

**Press release**

**Trading update TKH Group NV**

**Strong increase in turnover TKH Group first quarter 2006**

- **Turnover increases by 22% in first quarter 2006 to € 150.7 million (Q1 2005: € 124.0 million).**
- **Operating result (EBIT) rises 12% in first quarter 2006 to € 9.4 million (Q1 2005: € 8.4 million).**
- **Net profit in first quarter rises by 11% to € 6.1 million (Q1 2005: € 5.5 million).**

*Alexander van der Lof, CEO TKH: "We are positive on the developments in the first quarter. The investments we have made in TKH's market positioning have clearly borne fruit and we have shown solid organic growth, especially taking into account that the effects of the increased order intake for our tyre building systems do not yet show in turnover and result."*

**Developments first quarter**

Turnover rose by 21.5% in the first quarter. Organic growth came in at 14.9%. The remaining growth was realised through the operations of Eurodis Plc, acquired in September 2005.

Growth in turnover was realised in the Technical Trading group and the Cable group, largely as the result of the investments we have made in market developments in recent years. The increased investment level in Building Solutions and Industrial Solutions segments also had a positive effect. Turnover in the Machinery group was slightly lower compared with the same period last year, which was still due to the lower order intake in the first three quarters of 2005. In the first quarter of 2006, the Machinery group's order intake has risen sharply, largely as a result of an increase in the demand for innovative solutions for tyre building systems.

Operating result (EBIT) rose by 12.0% in the first quarter to € 9.4 million. Due to a relatively large share of deliveries with a lower added value, operating result grew less than turnover during the first quarter. Both the Technical Trading group and the Cable group showed strong improvement in operating result, despite pressure on margins. The Machinery group's operating result fell due to the fact that a relatively large proportion of the projects are in the early stages of execution.

Net profit was up 11.3% at € 6.1 million. The tax burden increased slightly to 29.9% from 29.4%.

The developments in the first quarter were in line with the outlook communicated at the presentation of the annual results in March 2006.

Haaksbergen, 2 May 2006

Executive Board

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**Agenda**

3 May 2006	Annual General Meeting of Shareholders
24 August 2006	Publication of first-half 2006 results
23 November 2006	Trading update Q3 2006

**Profile**

TKH Group NV (TKH) is an internationally operating group of companies that as a solution supplier has specialised in creating and supplying innovative Telecom, Building and Industrial Solutions.

The activities in the form of technologies, know-how, products and added value such as consulting, development, assembly and delivery of systems, form the building blocks for innovative solutions. These activities are concentrated in three groups: the Technical Trading Group, the Cable Group and the Machinery Group.

At TKH it is the solutions that play the central role, not the kind of activity (group).

The Telecom Solutions consist of solutions ranging from basic infrastructure to home networking applications, for both the outdoor and indoor telecom (ICT) -markets.

The Building Solutions comprise solutions ranging from efficient electrical engineering to ICT systems for the health care sector. In this segment TKH concentrates on cable systems and networks, intercom systems, nurse paging systems, access control and electricity distribution.

The Industrial Solutions consist of advanced solutions for production automation, car and truck tyre building systems and industrial applications in the field of speciality cable and cable accessories.

The 34 companies in the TKH Group are active all over the world. Its growth is concentrated on North West and Eastern Europe and Asia. In 2005 TKH secured a turnover of € 548 million with 2,723 employees.