

Investment of past years yields stronger propositions

Nedap expects limited to marked organic increase in revenue in 1st half 2014

Groenlo, 1 April 2014

The executive board of N.V. Nederlandsche Apparatenfabriek "Nedap" expects for the 1st half-year 2014 - notwithstanding unforeseen circumstances - a limited to marked* organic increase in revenue compared to the 1st half-year 2013 (1st half-year 2013: € 82.0 million). All market groups - with the exception of the market group Library Solutions - anticipate a growth or consolidation of their revenue. In light of the early date of this announcement on the one hand (this due to the General Meeting of Shareholders to be held this coming Thursday), and in light of the relatively high added value of the revenue on the other, it is difficult to make an accurate profit forecast at this point in time (profit 1st half-year 2013: € 5.1 million after tax). Due to the substantial investment in the organisation over the past 12 months, including an increase in the number of employees, profit development could lag behind compared to the revenue development.

These investments have ensured that the market groups have been able to develop stronger propositions, as a result of which their market positions around the world have been further strengthened. For the entire year of 2014 - notwithstanding unforeseen circumstances - the executive board therefore expects a further increase in revenue. Concerning the profit for 2014 - in light of the many uncertainties - no forecast can be made yet. The expected organic growth during the first half of 2014 can be financed with the current credit facilities. The solvency position remains solid at around 37% (excluding IFRS pension liabilities 41%).

The market group **Energy Systems** (autonomous energy systems), sold more PowerRouters (systems for the independent and effective generation, storage and consumption of electricity) in the first months of this year compared to the same period of last year. The sales were particularly strong in the German market. A lot of work has been done in Germany building up an extensive network of hundreds of installation providers, who have been trained in the sale and installation of the PowerRouter. The ability to operate close to the market has led to a better understanding of the market needs and a further refinement of the PowerRouter proposition. More and more global players in the field of battery technology are deciding to join the Nedap Battery Acceptance Programme so their products can be certified for the PowerRouter. There is an especially big demand for the combination of the PowerRouter and the new generation of Lithium-Ion battery systems. In addition to Germany, the market group is active in other West-European countries, such as Belgium, France, and Italy, but also in Australia as well.

* Nedap has applied the 'Scale of Mock' in this press release ('limited to marked' is 4-12%)

The market group **Healthcare** (automation of the administrative duties of healthcare professionals to create more time for care), supports healthcare institutions in their operational management with its ONS product. The revenue of the market group is continuing to grow steadily. In the first months of this year, several more healthcare organisations have switched to the systems of this market group. More than 50,000 healthcare professionals and more than 230,000 clients make daily use of the Nedap Healthcare services in such areas as residential care, intramural care, and home care services. Developments within this sector, such as the Social Support Act (WMO) and the move towards decentralised care services, have placed new requirements on processes and systems. The systems of Nedap Healthcare meet the current expectations and requirements of these organisations. They help care organisations, amongst other things, to keep responsibilities at a low level within an organisation, while at the same time improving the transparency of procedures. The systems also make it possible, for example, for clients and/or authorised persons to access their files. "It is a no-nonsense, user-friendly system," said the CEO of a major healthcare organisation, which provides care and support to people with mental disabilities, and which switched to the system of Nedap at the beginning of this year. The upturn in the economic outlook for the employment services sector has meant the Pep® suite (computerised time registration for employment agencies) is also contributing to the growth in revenue within the Healthcare market group. The Pep suite offers a wide range of applications: from the registration of hours, expenses, and wages for both flexible and permanent employees, to the rostering of these employees.

The market group **Identification Systems** (products for vehicle and driver identification and wireless parking systems) successfully managed to maintain the level of its revenue after the growth in 2013. Interest has increased worldwide in particular in the SENSIT product line (wireless sensors for vehicle detection) following the successful completion of the first pilot projects. SENSIT makes it possible for local councils and parking companies to make more efficient use of the available parking spaces. Because drivers are able to find a parking space more often and more quickly, this not only generates higher revenues, it also provides a much-needed economic impulse for city centre retail economies. The recent awarding of the Smart City Award for the SENSIT solution for short-term parking in the Belgian town of Kortrijk is a recognition of the practical application of this new technology.

