

## Press release

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

# Strong recovery in profitability in Q4

## Highlights 2009

- Turnover down 27.1% to € 726.4 million
- EBITA before exceptional items down 46.6% to € 40.7 million
- Considerable reduction in costs of € 37.6 million
- Exceptional charge of € 16.0 million for restructuring
- Strong cash flow of € 152.3 million from operating activities
- Balance sheet strengthened by € 117.4 million debt reduction.
- Dividend proposal € 0.50 per (depository receipt for an) ordinary share

## Highlights Q4

- Turnover decline down to 20.9%
- EBITA before exceptional items up 26.7% to € 16.0 million
- Exceptional charge of € 5.1 million for restructuring

## Key figures full year

(in € million unless otherwise stated)	2009	2008	Change in %
Turnover	726.4	997.0	- 27.1
EBITA before exceptional items	40.7	76.2	- 46.6
EBITA after exceptional items	28.5	80.2	- 64.5
Net profit before amortisation <sup>1)</sup> and exceptional items	18.1	47.5	- 61.9
Net profit	3.1	50.3	- 93.9
Net earnings per ordinary share (in €)	0.07	1.43	- 95.1
Solvency	43.9%	40.7%	
ROS before exceptional items	5.6%	7.6%	
ROCE before exceptional items	9.8%	16.5%	
Dividend proposal (in €)	0.50	0.66	

## Key figures fourth quarter

(in € million unless otherwise stated)	Q4 2009	Q4 2008	Change in %
Turnover	193.7	244.9	- 20.9
EBITA before exceptional items	16.0	12.6	+ 26.7
EBITA after exceptional items	14.6	16.6	- 12.1
Net profit before amortisation <sup>1)</sup> and exceptional items	9.0	7.9	+ 13.7
Net profit	4.6	13.2	- 65.1
ROS before exceptional items	8.3%	5.2%	

<sup>1</sup> Amortisation intangible fixed assets related to acquisitions (after taxes)

Alexander van der Lof, CEO of TKH: *“The rapidly changing economic conditions have had a major impact on TKH. This year, the company has been confronted with a strong revenue drop but has responded swiftly and therefore showed a sound recovery. We even managed to achieve a ROS of 8.3% in the fourth quarter. We have tried to find the right balance between cost reductions and strategic positioning, especially by maintaining the high cost level for innovations. TKH has also improved its foundations through an exceptionally sharp reduction in debt and the retention and recruitment of talented employees. These measures were not only a response to economically difficult times, but also a way to optimize the basis of our future growth.”*

### Financial developments

In the year under review, turnover dropped by € 270.6 million (- 27.1%) to € 726.4 million, from € 997.0 million in 2008. Organic turnover decline, corrected for the effects of raw material prices, came in at 26.4%. The turnover drop in the fourth quarter of 2009 was 20.9% compared with the fourth quarter of 2008, which meant the fall in turnover was lower than in the previous quarters of 2009, while the fourth quarter of 2008 had shown a relatively high level of turnover.

The drop in turnover was strongest in Industrial Solutions, with a 38.9% fall. Telecom Solutions saw its turnover fall by 17.4% and turnover at Building Solutions was down 15.6%. Building Solutions in particular saw a marked improvement in the second half of the year, when turnover was down 7.9%, compared with a 22.7% drop in the first half. The contribution to the turnover from Industrial Solutions fell to 41% from 48%, while Telecom Solutions saw its contribution increase to 20%, from 18%, and the share from Building Solutions increased to 39% from 34%.

The gross margin as a percentage of turnover increased due to the improved product mix, price increases introduced due to lower volumes and the impact of lower raw materials prices. The gross margin rose to 40.8% in 2009, compared with 37.1% in 2008. Operating costs excluding one-off charges were cut considerably, by € 37.6 million or 12.8%, due to a targeted cost savings programme. In the fourth quarter of 2009, we decided to cancel some of the cost savings measures in the form of subsidised part-time unemployment and working hours reductions due to the fact that the order intake in some segments was showing signs of recovery. In the financial year under review, we took an exceptional charge of € 16.0 million for restructuring, which was largely aimed at the adaptation of production capacity and increasing the efficiency of the organisation. Of this total, € 5.1 million was taken in the fourth quarter of 2009. A sum of € 3.7 million of the total was taken as a one-off write-down due to the termination of activities that contributed too little to the company's profits.

