

Press release

TKH Group N.V. (TKH)
Interim results 2009

Results improvement Q2 compared to Q1 despite further drop in turnover

- Turnover down 30% to € 353.5 million, with the effect of raw materials prices accounting for 4.5%.
- Strongest turnover drop of 40% in Industrial Solutions.
- EBITA before exceptional charges down 68.7% to € 13.8 million.
- EBITA before exceptional charges improved 51% in Q2 compared with Q1.
- Exceptional charge of € 7.2 million in Q2 for reorganisations.
- Strong cost reduction of € 9.3 million in Q2.
- Strong cash flow of € 66 million from operating activities.
- Strengthened balance sheet due to reduction of debt by € 44 million.

Outlook

- Barring a further deterioration of the market conditions, the net result before exceptional charges is expected to improve in the second half of 2009.

Key figures first half year

(in € million unless otherwise stated)

	1 st half year 2009	1 st half year 2008	Difference as a %
Turnover	353.5	504.8	- 30.0
EBITA before exceptional charges	13.8	44.1	- 68.7
EBITA after exceptional charges	6.6	44.1	- 85.1
Net profit before amortisation ¹⁾ and exceptional charges	4.4	27.1	- 83.6
Net profit	-2.6	25.5	
Net earnings per ordinary share (in €)	-0.08	0.72	
Solvency	43.6%	38.6%	
ROS before exceptional charges	3.9%	8.7%	

Key ratios second quarter figures

(in € million unless otherwise stated)

	Q2 2009	Q2 2008	Difference as a %
Turnover	165.0	249.6	- 33.9
EBITA before exceptional charges	8.3	23.9	- 65.3
EBITA after exceptional charges	1.1	23.9	- 95.6
Net profit before amortisation ¹⁾ and exceptional charges	2.4	14.8	- 83.5
Net profit	-3.7	13.9	
ROS before exceptional charges	5.0%	9.6%	

¹⁾ Net result before amortisation of intangible non current assets related to acquisitions (after tax).

Alexander van der Lof, CEO of technology company TKH: "In our effort to counterbalance the difficult market conditions and the ensuing considerable drop in turnover, TKH has cut its costs drastically and reduced debts. Our main priority is a return to profitability, although we will continue to work on our innovative strength. Also in these days, 18.5% of our turnover still comes from new products. We are convinced that the current economic situation will result in opportunities to which we will be able to respond well with our innovative strength."

Financial developments

Turnover in the first half of 2009 was down € 151.3 million (-30.0%) at € 353.5 million, (H1 2008: € 504.8 million). Of this reduction, 4.5% was due to the drop in raw materials prices passed on to customers. The companies acquired in 2008, Keyprocessor, Ithaca, AVO Techniek and VDG Security, contributed 2.0% to turnover. Turnover fell in all three solutions segments (Telecom, Building and Industrial Solutions), with Industrial Solutions showing the largest drop at 40%, due to the postponement of investments by customers in the industrial sector. This led to a decrease in the Industrial Solutions share in the turnover to 41%, from 48%. The share in turnover from Telecom Solutions increased from 17% and Building Solutions from 35% to 38%.

The gross margin as a percentage of turnover increased to 41.3% from 37.5%. This increase was caused by lower raw material prices and an improved mix of activities. The security activities in particular contributed to this increase. Operating costs excluding exceptional charges were down € 13.4 million in the first half of the year, with € 9.3 million of this drop being realised in the second quarter. The number of FTEs, including temporary staff, worldwide was reduced by 452 compared with year-end 2008. In addition, reduced working hours at a number of locations were introduced.

Depreciations, at € 8.1 million, were up compared to € 7.2 million in the first half of 2008, due to the investments in 2008 and the partial reversal of the impairment of the optical fibre activities at year-end 2008.

The operating result before amortisation of intangible assets (EBITA) and exceptional charges was down 68.7% at € 13.8 million in the first half of 2009, compared with € 44.1 million in the first half of 2008.