The strategic transformation from an offerer of turnkey projects to a technology provider is the reason why the revenue of the market group **Library Solutions** (RFID self-service systems for libraries) is likely to decline further in 2014. As result of the changes to the organisation, however, profitability will rise. The significant streamlining of the business model and the balanced product portfolio have now put the market group in a position to rapidly expand into more countries.

After the market group **Light Controls** (power electronics for the lighting market) managed to consolidate its revenue in 2013, it expects to see further growth once more this year. In addition to an increase in the revenue for UV purification and UV curing products, a sizeable increase for the Luxon proposition (lighting management) is also expected. Several interesting orders have been won for this proposition in recent months, following the major investment in this proposition in recent years. With Luxon, businesses are able to deploy their lighting systems more flexibly, improve the quality of lighting, and at the same time make substantial savings in energy costs.

After a step back in 2013, the revenue of the market group **Livestock Management** (automation of livestock management processes based on individual animal identification, which help livestock farmers to optimise their business processes and improve the well-being of humans and animals) appears to be on the rise once more. Market conditions are particularly buoyant in the dairy farming sector. Milk prices are at a high level worldwide. The ending of the milk quota in Europe in 2015 will be an additional impulse for greater consolidation within the dairy farming sector. The trend towards sustainable dairy farming will also steadily push up the demand for computerisation over the coming years. With its comprehensive assortment of innovative products, Nedap Livestock Management is well positioned to take advantage of these trends. Its solutions deliver cost reductions, while at the same time improving individual animal welfare. The market conditions in the pig farming sector, particularly in Europe and China, are less buoyant due to the high animal feed prices and the pressure on sales prices. The market group nonetheless still expects to at least consolidate its revenue in this market segment over the coming months.

In the first months of this year, the market group **Retail** (security, management and information systems for retail) once more managed to achieve further growth in revenue in this very competitive market. Thanks to the investments of recent years in the propositions and a stronger organisation, Nedap Retail is becoming an increasingly more important party in retail technology for rapidly-expanding, international retailers. Its assortment has recently been enhanced with a fully hybrid RF/RFID model of the !D Gate antenna. The !D Gate is a high quality article security sensor for stock loss prevention and stock control, which contains smart electronics specially designed for the retail sector. The hybrid feature makes future updates possible and has a minimum impact on store design, because the same antenna can be used for several functions. This is a welcome addition to the assortment alongside Store !D, Cube and !Sense, which will help stores to become more secure and more profitable.

The **Security Management** market group (access control, registration, payment, fire and intrusion alarms, surveillance, locker management and biometric systems) continued to suffer the downside of the reluctance to invest in the construction industry, and consequently it expects to see a limited growth in revenue. There is a lot of interest in the Global Client Program of the market group. This means international clients can be supported in the worldwide implementation of a single standard security management system. These types of large projects, however, have a long lead-time before the actual completion. After the introduction of AEOS 3.1, in addition to access security, the AEOS security management platform is also increasingly being used for video surveillance and intrusion detection as well.

The above expectations for the 1st half-year 2014 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 the revenue, however, considerable changes may still occur in the final weeks of this period.

The financial half-yearly report for 2014 will be published on Thursday, 31 July 2014 after trading hours.

The Annual General Meeting of Shareholders will be held on Thursday 3 April 2014 in the EYE (film museum), IJpromenade 1, 1031 KT Amsterdam. (Please note: enter Tolhuisweg 5 in your GPS navigation system, because the IJpromenade is not displayed properly in many navigation systems.) Travel by public transport: a free ferry service operates 24 hours per day from Amsterdam Central Station to the other side of the IJ (Buiksloterweg, journey time 3 minutes). The ferry leaves from the central jetty of the ferry departure platform outside Amsterdam Central Station. When you get off the ferry in Noord, turn immediately left and the EYE is within 3 minutes' walking distance. For more information about directions to and access at the location go to:

<http://www.eyefilm.nl/bezoek/contact-en-route>

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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 740 staff worldwide.