Depreciation costs, at € 16.2 million, were down slightly below the level of 2008 (2008: € 16.8 million).

The operating result before amortisation and exceptional items (EBITA) dropped by 46.6% to € 40.7 million, from € 76.2 million in 2008. In the second half of the year, EBITA almost doubled to € 26.9 million, from € 13.8 million in the first half of the year. The ROS therefore increased from 3.9% in the first half to 7.2% in the second half of the year, and to 8.3% in the fourth quarter.

The operating result after amortisation and exceptional items was down 78.5% in 2009.

The amortisation charge increased by € 2.5 million to € 9.0 million due to investments in R&D and acquisitions. There was also a one-off write-down of € 3.7 million on licences and capitalised goodwill relating to terminated activities.

Financial expenses increased to € 9.4 million in 2009, from € 7.8 million in 2008. This increase was primarily the result of a negative currency effect of € 0.4 million in 2009, compared with a positive effect of € 1.6 million in 2008. Also, the majority of the debt reduction was effected in the second half of the year. The result of participations (minus € 1.3 million) was strongly affected by one-off charges for reorganisations implemented at several participations and the write-downs taken.

The normalised tax burden increased to 31.2% (2008: 26.7%) due to a higher contribution of profits from other countries with a higher tax burden and relatively higher non-tax deductible costs.

Net profit before amortisation and exceptional items came in at € 18.1 million in 2009, down 61.9% from € 47.5 million in 2008. Net profit for 2009 was down 93.3% at € 3.1 million, compared with € 50.3 million in 2008. Earnings per share came in at € 0.07, down from € 1.43 in 2008.

The cash flow from operating activities increased considerably to € 152.3 million, from € 53.4 million in 2008. The € 116.9 million reduction in working capital in particular had a major impact on the increase in cash flow. Working capital as a percentage of turnover fell to 9.0%, from 19.1% in 2008. This decrease was realised through a reduction of inventories, the use of non-recourse factoring instruments worth € 17.8 million and the optimisation of payment terms with suppliers and customers.

Net investments in 2009 stood at € 8.9 million, with around € 4 million of this related to investment decisions made in 2008.

The strong cash flow led to a considerable strengthening of the company's financial position. Compared to year-end 2008, net bank debts were down € 117.4 million at € 69.4 million, largely as a result of the reduction of the working capital and a lower level of investment in tangible fixed assets. The solvency ratio rose to 43.9%, compared with 40.7% in 2008. TKH operates well within the financial ratios agreed with its banks. The net debt/EBITDA ratio stood at 1.5 and the interest coverage ratio at 5.6 (including exceptional charges).

The number of staff (FTE) at the end of 2009 was 3,564 (2008: 3,882).

### **Progress in realising objectives and execution of strategy**

The focus in the first half of the year was on cost reduction and debt reduction. From August onwards we were again able to focus fully on the strategic development of TKH. Since we made no cutbacks in innovation costs, we were able to further develop technologies in 2009. We were also able to acquire new market positions by further developing the company's distinguishing potential. The lower capacity utilisation at our production facilities has accelerated actions to improve the efficiency in our overhead costs. With this, several important steps were taken towards realising the increase in the margin (ROS) target of 9 to 10% as announced in March 2009. A key indicator of the improved margin potential is the increased added value as a percentage of turnover. Given the ROS of 5.6% realised in 2009, we will be taking additional steps towards achieving our goal.

The same applies to our ROCE target. ROCE came in at 9.8% in 2009. The strong reduction of the debt burden means that, in addition to creating potential for margin improvement, we took an important step towards the future realisation of our target of 18 to 20%.

The high percentage of innovation in turnover in 2009, at 20.1% compared with 21.0% in 2008 is proof once again of the success of the TKH Group. Innovations are an important building block for TKH Group's organic growth.

## Developments per solutions segment

### Telecom Solutions

#### Profile

*Telecom Solutions develops, produces and supplies systems ranging from outdoor infrastructure for telecom and CATV networks through to indoor home networking applications. The focus in this business is to provide clients with systems that are totally care-free due to the accompanying system guarantees we provide. Around 40% of the portfolio consists of optical fibre and copper cable for node-to-node connections. The remaining 60%, consisting of components and systems in the field of connectivity and peripheral equipment, is used mainly in the network's nodes.*

#### Key figures full year Telecom Solutions

(in € millions unless otherwise stated)

	2009	2008	Change in %
Turnover	149.2	180.6	- 17.4
EBITA before exceptional items	16.3	23.0	- 29.2
ROS before exceptional items	10.9%	12.7%	

Turnover within the Telecom Solutions segment fell to € 149.2 million. The reduced raw material prices had a negative impact of 0.6% on turnover. The drop in turnover was particularly notable in indoor telecom systems and outdoor copper network systems. This was due to the reluctance to invest among consumers and telecom operators. The drop in optical fibre networks systems was limited.