EBITA before exceptional charges in the second quarter of 2009 was up € 2.8 million (51%) compared with the first quarter of the year. However, turnover in the second quarter dropped by € 23.4 million (12.4%) compared with the first quarter. In line with the reorganisation programme of € 15 million for the entire year as announced in April, TKH took an exceptional charge of € 7.2 million in the second quarter. The main measures have been introduced in the Industrial Solutions segment. In the sub-segment manufacturing systems, the systems portfolio have been further reduced and the production locations will be concentrated in the Netherlands and China. Due to these restructuring measures the costs will be € 25 million structurally lower as of 2010, of which € 15 million will be realised in 2009. The total cost level will be reduced by around € 40 million in 2009.

The EBITA after exceptional charges was € 6.6 million.

The ROS before exceptional charges increased from 2.9% in the first quarter to 5.0% in the second quarter. All three solutions segments saw their results fall in the first six months, with Industrial Solutions showing the greatest drop.

The amortisation charge increased to € 4.3 million in the first half of 2009 (H1 2008: € 3.2 million), primarily as a result of the acquisitions and capitalised R&D in the past 12 months.

The financial income and expenses increased to € 5.6 million in the first half of 2009, from € 5.4 million in the same period of 2008. This increase was due to currency effects. There was a € 1.0 million tax gain due to the negative pre-tax result of € 3.7 million.

The net profit before amortisation and excluding exceptional charges was € 4.4 million in the first half of 2009 (H1 2008: € 27.1 million). This led to a net loss of € 0.8 million before amortisation and including exceptional charges. After amortisation and exceptional charges, the net loss was € 2.6 million in the first half of 2009 (H1 2008: € 25.5 million). Ordinary earnings per share were minus € 0.08 (H1 2008: € 0.72).

Net bank debt fell € 43.5 million compared with year-end 2008 to € 143.3 million in the first half, as a result of a targeted programme for the reduction of working capital and limitation of investment levels. Working capital as a percentage of turnover fell to 18.3%, from 20.4% in the first half of 2008. The solvency ratio increased to 43.6% (H1 2008: 38.6%). Despite the substantial drop in results, TKH is operating well within the financial ratios as laid down in the loan agreements, also because of the reduced debt burden. The net debt/EBITDA ratio was 2.5 and the interest coverage ratio was 6.4 (including exceptional charges).

The net cash flow from operational activities was € 65.9 million (H1 2008: € 10.5 million), primarily as a result of strongly reduced working capital.

The number of employees under contract (FTEs) as of 30 June 2009 was 3,700.

Developments per solutions segment

Telecom Solutions

Profile

Telecom Solutions develops, produces and supplies systems for a variety of applications, ranging from outdoor basic infrastructure for telecom and CATV networks up to and including indoor home networking. The focus is on supplying systems accompanied by guarantees that relieve the customer of any concern. Roughly 40% of the portfolio consists of optical fibre and copper cable for node-to-node connections. The other 60%, chiefly accounted for by components and systems relating to connectivity and peripherals, is mainly used in the network nodes.

Key ratios first half year Telecom Solutions

(in € million unless otherwise stated)

	1 st half year 2009	1 st half year 2008	Difference as a %
Turnover	74.0	87.9	- 15.8
EBITA before exceptional charges	8.8	12.3	- 28.4
ROS before exceptional charges	11.9%	14.0%	

Turnover in the Telecom Solutions segment fell to €74.0 million in the first half of 2009. Turnover dropped by 1.0% due to lower raw materials prices. The turnover in optical fibre systems rose slightly, while the turnover in indoor telecom systems and outdoor copper network systems fell.

EBITA before exceptional charges fell to € 8.8 million in the first half of 2009. Purchasing costs rose due to an increase in the value of Asian currencies, which had a negative impact on the operating result. The impact on the margin was limited by a reduction in costs. Depreciations rose in the first half of 2009 as a result of the partial reversal of the impairment on the optical fibre activities at year-end 2008.

Indoor telecom systems: *home networking systems, broadband connectivity, IPTV software solutions*

Turnover fell by 24.8% as a result of lower spending levels among consumers on upgrading peripheral equipment for broadband connections. Lower activity in the construction sector in Europe also had a negative impact on investments in this segment.

