

Market groups continue to invest vigorously in products and markets

Nedap N.V. continues to achieve organic growth in revenue and profit once more in 2012

Groenlo, 15 November 2012

Revenue and profit of the N.V. Nederlandsche Apparatenfabriek "Nedap" over the whole of 2012 - notwithstanding unforeseen circumstances - will show further growth, and will be markedly to significantly* higher than during 2011 (2011: revenue € 152.3 million, profit € 11.0 million). The growth in revenue came from virtually all market groups, namely Agri, AVI, Healthcare, Library Solutions, Power Supplies, and Retail. Only the revenue of the market group Security Management was somewhat flat. The growth was moreover achieved in a period when revenue from supplier activities – in 2011 still good for € 9.7 million - was reduced to virtually zero.

Revenue in the 2nd half-year of 2012, in comparison with the excellent 2nd half of 2011, will be up once more and shows a modest to limited increase. As a result of the continued investment in product development, marketing, sales, and logistics, the growth in profit will be somewhat less pronounced. The market groups have made a vast improvement in their market positions over recent years, and will continue to invest vigorously in order to ensure sustained growth. Expenditure was also up by around € 0.8 million due to the initiative of the Power Supplies market group to replace a part of the hardware of a certain type of inverters that had already been delivered in order to upgrade the reliability and quality. Due to the relatively high share of new products in revenue, the depreciation cost of capitalised developments also went up.

The number of employees went up in the first ten months of this year by 27 to 711 as per 1 November 2012. The solvency position (excluding undistributed profit) remained undiminished strong at around 39% of the balance sheet total. In the year under review, the total investment in property, plant and equipment, and intangible assets will be significantly higher than the amount of depreciation and amortisation. The current credit facility is large enough to finance this investment. This facility will expire on 1 February 2013, but it has recently been provisionally extended until 1 November 2015. No covenants have been agreed with the bank.

Market Groups

The market group **Agri** automation of cattle farming processes that help farmers optimise their business processes and improve animal welfare shall once more show a substantial growth in turnover in 2012. This applies for both the dairy farming sector and the pig-breeding sector.

* Nedap has applied the 'Scale of Mock' in this press release.

The demand for smart computerised solutions is growing rapidly as a result of the global trend of consolidation in both of these sectors, but also because of the higher standards in relation to animal-friendly facilities. With its state-of-the-art identification, detection, and registration systems, the Agri market group can provide cattle farmers with the ideal solutions in each of these areas. Furthermore, the market group has opened up new sales channels, which have enabled it to penetrate new markets more quickly. In China, the market group has its own sales and support team to take maximum advantage of the market growth in this region.

The market group **AVI** products for vehicle and driver identification as well as wireless parking systems also saw a satisfying increase in its revenue over the year. This was the result of a complementary product portfolio for vehicle identification combined with an extensive international dealer network. The market group has invested heavily in product development and marketing, and is working together with third parties to offer local governments a total solution that can improve traffic flows and the management of parking space in their cities.

Due to its continual focus on product innovation and marketing, the market group **Healthcare** automation of healthcare professional's administration to create more time for care was able to reinforce its position in the Dutch market. This steady growth has not only been achieved with care institutions opting for a Nedap solution for the first time, but increasingly because existing clients are making much wider use of the full range of services. The market group offers an integrated product range for healthcare institutions, their staff and clients, and for home carers. The operating territory of the market group has gradually expanded beyond out-patient and home care to include in-patient, elderly and disability care. The PEP[®] suite (digital timesheet processing) also contributed to the growth in revenue of the market group.

Revenue of the market group **Library Solutions** RFID self-service systems for libraries are increasingly being derived from in-house products instead of third-party products. The market group no longer concentrates solely on implementing integrated library projects, and acting as a systems integrator combining a mix of in-house components and third-party products. It is now concentrating on the development and supply of a cutting-edge product portfolio, which allows business partners in a growing number of countries to carry out their own tailor-made projects. New markets, such as Scandinavia and North America, are contributing to the rise in turnover in 2012.

The market group **Power Supplies** electronic controls based on power electronics for e.g. lighting and autonomous energy systems showed an excellent growth in its revenue during the year. This was the result of the considerable investment in product development, marketing, and sales over recent years. This market group now has a robust and comprehensive product portfolio designed to meet the needs of specific market segments. Furthermore, the market group has further extended its partner network with new sales channels, amongst others in Germany for energy systems (PowerRouter) and in North America for the lighting segment. Both the products for autonomous energy systems and for lighting systems contributed to the growth in revenue.

Despite the very competitive market, the market group **Retail security, management and information systems for retail** saw its revenue go up once more. The market group is reaping the rewards of its investment in product innovation and marketing, the development of an extensive partner network, and the establishment of the Global Label Center in Hong Kong. The Retail market group helps retailers to increase their return on investment in their stores, amongst other things through the use of RFID technology, with Cube (a comprehensive store operations management system), and with the recent addition of !FaST labels. The !FaST labels are hidden antishoptlifting tags that are fitted inside clothing and shoes by the manufacture, which can then be deactivated - totally guaranteed - in the store after payment has been made. This not only delivers cost savings for retailers, it also eliminates the inconvenience caused by false alarms for both shop staff and the customers. Major international clients (but local clients as well) can now be supported by the market group more or less anywhere in the world with the extensive international partner network. Revenue went up as a result, including in America, the Far East, and the Middle East, during 2012.

Revenue of the **Security Management access control, registration, payments, fire and intrusion alarms, surveillance, locker management and biometrics systems** saw a limited decline during 2012. This decline can largely be explained by the ending of the activities in relation to presence and absence registration systems for students. Another contributory factor was the poor investment climate in the construction and installation industry in the many regions where this market group is active. The activity level within this market group, both in terms of product development and market development, has nonetheless remained high. A growing number of multinational clients see the market group as a partner who can help them solve their worldwide security problems.

The expectations outlined above for the year 2012 are based on the facts known at the time of writing of this press release. Due to the project-based character of a large part of revenue, however, considerable changes may still occur in the final weeks of this year.

The annual figures for 2012 will be published on Tuesday 12 February 2013 after trading hours.

Nedap is a manufacturer of intelligent technology solutions for today's challenges. Enough food for a growing population, clean drinking water around the entire world, and smart networks for sustainable energy are just some of the goals Nedap is working towards. It has a continual focus on technology that matters.

The N.V. Nederlandsche Apparatenfabriek "Nedap" was founded in 1929, it has been listed on the stock exchange since 1947, and employs more than 700 staff worldwide.



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