EBITA before exceptional items fell to € 16.3 million. The reduced EBITA was largely the result of the drop in turnover. The high depreciation costs due to the partial coverage of the one-off depreciation taken on the optical fibre activities in 2008 were offset by a reduction of the other expenses. This made it possible to maintain ROS at a solid level. An exceptional charge of € 1.7 million was taken for restructuring.

#### Indoor telecom systems - home networking systems, broadband connectivity, IPTV-software solutions - Turnover contribution 5.4%

Turnover was down 22.8%, with the drop slightly lower in the second half of the year than in the first six months. The drop in turnover was partly due to the lower level of activity in the

European construction sector and reduced spending by consumers on upgrading peripheral equipment for broadband connections. Turnover in IPTV solutions increased. We completed the development of the IPTV compact system, which allowed us to take new positions for small scale solutions in the hospitality and care markets.

**Fibre network systems - optical fibre, optical fibre cable, connectivity systems and components, peripheral equipment - Turnover contribution 8.8%**

Turnover dropped by 5.4%. Demand for optical fibre in Europe was down more than 25%, while demand in China increased. The priority to invest in optical fibre networks increased last year, which led to a further shift away from investments in copper networks to optical fibre networks. Investments in optical fibre networks in Europe were hampered to some extent by the limited financing options. We acquired various new projects with the ACE concept for FTTH solutions. We also launched innovations in the field of connectivity to reduce the throughput time of project installations and simplify the installation process itself. We successfully launched the bend-insensitive fibre, which is insensitive to minor bending stresses. Operators gave investments in FTTH solutions a higher priority following the development of new services in areas including health care applications. In Europe, governments launched various initiatives to encourage investments in optical fibre networks.

The increased value of Asian currencies resulted in higher purchasing costs for raw materials and components for optical fibre networks, particularly in the first half of the year. This was offset by efficiency improvements.

**Copper network systems - copper cable, connectivity systems and components, active peripherals - Turnover contribution 6.3%**

Turnover in this segment dropped by 25.9% largely because telecom companies restricted their investment levels and investments shifted towards optical fibre networks. The roll-out of broadband networks in the form of ADSL2+ and VDSL in particular suffered as a result. The strong focus on operational cost reductions among telecom operators also led to considerably lower maintenance investments in network hubs. This had a negative impact on the turnover in connectivity components. Turnover recovered slightly in the second half of the year but remained at a relatively low level.

## Building Solutions

### Profile

*Building Solutions develops, produces and supplies solutions in the field of efficient electro-technology ranging from applications within buildings through to technical systems that – combined with software – provide efficiency solutions for the care and security sectors. TKH's know-how focuses on connectivity systems in combination with efficiency solutions aimed at reducing the throughput time of installation realisation in buildings. In addition, the segment focuses on intelligent video, intercom and access management systems for a number of specific sectors, including elderly care, parking and security for buildings and grounds.*

## Key figures full year Building Solutions

(in € million unless otherwise stated)

	2009	2008	Change in %
Turnover	283.1	335.3	- 15.6
EBITA before exceptional items	19.8	27.1	- 27.2
ROS before exceptional items	7.0%	8.1%	

Turnover in the Building Solutions segment fell to € 283.1 million. Reduced raw material prices had a negative impact on turnover of 3.2%. Turnover recovered somewhat in the second half of the year, and as a result the drop in turnover was limited to 7.9% in the second half. The recovery was due to an increase in turnover in innovations, particularly in the security systems and buildings technologies segment. The cold winter in Europe had a negative impact on turnover in connectivity systems in the first half of 2009 due to limited deliveries of infrastructural cables in the first months of the year. In the second half of 2009, turnover in connectivity systems increased as a result of European government-sponsored investment stimulus packages aimed at infrastructure projects.