Fibre network systems: *optical fibre, optical-fibre cable, connectivity systems and components, active peripherals*

Turnover rose slightly by 3.8%. In Europe, demand fell by around 10%, while in China the demand for optical fibre systems increased. The investment priority for optical fibre networks continued to increase, which led to a further shift in investment from copper networks to optical fibre networks.

Capacity utilisation in the optical fibre production was high. TKH carried out a number of optimisations, which increased capacity by 15%. The increased value of Asian currencies led to a rise in purchasing costs, which led in turn to a drop in the margin.

Copper network systems: *copper cable, connectivity systems and components, active peripherals*

Due to the fact that telecom companies are limiting their investment levels and there has been a shift towards optical fibre networks, the turnover in this segment fell by 27.3%. The cut in investments in the maintenance of the network nodes also had a negative impact on turnover.

Building Solutions

Profile

Building Solutions develops, produces and supplies solutions ranging from efficient electrical engineering for applications in buildings to technical systems which, linked to software, provide greater efficiency for the health care and security sectors. The know-how is concentrated on connectivity systems in connection with efficiency-enhancing solutions that shorten the time needed to make installations in buildings. TKH also focuses on intelligent video, intercom and access control systems for a number of specific sectors, including care of the elderly, parking and security of buildings and grounds.

Key ratios first half year Building Solutions

(in € million unless otherwise stated)

	1 st half year 2009	1 st half year 2008	Difference as a %
Turnover	134.4	173.7	- 22.7
EBITA before exceptional charges	4.7	14.1	- 66.7
ROS before exceptional charges	3.5%	8.1%	

Turnover in the Building Solutions segment fell in the first half to € 134.4 million. Turnover fell by 5.6% due to the effect of raw materials prices. The most significant drop was seen in the connectivity segment. The security segment realised a rise in turnover, partly due to the acquisitions of Keyprocessor and VDG in 2008. Turnover in the second quarter of 2009 improved when compared with the first quarter of 2009.

EBITA before exceptional charges fell to € 4.7 million. This drop was seen primarily in the sub-segments connectivity systems and building technologies. The sub-segment security systems realised an increase in result.

Building technologies: *energy-efficient lighting systems, energy management systems, health care systems, structured cabling systems*

Turnover in building technologies fell by 19.8%, mainly in the structured cabling systems segment, due to lower activity in the construction sector. Due to the increase in turnover in domotic solutions, aimed for example at the reduction of energy use and increasing the efficiency in the care sector, TKH was able to offset the drop in turnover to some extent.

Security systems: *systems for CCTV, video/audio analysis and detection, intercom, access control and registration, central control room integration*

Turnover was up by 10.1%, largely due to the acquisitions of Keyprocessor and VDG in 2008. TKH was able to gain market share, thanks to the newly opened locations and distinctive technology, which did offset the drop in market demand. The share of security systems in the turnover rose approximately 11%.

Connectivity systems: *specialty cable (systems) for ship building, railways, infrastructure, solar and wind energy and installation and energy cable for niche markets.*

Turnover fell by 35.5%, mainly in the first quarter due to inventory reductions at customers and the harsh winter period. Turnover recovered somewhat in the second quarter and a better result was realised. Due to the fact that a large part of the activities in this segment are linked to infrastructural projects, the harsh winter period had an above-average impact.

Industrial Solutions

Profile

Industrial Solutions develops, produces and supplies solutions ranging from specialty cable and 'plug and play' cable systems to integrated systems for the production of tyres for cars and trucks. With its know-how in the field of the automation of production processes and improving the reliability of production systems, TKH stands out in its ability to respond to the growing wishes of a number of specialists industrial sectors, such as the tyre manufacturing, robot, medical and machine industries, to increasingly outsource the construction of production systems or modules.

