

Press Release

H1 2016: Continued impact of declining Oil & Gas market partly offset by strong performance in Europe

Amsterdam, 19 August 2016

Key points Q2 2016

- Revenue down by 27% to EUR 231 million
- Gross margin at 20.6%, up from 17.1%
- EBIT down by 19% to EUR 8 million

Key points H1 2016

- Revenue down by 28% to EUR 470 million
- Gross margin at 20.4%, up from 17.5%
- EBIT down by 29% to EUR 17 million

Brunel International (unaudited)

P&L amounts in EUR million

	Q2 2016	Q2 2015	Change %	H1 2016	H1 2015	Change %
Revenue	231.2	317.1	-27% ^a	469.6	650.8	-28% ^b
Gross Profit	47.7	54.3	-12%	95.6	113.6	-16%
Gross Margin	20.6%	17.1%		20.4%	17.5%	
Operating costs	40.2	45.1	-11% ^c	79.0	90.1	-12% ^d
EBIT	7.5	9.2	-19%	16.6	23.5	-29%
EBIT %	3.2%	2.9%		3.5%	3.6%	
Average directs	9,336	10,983	-15%	9,629	11,171	-14%
Average indirects	1,500	1,677	-11%	1,526	1,648	-7%
Ratio direct/indirect	6.2	6.5	-5%	6.3	6.8	-7%

^a -25% in constant currency (cc)

^b -26% in cc

^c -10% in cc

^d -11% in cc

H1 2016 results by division

Brunel Energy (unaudited)

P&L amounts in EUR million

	Q2 2016	Q2 2015	Change %	H1 2016	H1 2015	Change %
Revenue	119.8	220.8	-46% ^a	248.3	452.5	-45% ^b
Gross Profit	13.3	26.6	-50%	27.3	53.0	-48%
Gross Margin	11.1%	12.1%		11.1%	11.7%	
Operating costs	12.7	17.0	-25% ^c	25.0	35.5	-30% ^d
EBIT	0.6	9.6	-94%	2.3	17.5	-87%
EBIT %	0.5%	4.3%		0.9%	3.9%	
Average direct	4,656	6,544	-29%	4,911	6,739	-27%
Average indirect	598	778	-23%	613	752	-18%
Ratio direct/indirect	7.8	8.4		8.0	9.0	

^a -43% in cc

^b -42% in cc

^c -22% in cc

^d -27% in cc

Key points Q2 2016

- Revenue down by 46% to EUR 120 million
- Gross margin 11.1%, down from 12.1% last year
- EBIT down by 94% to EUR 1 million

Key points H1 2016

- Revenue down by 45% to EUR 248 million
- Gross margin 11.1%, down from 11.7% last year
- EBIT down by 87% to EUR 2 million

Revenue

Revenue in Q2 decreased by 46% year on year, and 7% compared to Q1. Our clients continue to delay and terminate projects and to reduce the number of staff. The focus in the industry on capex cuts and cost savings keeps influencing our business significantly. Consequently our headcount decreased by 29%. The decline in revenue is also affected by reductions of our contractors' rates.

Gross profit

Due to the nature of our contracts, the increased price pressure so far only has had limited effect on our rates, resulting in a decline in gross margin. Adjusted for negative currency effects (mainly by the appreciating Ruble), the gross margin for Q2 is 11.3%. In combination with the lower top line, gross profit dropped by 50% to EUR 13 million. The impact of the price pressure on our existing business is likely to increase in the near future.

Operating costs

We continue to right size our organisation. Overhead decreased by 25%, mainly driven by the reduction of internal staff costs, following the ongoing efficiency programme and investments in operating efficiencies. Q2's overhead expenses included EUR 1 million of one off expenses for redundancies and doubtful debt.

EBIT

As a consequence of the decrease in activities, EBIT declined to EUR 0.6 million for Q2.

Brunel Europe (unaudited)

P&L amounts in EUR million

	Q2 2016	Q2 2015	Change %	H1 2016	H1 2015	Change %
Revenue	111.4	96.2	16%	221.3	198.3	12%
Gross Profit	34.4	27.7	24%	68.4	60.7	13%
Gross Margin	30.9%	28.8%		30.9%	30.6%	
Operating costs	24.8	25.6	-3%	49.3	50.1	-2%
EBIT	9.6	2.1	362%	19.1	10.6	80%
EBIT %	8.6%	2.2%		8.6%	5.4%	
Average directs	4,680	4,439	5%	4,718	4,432	5%
Average indirects	859	884	-3%	870	896	-3%
Ratio direct/indirect	5.4	5.0		5.4	5.0	

Brunel Europe consists of Brunel Germany, Brunel Netherlands, Brunel Belgium, Brunel Czech Republic, Brunel Switzerland and Brunel Austria.