EBITA before exceptional items dropped to € 19.8 million. This fall was largely booked in the sub-segments connectivity systems and building technologies. In the second half of the year, EBITA recovered strongly with a considerable increase compared to the first half. Compared with the second half of 2008, EBITA was up 15.4% in the second half of 2009. This increase was due to a strong cost reduction in the second half, an increase in the margin as a result of price increases and a more limited drop in turnover. In 2009, we took an exceptional charge of € 3.7 million, € 3.0 million of which was taken in the second half. The company took a one-off write-down of € 1.4 million relating to the termination of activities.

The measures introduced and partial recovery of the turnover boosted ROS to 10.1% in the second half of the year, compared with ROS of 3.5% in the first half of the year.

### **Building technologies - energy-saving light and light switch systems, energy management systems, care systems, structured cable systems - Turnover contribution 9.6%**

Turnover in this segment was down 11.8%. Turnover recovered largely in the second half (drop in turnover in second half of 2009: 3.2%). The recovery was the result of a limited increase in construction activity levels in western Europe and in particular to an increase in the market share due to innovations launched and the expansion of the commercial organisation. The areas that developed the strongest were the care sector, energy saving systems for lighting and electricity management.

### **Security systems - systems for CCTV, video/audio analysis and detection, intercom, access management and registration, central control room integration - Turnover contribution 11.1%**

Turnover in this sector increased by 11.7%. The acquisition of Keyprocessor, VDG, Ithaca in 2008 and Obsvision in 2009 made considerable contributions to turnover growth. We also increased our market share in this segment with distinctive technological innovations. The video analysis and detection systems and the security platform 'I-protect' made particularly



marked contributions to this growth. The new positions we were able to secure through the opening of the new locations also had a positive impact on turnover, while there was a dip in the market for security systems. The share of security systems in overall turnover increased to around 11.1%, compared with 7.2% in 2008, which was a further step towards increasing the contribution to turnover to at least 20% in 2012.

**Connectivity systems - specialty cable and connectivity components (systems) for shipbuilding, railways, infrastructure, solar and wind power, as well as installation and energy cable for niche markets - Turnover contribution 18.3%**

Turnover in this segment was down 27.8%. Of this total, 5.7% was due to reduced raw materials prices. Since a major part of these activities is linked to infrastructural projects, the cold winter period had a considerable negative impact in the first half of the year. Customers reducing their inventories also affected results in the first half of the year. Turnover recovered somewhat in the second half of 2009, due to the growing demand for infrastructural solutions, partly as a consequence of European government-sponsored stimulus packages. This led to a smaller turnover drop in the second half of the year (19.2%). The reduced level of activity in the European construction sector had a negative impact on turnover but this drop was partly offset by growth in the activities in the solar sector.

## Industrial Solutions

### Profile

*Industrial Solutions, develops, produces and supplies solutions ranging from specialty cable, "plug and play" cable systems through to integrated systems for the production of car and truck tyres. The know-how in the field of automation of production processes and improving the reliability of production systems gives TKH a distinctive ability to respond to the desire of a number of specialist industrial sectors, such as tyre manufacturing, robot, medical and machine manufacturing industries, to increasingly outsource the construction of production systems or modules.*

### Key figured full year Industrial Solutions

(in € million unless otherwise stated)

	2009	2008	Change in %
Turnover	294.1	481.2	- 38.9
EBITA before exceptional items	12.2	34.6	- 64.8
ROS before exceptional items	4.1%	7.2%	

Turnover in the Industrial Solutions segment fell to € 294.1 million. Reduced raw material prices negatively impacted turnover by 2.5%. Turnover dropped in both connectivity systems and manufacturing systems, with the latter showing the greater drop of 40.0%. The activities within Industrial Solutions are strongly related to capital goods, in particular in the robot, machine building and the tyre manufacturing industries. Customers in these sectors drastically reduced their investment levels.

EBITA before exceptional items dropped to € 12.2 million. The very strong and sudden drop in turnover meant we could not entirely adjust the cost levels to the lower activity levels, which in turn meant the impact of lower turnover on profit was disproportionate. Results improved in the second half of the year due to the measures introduced. The result was

down 32.6% in the second half of 2009, compared with the same period of 2008 (H1 2009 compared with H1 2008: 81.6%). A drastic cost savings programme was introduced, with an exceptional charge of € 6.8 million, largely related to the manufacturing systems operations. In addition, a one-off write-down of € 2.3 million was taken for capitalised licensing costs related to terminated activities. We closed down two production facilities in Germany, which means the production for manufacturing systems is now concentrated in the Netherlands and China.