Key ratios first half year Industrial Solutions

(in € million unless otherwise stated)

	1 st half year 2009	1 st half year 2008	Difference as a %
Turnover	145.1	243.2	- 40.3
EBITA before exceptional charges	4.2	22.7	- 81.6
ROS before exceptional charges	2.9%	9.3%	

The turnover in the Industrial Solutions segment decreased to € 145.1 million in the first half of 2009. Turnover fell by 4.9% due to the effect of raw materials prices. Turnover fell in both connectivity systems and manufacturing systems. The activities within Industrial Solutions are strongly linked to capital goods, especially in robot and machine building and the tyre manufacturing industries. Investment levels have been sharply reduced in these sectors.

Before exceptional charges, EBITA fell to € 4.2 million the first half of 2009. Due to the very strong and sudden drop in turnover, it was not possible to fully adjust cost levels to lower levels of activity, which caused that the impact on results of the drop in turnover was disproportionate.

Connectivity systems: *specialty cable systems and modules for the medical, robot, automotive and machine industries*

The turnover in cable systems and specialty cables fell by 42.0%. The activities related to the robot industry and the machine building industry in Germany were hit especially hard by the extremely low investment levels and the postponement of deliveries in these sectors.

Manufacturing systems: *advanced manufacturing systems for the production of car and truck tyres, can washers, product handling systems and machine operating systems*

Due to the postponement of deliveries and very low order intake, turnover also fell substantially by 38.0% in this sub-segment. The tyre manufacturing business, which accounts for more than 80% of the activities in this sub-segment, saw a strong drop in deliveries and order intake. Order intake improved in the second quarter but remained low.

Outlook

The economic conditions will remain uncertain. The reduction of costs levels and the continued reduction of debt have a high priority for TKH. TKH will also push for adopting new market positions by means of innovations and reinforcing commercial efforts in the three solutions segments.

If market conditions do not deteriorate further in the second half of the year, the net result before exceptional changes will improve compared with the first half of 2009, partly due to the effects of the measures TKH has taken. The debt level will be further reduced with at least € 25 million in the second half of 2009.

Haaksbergen, 27 August 2009

Executive Board

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Timetable

12 November 2009
10 March 2010

Trading update Q3 2009
Publication of full year results 2009

Profile

Technology company, TKH Group NV (TKH) is an internationally operating group of companies specialised in creating and supplying innovative Telecom, Building and Industrial Solutions.

At TKH the solutions play the central role, not the kind of activity. In the business segments Telecom Solutions, Building Solutions and Industrial Solutions, basic technologies in the field of ICT and electro technology from the various business units, often in partnership with suppliers, are consolidated into total solutions.

Specialists in the field of marketing, process development, design, engineering and logistics add consultancy and project implementation to offer a tailor made solution. These locally developed concepts are subsequently offered internationally, in order to optimally capitalize on the expertise and knowledge within TKH.

The Telecom Solutions consist of solutions ranging from basic infrastructure to home networking applications, for both the outdoor and indoor telecom (ICT) -markets. TKH Telecom Solutions can be divided into three sub segments: Fibre Networks, Copper Networks and Indoor Telecom Systems.

The Building Solutions comprise solutions ranging from efficient electrical engineering to ICT systems for the care sector. Building Solutions can be divided into three sub segments: Building Technologies, Security Systems and Connectivity Systems.

The Industrial Solutions consist of advanced manufacturing systems for the car and truck tyre manufacturing industry and connectivity systems for the medical, robot, automotive and machine building industry.

Continuous focus on research and development provides a product and services portfolio that safeguards technologically advanced solutions. With its group companies, TKH group is active all over the world. Its growth is concentrated on Northwest, Central and Eastern Europe and Asia. In 2008 TKH secured a turnover of € 997 million with 3,882 employees.

