barneveld, CEO of Brunel International N.V.: *"In 2013 Brunel has reached again a record year in terms of revenue and profitability. Both in the global Energy business as well as in the difficult European market we were able to grow. Also in The Netherlands we achieved a nice growth in Q4. We have been able to strengthen our organisation and continued to build our global IT platform, fuelling the growth and enabling further future development. I am delighted that we were able to expand our Board of Directors entirely from within our own ranks. The performance in this transitional year, especially Q3 and Q4, is very promising for the near future."*

Not for publication

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Brunel International N.V. is an international service provider specialising in the flexible deployment of knowledge and capacity in the fields of Engineering, Oil & Gas, Aerospace, Automotive, ICT, Finance, Legal and Insurance & Banking. Services are provided in the form of Project Management, Secondment and Consultancy. Incorporated in 1975, Brunel has since become a global company with some 13,000 employees and an annual revenue of EUR 1,283 million (2013). The company is listed at Euronext Amsterdam N.V. For more information on Brunel International N.V. visit our website www.brunel.net.

Financial Calendar

1 May 2014	Annual General Meeting of Shareholders
1 May 2014	Trading update for the first quarter 2014
5 May 2014	Ex-dividend listing
30 May 2014	Dividend available for payment
14 August 2014	Half year results 2013
5 November 2014	Trading update for the third quarter 2014

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