**Connectivity systems - *specialist cable systems and modules for the medical, robots, automotive and machine building industries* - Turnover contribution 22.1%**

Turnover in this segment was down 37.9%. The turnover drop was slightly less in the second half of the year due to a recovering market, due in part to the fact that customers stopped reducing their inventories. Turnover fell by 33.1% in the second half of the year. The majority of the customers are connected to the automotive industry and these customers were faced with the virtual disappearance of demand for investment goods. The activities relating to the robot industry and the machine building industry in Germany were particularly hit hard by the very low level of investments and the postponement of deliveries in these sectors. In some segments, turnover fell by more than 70%. Reductions in working hours largely offset the reduced capacity demand.

**Manufacturing systems - *advanced manufacturing systems for the production of car and truck tyres, can washers, product handling systems and machine control systems* - Turnover contribution 18.4%**

Turnover dropped by 40.0%. The turnover reduction increased in the second half of the year, but order intake increased considerably compared with the first half. At € 50 million, order intake in the tyre manufacturing systems segment, which accounts for 80% of the activities in this segment, even returned to 2008 levels in the fourth quarter of the year. In the first half of 2009, customers focused primarily on cash management, which reduced investment levels to a minimum. The short earn-back time for TKH's technology, in relation to the pressure to realise efficiency improvements, meant that some customers shifted their priority back to investments in the second half of 2009. The innovations in this segment are a success in the market, which allowed us to gain market share in a very difficult market.

## **Dividend proposal**

In view of our strong financial position and the fact that 2009 was an extraordinary year, TKH is for once deviating from its policy of paying out 40% to 70% of the profit. The General Meeting of Shareholders to be held on 27 April 2010 will therefore be asked to approve the payment of a dividend of € 0.50 per (depository receipt for a) share (2008: € 0.66). The proposal is for an optional dividend in either cash or in stock to be charged to the reserves. The determination of the stock dividend will take place one day after the optional period expires on the basis of the average share price during the final five days of trading of said optional period, which ends on 18 May 2010. The dividend will become payable in either cash or stock on 25 May 2010.



## Appointment Supervisory Board members

During the 2010 General Meeting of Shareholders, Ms. M.E. Van Lier Lels and Mr. P. Morley M.Sc. will be stepping down as members of the Supervisory Board on the basis of the prevailing retirement roster. Both are eligible for re-appointment. Ms. Van Lier Lels and Mr. Morley will be nominated for reappointment during the 2010 General Meeting of Shareholders.

## Outlook

Within Telecom Solutions no recovery is visible yet in investments in the maintenance of copper networks. In the field of optical fibre networks, investments are being prepared for networks to the home. The financial headroom for investments will determine to what extent these preparations will actually turn into investments.

Within Building Solutions a further decline of the investments levels in the construction sector in Europe is factored in. TKH, however, focuses mainly on infrastructural projects, where there are, partly due to government-sponsored investment stimulus packages, compensation opportunities. The harsh winter in the first quarter of 2010 will negatively impact turnover. The innovations in the field of security, energy saving systems and systems for more efficient remote care offer prospects for growth in these sectors.

Within Industrial Solutions clear signs of a partial recovery are visible as of the fourth quarter 2009. The priority for efficiency investments has clearly increased in the industrial sector. With its innovative solutions, TKH is well positioned to benefit from this recovery. It is however unclear whether the higher investment levels will continue in the coming quarters.

De market conditions in most market segments TKH operates in remain uncertain. The cost savings realised, the other measures we have introduced, the continuing focus on innovations and the strong financial position give TKH a solid basis for the improvement of its turnover and result compared to 2009, under unchanged circumstances.

Haaksbergen, 10 March 2010

Executive Board

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## Financial agenda

27 April 2010	General Meeting of Shareholders
6 May 2010	Trading update Q1 2010
25 August 2010	Publication first-half results 2010
11 November 2010	Trading update Q3 2010

## Profile

Technology company TKH Group NV (TKH) is an internationally active group of companies that specialises in the creation and delivery of innovative Telecom, Building and Industrial Solutions.