Key points Q2 2016

- Revenue up by 16% to EUR 111 million
- Gross margin 30.9%, up from 28.8% last year
- EBIT up by 362% to EUR 10 million
- Revenue Germany up 15%, revenue Netherlands up 14%

Key points H1 2016

- Revenue up by 12% to EUR 221 million
- Gross margin 30.9%, up from 30.6% last year
- EBIT up by 80% to EUR 19 million

Brunel Germany (unaudited)

P&L amounts in EUR million

	Q2 2016	Q2 2015	Change %	H1 2016	H1 2015	Change %
Revenue	52.9	45.9	15%	102.5	94.5	8%
Gross Profit	18.9	14.9	27%	35.8	31.9	12%
Gross Margin	35.7%	32.5%		34.9%	33.7%	
Operating costs	12.6	13.0	-3%	24.5	25.6	-4%
EBIT	6.3	1.9	232%	11.3	6.3	79%
EBIT %	11.9%	4.1%		11.0%	6.7%	
Average directs	2,174	2,012	8%	2,160	2,035	6%
Average indirects	405	447	-9%	416	449	-7%
Ratio direct/indirect	5.4	4.5		5.2	4.5	

Revenue

The limited growth in Q1 accelerated as projected in Q2 to double digit growth, helped by 2.7 additional working days. Revenue per working day increased by 10%. Our workforce continued to grow during the second quarter. June showed the strongest growth so far in this year.

Gross Profit

Gross profit increased by 27% following the revenue growth and higher gross margin. Adjusted for working days, the gross margin remained flat.

EBIT

The strong gross profit improvements combined with a limited overhead reduction increased EBIT to over EUR 6 million in Q2.

Brunel Netherlands (unaudited)

P&L amounts in EUR million

	Q2 2016	Q2 2015	Change %	H1 2016	H1 2015	Change %
Revenue	49.2	43.1	14%	100.9	88.4	14%
Gross Profit	13.4	11.2	20%	28.5	25.0	14%
Gross Margin	27.3%	25.9%		28.2%	28.3%	
Operating costs	10.2	10.5	-3%	20.7	20.3	2%
EBIT	3.2	0.7	360%	7.7	4.7	64%
EBIT %	6.5%	1.6%		7.6%	5.4%	
Average directs	2,173	2,078	5%	2,224	2,047	9%
Average indirects	381	367	4%	381	362	5%
Ratio direct/indirect	5.7	5.7		5.8	5.7	

Revenue

The growth in Q2 was helped by two additional working days. Revenue per working day increased by 10%. The business line IT was again a very strong performer comparing Q2 year on year, followed by the business line Marketing & Communications. Engineering and Finance remained flat. Finance is affected by the current state of affairs with some of the main players in the financial industry.

In Q2 we have also seen the first effect of the implementation of new legislation for freelancers with the start of the transition period. The uncertainty around this transition period has led to different interpretations in our industry, where we appear to be more stringent. As a result, we have seen a considerable number of freelancers transferring to our competitors.

Gross Profit

Gross margin improved mainly as a result of the additional working days, partly offset by lower productivity due to training initiatives. In combination with the revenue growth, gross profit grew by 20%.

EBIT

The gross profit improvement drove the strong EBIT expansion, helped by a limited decrease of overhead.

Effective tax rate

The effective tax rate in the first half year of 2016 is 37.9%, at the same level as the same period last year. For the full year we project the effective tax rate to come down.

Risk profile

Reference is made to our 2015 Annual Report (pages 63 – 81). Reassessment of our earlier identified risks and the potential impact on occurrence has not resulted in required changes in our internal risk management and control systems.

Cash position

Brunel's cash position remained strong compared to December 2015 at EUR 137 million, despite the dividend and super dividend payment in June 2016.

Outlook for 2016

The difficult circumstances in the Energy market still cause uncertainty around the developments for the rest of the year, and will continue to impact our results. Our organisation continues to win new clients and projects, also outside Oil & Gas. However, these developments are not yet sufficient to compensate the decline in our existing business. We are adjusting our organisation and business model to the changing market circumstances.

In The Netherlands, our growth will be temporarily affected by the reduction in freelancers following the recent change in labour law, and we expect limited growth in the remainder of the year. We will continue to invest in our organisation by strengthening our sales force, but also by further improving our online sourcing capabilities.

In Germany we foresee continued strong growth.

For the full year, we expect revenue between EUR 850 million and EUR 900 million and EBIT between EUR 30 million and EUR 35 million.

Jan Arie van Barneveld, CEO of Brunel International N.V.: *“Our business in the Oil & Gas market remains very challenging, and at this moment we feel that this market will not improve in the coming twelve months. We continue to improve our operational performance and processes in Energy to remain profitable in this challenging environment. In the past Brunel has shown the capability to use difficult circumstances to make the company stronger, with Germany and The Netherlands being the most recent examples. I am very proud of our achievements in the German organisation, where we found the growth path again and I am confident we will stay on this track.”*

Statement of the Board of Directors

The Board of Directors of Brunel International N.V. hereby declares that, to the best of its knowledge, the interim financial statements give a true and fair view of the assets, liabilities, financial position and result of Brunel International N.V. and the companies jointly included in the consolidation, and that the interim report gives a true and fair view of the information referred to in the eighth and, insofar as applicable, the ninth subsection of Section 5:25d of the Dutch Act on Financial Supervision and with reference to the section on related parties in the interim financial statements.