Consolidated Profit and Loss Account

In thousands of euros

	1 st half year 2009	1 st half year 2008
Net turnover	360,836	471,429
Changes in inventory of finished goods and work in progress	-8,112	32,651
Other operating income	756	690
Total turnover	353,480	504,770
Costs of raw materials, consumables, trade products and subcontracted work	207,593	315,270
Personnel expenses	90,245	91,999
Depreciation	8,128	7,144
Amortisation	4,333	3,233
Other operating expenses	40,940	46,297
Total operating expenses ¹⁾	351,239	463,943
Operating result	2,241	40,827
Financial income and expenses	-5,557	-5,367
Share in result of associates	-350	-107
Result before tax	-3,666	35,353
Tax on profit	-1,021	9,901
Net result	-2,645	25,452
Attributable to:		
Shareholders of the company	-2,764	25,244
Minority interest	119	208
	-2,645	25,452
Earnings per share		
Weighted average number of shares (x 1,000)	35,625	34,849
Ordinary earnings per share before amortisation (in €)	-0.03	0.77
Ordinary earnings per share (in €)	-0.08	0.72
Diluted earnings per share (in €)	-0.08	0.72

¹⁾ The operating expenses include one-off restructuring costs of € 7.2 million. These expenses are recognised in the second quarter and relate for € 6.6 million to personnel expenses. The remaining restructuring costs are recognised in other operating expenses.

Condensed consolidated statement of comprehensive income

In thousands of euros

	1 st half year 2009	1 st half year 2008
Result for the period (ended 30 June)	-2,645	25,452
Foreign exchange translation differences	-325	-247
Effective portion of fair value changes of cash flow hedges (net of income tax)	-1,444	656
Gain / (loss on revaluation of property)	-49	0
Other comprehensive income for the period	-1,818	409
Total comprehensive income for the period	-4,463	25,861
Attributable to:		
Shareholders of the company	-4,582	25,653
Minority interests	119	208
Total comprehensive income for the period	-4,463	25,861

Consolidated balance sheet

In thousands of euros

	30-06-2009	31-12-2008
Assets		
<u>Non-current assets</u>		
Intangible non-current assets	168,260	168,895
Tangible non-current assets	156,858	161,427
Investment property	3,311	3,512
Financial non-current assets	3,058	3,417
Deferred tax assets	6,068	5,868
Total non-current assets	337,555	343,119
<u>Current assets</u>		
Inventories	124,572	140,405
Receivables	154,977	225,255
Current tax assets	1,267	0
Cash and cash equivalents	9,507	9,519
Total current assets	290,323	375,179
Assets held for sale	3,655	3,261
Total assets	631,533	721,559
Equity and liabilities		
<u>Group equity</u>		
Equity	274,366	292,404
Minority interest	1,124	1,089
Total group equity	275,490	293,493
<u>Long-term liabilities</u>		
Long-term liabilities	125,712	125,689
Deferred tax liabilities	30,691	31,795
Provision for pensions	13,160	13,643
Other provisions	8,207	11,092
Total long-term liabilities	177,770	182,219
<u>Short-term liabilities</u>		
Borrowings	27,047	70,623
Trade and other payables	144,779	166,724
Current tax liabilities	0	4,691
Provisions	6,447	3,809
Total short-term liabilities	178,273	245,847
Total liabilities	631,533	721,559

Consolidated cash flow statement

In thousands of euros

	1 st half year 2009	1 st half year 2008
Cash flow from operating activities		
Operating result	2,241	40,827
Depreciation and amortisation	12,424	10,455
Share and option schemes not resulting in a cash flow	548	609
Results on divestments	37	-78
Changes in provisions	-635	-1,893
Changes in working capital	62,090	-30,817
Cash flow from operations	76,705	19,103
Interest paid	-4,527	-5,596
Income tax paid	-6,241	-2,960
Net cash flow from operating activities (A)	65,937	10,547
Cash flow from investing activities		
Dividend received from non-consolidated associates	9	48
Investments less disposals in tangible non-current assets and assets held-for-sale	-4,002	-12,604
Result on investments and divestments of investment property	201	59
Acquisition of subsidiaries	0	-9,119
Acquisition of associates	0	-375
Investments in other intangible non-current assets	-3,793	-3,008
Net cash flow from investing activities (B)	-7,585	-24,999
Cash flow from financing activities		
Dividends paid	-13,970	-11,929
Sold less purchased shares for share and option schemes	-118	-665
Proceeds from long-term debts	23	512
Change in short-term borrowings	-43,576	22,735
Net cash flow from financing activities (C)	-57,641	10,653
Net decrease in cash and cash equivalents (A+B+C)	711	-3,799
Exchange differences	-723	-31
Change in cash and cash equivalents	-12	-3,830
Cash and cash equivalents at 1 January	9,519	9,653
Cash and cash equivalents at 30 June	9,507	5,823