TKH specialises in solutions rather than certain types of activity. In TKH's business segments Telecom Solutions, Building Solutions and Industrial Solutions basic technologies in the fields of ICT and electro-technology from the various operating companies are combined – frequently in partnership with suppliers - to develop total solutions.

Specialists in the fields of marketing, process development, design, engineering and logistics add the final touch of advice and project implementation to enable TKH to offer its clients truly custom-made solutions. We subsequently offer these locally-developed concepts internationally, making optimal use of TKH's in-house experience and know-how.

Telecom Solutions develops, produces and supplies systems ranging from outdoor infrastructure for telecom and CATV networks through to indoor home networking applications. The focus in this business is to provide clients with systems that are totally care-free due to the accompanying system guarantees we provide. TKH Telecom Solutions operates in three distinct sub-segments: optical fibre networks, copper networks and indoor telecom systems.

Building Solutions develops, produces and supplies solutions in the field of efficient electro-technology ranging from applications within buildings through to technical systems that – combined with software – provide efficiency solutions for the care and security sectors. Building Solutions operates in three distinct sub-segments: building technologies, security systems and connectivity systems.

Industrial Solutions, develops, produces and supplies solutions ranging from specialty cable, “plug and play” cable systems through to integrated systems for the production of care and truck tyres. Industrial Solutions operates in two distinct sub-segments: connectivity systems and manufacturing systems.

TKH's continuous focus on research and development gives the company a portfolio of products and services that guarantee technologically-advanced solutions. TKH and its various operating companies are active worldwide. Growth is concentrated in North West and Central and Eastern Europe and Asia. In 2009, TKH booked turnover of € 726 million with a workforce of 3,564 employees.

## Consolidated Profit and Loss Account

*In thousands of euros*

	<u>2009</u>	<u>2008</u>
<b>Net turnover</b>	<b>724,261</b>	<b>995,178</b>
Other operating income	<u>2,175</u>	<u>1,858</u>
<b>Total turnover</b>	<b>726,436</b>	<b>997,036</b>
Costs of raw materials, consumables, trade products		
And subcontracted work	<b>430,129</b>	627,625
Personnel expenses	<b>170,487</b>	186,023
Depreciation	<b>16,249</b>	16,806
Amortisation	<b>9,015</b>	6,489
Impairment	<b>3,742</b>	-3,478
Other operating expenses	<u>81,071</u>	<u>90,399</u>
<b>Total operating expenses</b>	<u><b>710,693</b></u>	<u><b>923,864</b></u>
<b>Operating result</b>	<b>15,743</b>	<b>73,172</b>
Financial income and expenses	<b>-9,385</b>	-7,826
Share in result of associates	<u><b>-1,322</b></u>	<u>-54</u>
Result before tax	<b>5,036</b>	<b>65,292</b>
Exceptional tax gain	<b>-293</b>	-2,502
Tax from current year	<u><b>2,279</b></u>	<u>17,478</u>
Tax on profit	<b>1,986</b>	<b>14,976</b>
<b>Net result</b>	<u><u><b>3,050</b></u></u>	<u><u><b>50,316</b></u></u>
Attributable to:		
Shareholders of the company	<b>2,652</b>	<b>49,934</b>
Minority interest	<b>398</b>	<b>382</b>
	<u><u><b>3,050</b></u></u>	<u><u><b>50,316</b></u></u>
<b>Earning per share</b>		
Weighted average number of shares (x 1,000)	<b>35,894</b>	35,027
Weighted average number of shares for the purpose of diluted earnings per share (x 1,000)	<b>36,086</b>	35,154
Ordinary earnings per share before amortisation (in €)	<b>0,18</b>	1,52
Ordinary earnings per share (in €)	<b>0,07</b>	1,43
Diluted earnings per share (in €)	<b>0,07</b>	1,42

## Consolidated balance sheet

*In thousands of euros*

	2009	2008
<b>Assets</b>		
<u>Non-current assets</u>		
Intangible non-current assets	167,273	168,895
Tangible non-current assets	147,929	161,427
Investment property	3,334	3,512
Financial non-current assets	2,112	3,417
Deferred tax assets	7,858	5,868
<b>Total non-current assets</b>	<b>328,506</b>	<b>343,119</b>
<u>Current assets</u>		
Inventories	114,957	140,405
Receivables	146,263	225,255
Cash and cash equivalents	43,554	9,519
<b>Total current assets</b>	<b>304,774</b>	<b>375,179</b>
Assets held for sale	8,850	3,261
<b>Total assets</b>	<b>642,130</b>	<b>721,559</b>
<b>Equity and liabilities</b>		
<u>Group equity</u>		
Equity	280,536	292,404
Minority interest	1,324	1,089
<b>Total group equity</b>	<b>281,860</b>	<b>293,493</b>
<u>Long-term liabilities</u>		
Long-term liabilities	72,000	125,689
Deferred tax liabilities	29,968	31,795
Provision for pensions	12,613	13,643
Other provisions	8,668	11,092
<b>Total long-term liabilities</b>	<b>123,249</b>	<b>182,219</b>
<u>Short-term liabilities</u>		
Borrowings	40,944	70,623
Trade and other payables	179,866	166,724
Current tax liabilities	3,483	4,691
Provisions	12,728	3,809
<b>Total short-term liabilities</b>	<b>237,021</b>	<b>245,847</b>
<b>Total liabilities</b>	<b>642,130</b>	<b>721,559</b>

## Consolidated cash flow statement

	2009	2008
<b>Cash flow from operating activities</b>		
Operating result	15,743	73,172
Depreciation and amortisation	29,257	19,970
Share and option schemes not resulting in a cash flow	747	1,112
Results on divestments	-251	-153
Changes in provisions	5,723	-10,855
Changes in working capital	116,893	-4,353
Cash flow from operations	168,112	78,893
Interest paid	-9,013	-9,421
Income tax paid	-6,809	-16,117
<b>Net cash flow from operating activities (A)</b>	<b>152,290</b>	<b>53,355</b>
<b>Cash flow from investing activities</b>		
Dividend received from non-consolidated associates	0	328
Investments in tangible non-current assets	-10,937	-32,472
Divestments in tangible non-current assets	1,573	718
Result on investments and divestments of investment property	186	-922
Divestments in assets held for sale	300	0
Acquisitions of subsidiaries	-802	-20,708
Acquisitions of associates	-1,009	-273
Investments in intangible non-current assets	-5,863	-5,756
Investments in other financial non-current assets	0	-8
<b>Net cash flow from investing activities (B)</b>	<b>-16,552</b>	<b>-59,093</b>
<b>Cash flow from financing activities</b>		
Dividends paid	-14,409	-12,324
Sold less purchased shares for share and option schemes	-83	-1,295
Proceeds from long-term debts	0	38,174
Repayments of long-term debts	-57,275	0
Change in short-term borrowings	-29,679	-17,241
<b>Net cash flow from financing activities (C)</b>	<b>-101,446</b>	<b>7,314</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>34,292</b>	<b>1,576</b>
Exchange differences	-257	-1,710
<b>Change in cash and cash equivalents</b>	<b>34,035</b>	<b>-134</b>
Cash and cash equivalents at 1 January	9,519	9,653
Cash and cash equivalents at 31 December	43,554	9,519

## Consolidated statement of changes in group equity

*In thousands of euros*

	2009	2008
<b>Balance as at 1 January</b>	<b>293,493</b>	<b>265,513</b>
Net result	3,050	50,316
Changes in cashflow hedges	-646	-7,548
Revaluations	48	-169
Exchange differences	-383	-1,921
<b>Total result</b>	<b>2,069</b>	<b>40,678</b>
Dividends paid	-13,886	-11,805
Dividends to minority shareholders	-523	-519
Share and option schemes (IFRS 2)	747	1,112
Purchased shares for share and option schemes	-758	-2,572
Sold shares for share and option schemes	675	1,277
Acquisitions	43	-191
<b>Balance at 31 December</b>	<b>281,860</b>	<b>293,493</b>

## Consolidated statement of comprehensive income

*In thousands of euros*

	2009	2008
<b>Result for the period</b>	<b>3,050</b>	<b>50,316</b>
Foreign exchange translation differences	-383	-1,921
Effective portion of fair value changes of cash flow		
Hedges (net of income tax)	-646	-7,548
Revaluation of property	2,037	-169
Result arising on impairment of assets classified as held-for-sale	-1,989	0
<b>Total results directly recorded in equity</b>	<b>-981</b>	<b>-9,638</b>
<b>Total comprehensive income for the period</b>	<b>2,069</b>	<b>40,678</b>
<b>Attributable to:</b>		
Shareholders of the company	1,671	40,296
Minority interests	398	382
<b>Total comprehensive income for the period</b>	<b>2,069</b>	<b>40,678</b>



## Notes to the financial statements

### 1. Accounting principles for financial reporting

For the accounting principles of the financial statements of TKH Group N.V. we refer to the annual report of 2008.