Consolidated statement of changes in group equity

In thousands of euros

	Issued share capital	Share premium	Legal reserve	Revaluation reserve	Translation reserve	Cash-flow hedge reserve	Other reserve	Unappropriated profit	Total	Minority interest	Total equity
Balance as at 1 January 2008	8,851	12,849	6,319	24,069	5,966	1,368	160,308	44,578	264,308	1,205	265,513
Profit in financial year								49,934	49,934	382	50,316
Reclassification of put options held by minority shareholders			476				-476		0		0
Changes cash-flow hedges						-7,548			-7,548		-7,548
Revaluations				-169					-169		-169
Release realised revaluation				-448			448		0		0
Change in tax rates									0		0
Exchange differences					-1,921				-1,921		-1,921
Total result	0	0	476	-617	-1,921	-7,548	-28	49,934	40,296	382	40,678
Appropriation profit last year							32,773	-32,773	0		0
Dividend paid	166	-166						-11,805	-11,805		-11,805
Dividends to minority shareholders			-438						-438	-81	-519
Share and option schemes (IFRS 2)							1,112		1,112		1,112
Purchased shares for share and option schemes							-2,572		-2,572		-2,572
Sold shares for share and option schemes							1,277		1,277		1,277
Capitalised development costs and options on shares of participations of which legal ownership has not yet been obtained			3,196				-3,196		0		0
Acquisitions			175				51		226	-417	-191
Balance at 31 December 2008	9,017	12,683	9,728	23,452	4,045	-6,180	189,725	49,934	292,404	1,089	293,493
Profit in financial year							-2,764		-2,764	119	-2,645
Reclassification of put options held by minority shareholders			663				-663		0	0	0
Change in cash-flow hedges						-1,444			-1,444		-1,444
Revaluations				-49					-49		-49
Exchange differences					-325				-325		-325
Total result	0	0	663	-49	-325	-1,444	-3,427	0	-4,582	119	-4,463
Appropriate profit last year							36,048	-36,048	0		0
Dividend paid	239	-239						-13,886	-13,886		-13,886
Dividends to minority shareholders									0	-84	-84
Share and option schemes (IFRS 2)							548		548		548
Purchased shares for share and option schemes							-612		-612		-612
Sold shares for share and option schemes							494		494		494
Capitalised development costs and options on shares of participations of which legal ownership has not yet been obtained			1,523				-1,523		0		0
Acquisitions									0		0
Balance at 30 Juni 2009	9,256	12,444	11,914	23,403	3,720	-7,624	221,253	0	274,366	1,124	275,490

Notes to the interim financial report

1. Accounting principles for financial reporting.

The interim financial report has been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2008.

Except as described below, the accounting principles applied for the valuation of assets and liabilities and the determination of result are the same as those applied in the consolidated financial statements as at and for the year ended 31 December 2008.

Change in accounting principles

As of 1 January 2009, TKH applies revised IAS 1 Presentation of Financial Statements (2007). As a result, TKH presents all non-owner changes in equity in two statements, a statement of comprehensive income and a statement of consolidated changes in equity. The consolidated statement of changes in equity also include all owner changes in equity.

2. Schattingen

The preparation of the condensed consolidated interim financial statements 2009 requires from management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2008.

3. Statutory capital

The number of outstanding (depository receipts of) shares as per 31 December 2008 was the equivalent of 35,293,566. As a result of the exercise of options rights and share schemes, a balance of 37,340 (depository receipts of) shares were delivered and sold in the first half of 2009. In addition, a stock dividend of 957,106 (depository receipts of) shares was paid out from the share premium reserve. As a result, the number of (depository receipts of) shares outstanding with third parties as per 30 June 2009 was 36,288,012.