### 2. Segmented information

	Telecom solutions		Building solutions		Industrial solutions		Unallocated		Totaal	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
<b>First half year</b>										
<b>Net turnover</b>	74.041	87.912	134.352	173.701	145.087	243.157			353.480	504.770
EBITA excl. extraordinary income and expenses	8.803	12.298	4.676	14.065	4.173	22.732	-3.841	-5.035	13.811	44.060
Extraordinary income and expenses	-743		-748		-5.746				-7.237	0
Impairments									0	0
Amortisations	-384	-315	-2.098	-1.598	-1.851	-1.317		-3	-4.333	-3.233
<b>Operating result</b>	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
Result associates									-350	-107
Taxes									1.021	-9.901
<b>Net result</b>									-2.645	25.452
<b>Second half year</b>										
<b>Net turnover</b>	75.187	92.659	148.785	161.611	148.984	237.996			372.956	492.266
EBITA excl. extraordinary income and expenses	7.479	10.688	15.095	13.082	7.986	11.851	-3.655	-3.498	26.905	32.123
Extraordinary income and expenses	-966		-2.996		-1.017				-4.979	0
Impairments		4.015	-1.413		-2.329	-537			-3.742	3.478
Amortisations	-435	-315	-2.502	-1.724	-1.745	-1.212		-5	-4.682	-3.256
<b>Operating result</b>	6.078	14.388	8.184	11.358	2.895	10.102	-3.655	-3.503	13.502	32.345
Financial income and expenses									-3.828	-2.459
Result associates									-972	53
Taxes									-3.007	-5.075
<b>Net result</b>									5.695	24.864
<b>Total</b>										
<b>Net turnover</b>	149.228	180.571	283.137	335.312	294.071	481.153			726.436	997.036
EBITA excl. extraordinary income and expenses	16.282	22.986	19.771	27.147	12.159	34.583	-7.496	-8.533	40.716	76.183
Extraordinary income and expenses	-1.709		-3.744		-6.763				-12.216	0
Impairments		4.015	-1.413		-2.329	-537			-3.742	3.478
Amortisations	-819	-630	-4.600	-3.322	-3.596	-2.529		-8	-9.015	-6.489
<b>Operating result</b>	13.754	26.371	10.014	23.825	-529	31.517	-7.496	-8.541	15.743	73.172
Financial income and expenses									-9.385	-7.826
Result associates									-1.322	-54
Taxes									-1.986	-14.976
<b>Net result</b>									3.050	50.316

### 3. Overview of net profit definitions

*In thousands of euros S*

	2009	2008
Net profit attributable to shareholders of the company	2,652	49,934
Net profit attributable to minority shareholders	398	382
<b>Net profit</b>	<b>3,050</b>	<b>50,316</b>
Amortisation of acquisition-related intangible assets based on "purchase price allocations"	5,544	4,839
Taxes on the amortisation	-1,716	-1,537
Net profit before amortisation	6,878	53,618
Restructuring costs	12,216	0
Impairments	3,742	-3,478
Taxes on restructuring and impairments	-4,468	-137
Exceptional tax gain	-293	-2,502
<b>Net profit before amortisation and exceptional charges</b>	<b>18,075</b>	<b>47,501</b>

### 4. Annual report

The Consolidated profit and loss account, Consolidated balance sheet, Consolidated statement of changes in group equity and Consolidated cash flow statement, as included in this press release, are based on the annual accounts prepared as of 31 December 2009, which have not yet been published in compliance with legal requirements. In accordance with Section 2:395 of the Dutch Civil Code, we report that our auditor, Deloitte Accountants B.V., has issued an unqualified auditor's report on the annual accounts dated March 9, 2010. For the understanding required to make a sound judgement as to the financial position and results of TKH Group N.V. and for a satisfactory understanding of the scope of the audit by Deloitte Accountants B.V., this press release should be read in conjunction with the annual accounts from which this press release has been derived, together with the auditor's report thereon issued by Deloitte Accountants B.V. We expect to be able to publish these documents at the beginning of April 2010. The annual accounts will be submitted to the General Meeting of Shareholders on 27 April 2010 for approval.