4. Dividend

At the General Meeting of Shareholders the dividend over 2008 was declared at € 0.66 per (depository receipt of) ordinary share. The dividend was proposed at the option of shareholders in cash or as a stock dividend. The dividend on the priority shares was declared at € 0.05 per share. The total amount in dividends paid in the first half of 2009 was € 13,885,630 and this amount was charged to the other reserves. For stock dividend an amount of € 239,276 was charged against the share premium reserve.

5. Segmented information

	Telecom Solutions		Building Solutions		Industrial Solutions		Not attributable		Total	
	1 st half	1 st half	1 st half	1 st half	1 st half	1 st half	1 st half	1 st half	1 st half	1 st half
	year	year	year	year	year	year	year	year	year	year
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Turnover	74,041	87,912	134,352	173,701	145,087	243,157	0	0	353,480	504,770
EBITA excl. exceptional losses	8,803	12,298	4,676	14,065	4,173	22,732	-3,841	-5,035	13,811	44,060
Extraordinary gains and losses	-743	0	-748	0	-5,746	0	0	0	-7,237	0
Segment EBITA	8,060	12,298	3,928	14,065	-1,573	22,732	-3,841	-5,035	6,574	44,060
Amortisation	-384	-315	-2,098	-1,598	-1,851	-1,317	0	-3	-4,333	-3,233
Segment operating result	7,676	11,983	1,830	12,467	-3,424	21,415	-3,841	-5,038	2,241	40,827
Financial income and expenses									-5,557	-5,367
Share of result of associates									-350	-107
Tax on profit									1,021	-9,901
Net result									-2,645	25,452

6. Overview of net profit definitions

In thousands of euros

	1 st half year 2009	1 st half year 2008
Net profit attributable to shareholders of the company	-2.764	25.244
Net profit attributable to minority shareholders	119	208
Net profit	-2.645	25.452
Amortisation of acquisition-related intangible assets based on "purchase price allocations"	2.716	2.400
Taxes on the amortisation	-844	-763
Net profit before amortisation	-773	27.089
Attributable to minority interest	-119	-208
Ordinary earnings before amortisation attributable to shareholders of the company	-892	26.881
Net profit before amortisation	-773	27.089
Exceptional charges	7.237	0
Taxes on exceptional charges	-2.026	0
Net profit before amortisation and exceptional charges	4.438	27.089

7. Acquisitions

During the first half of 2009 TKH has not made material acquisitions.

8. Contingent liabilities

The contingent liabilities which are not reflected in the balance sheet, as reported in the financial statements for 2008, have not essentially changed in the first half of 2009.

9. Events after balance sheet date

No events took place after the balance sheet date that significantly impact the insight into the recent most recent interim period.

10. Risks

In our Annual Report 2008 we have extensively described certain risk categories and risk factors which could have an (adverse) impact on our financial position and results. Those risk categories and risk factors are still applicable.

For the remainder of the year 2009, we see in particular the economic climate as an important risk and uncertainty. Measures have been taken to achieve further cost savings and debt reduction, but also to realise further synergy and autonomous growth within the TKH-activities.

11. Executive Board declaration

This report contains the semi-annual financial report of TKH Group NV. The semi-annual financial report ended 30 June 2009 consists of the condensed consolidated semi-annual financial statements, the semi-annual director's report and Executive Board declaration. The information in this semi-annual financial report is unaudited. The condensed consolidated semi-annual financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the consolidated financial statements of TKH for the year ended 31 December 2008.

The Executive Board hereby declares that to the best of their knowledge, the semi-annual financial statements, which have been prepared in accordance with IAS 34 Interim Financial Reporting, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole, and the semi-annual director's report gives a fair review of the information required pursuant to section 5:25d(8)/(9) of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht).

12. Signature of interim report

Haaksbergen, 26 August 2009

Executive Board

J.M.A. van der Lof MBA, *chairman*

E.D.H. de Lange MBA

The figures in the interim financial report have not been audited.