Amsterdam, 19 August 2016
Brunel International N.V.

Jan Arie van Barneveld (CEO)
Peter de Laat (CFO)
Arjan de Vries (COO Energy)

Not for publication

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Brunel International N.V. is an international service provider specialising in the flexible deployment of knowledge and capacity in the fields of Engineering, Oil & Gas, Aerospace, Automotive, ICT, Finance, Legal and Insurance & Banking. Services are provided in the form of Project Management, Secondment and Consultancy. Incorporated in 1975, Brunel has since become a global company with over 11,000 employees and annual revenue of EUR 1.2 billion (2015). The company is listed at Euronext Amsterdam N.V. For more information on Brunel International N.V. visit our website www.brunelinternational.net.

Financial Calendar

4 November 2016 Trading update for the third quarter 2016

Certain statements in this document concern prognoses about the future financial condition and the results of operations of Brunel International N.V. as well as plans and objectives. Obviously, such prognoses involve risks and a degree of uncertainty since they concern future events and depend on circumstances that will apply then. Many factors may contribute to the actual results and developments differing from the prognoses made in this document. These factors include general economic conditions, a shortage on the job market, changes in the demand for (flexible) personnel, changes in employment legislation, future currency and interest fluctuations, future takeovers, acquisitions and disposals and the rate of technological developments. These prognoses therefore apply only on the date on which the document was compiled.

Appendix to the press release 19 August 2016

Interim figures first half 2016

Financial Highlights for the period ended 30 June (unaudited) (EUR '000)

	2016 H1	2015 H1	
Revenue	469,646	650,804	-27.8%
Gross Profit	95,635	113,613	-15.8%
EBIT	16,613	23,510	-29.3%
Group result after tax	8,778	14,890	-41.0%
Non-controlling interests	-337	-253	33.0%
Net income for the year	8,441	14,637	-42.3%
Gross profit as % of revenue	20.4%	17.5%	2.9
Net result as % of revenue	1.8%	2.2%	-0.4

Workforce

Average directs (average-YTD)	9,629	11,171	-13.8%
Average indirects (average-YTD)	1,526	1,648	-7.4%
Total	11,155	12,819	-13.0%
Direct employees (period end)	9,206	10,896	-15.5%
Indirect employees (period end)	1,509	1,641	-8.0%
Total	10,715	12,537	-14.5%

Earnings per share (in euro)

Earning per share for ordinary shareholders	0.17	0.29
Diluted earnings per share	0.17	0.29
Weighted average number of ordinary shares for the purpose of basic earnings per share	50,185,624	49,917,624
Weighted average number of ordinary shares for the purpose of diluted earnings per share	50,487,624	50,376,624

**Consolidated profit & loss account for the period ended 30 June
(unaudited)**
(EUR '000)

	2016 H1	2015 H1
Revenue	469,646	650,804
Direct personnel expenses	374,011	537,191
Contribution margin	95,635	113,613
Staff expenses	50,905	55,739
Depreciation and amortisation	4,113	4,074
Other expense	24,004	30,290
Total operating costs	79,022	90,103
Operating profit	16,613	23,510
Financial income and expenses	-1,405	411
Share of profit of investments accounted for using the equity method	-1,064	-7
Group result before tax	14,144	23,914
Tax	5,366	9,024
Group result after tax	8,778	14,890
<u>Attributable to:</u>		
Net income attributable to equity holders of the parent (ordinary shares)	8,441	14,637
Net income attributable to non-controlling interest	337	253
Net income for the year	8,778	14,890

Consolidated statement of comprehensive income for the period ended 30 June (unaudited)
(EUR '000)

	2016 H1	2015 H1
Net income	8,778	14,890
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences arising on translation of foreign operations	-2,260	14,228
Income tax relating to components of other comprehensive income	531	-978
Other comprehensive income	-1,729	13,250
Total comprehensive income	7,049	28,140
<u>Attributable to:</u>		
Equity holders of the parent (Ordinary shareholders)	6,744	27,850
Non-controlling interests	305	290
Total comprehensive income	7,049	28,140

Consolidated balance sheet (unaudited)
(EUR '000)

		2016 June 30	2015 December 31
Non-current assets			
Goodwill	4,196	4,218	
Other intangible assets	15,416	13,043	
Property, plant & equipment	7,792	10,729	
Deferred income tax assets	13,790	12,729	
Total non-current assets		41,194	40,719
Current assets			
Trade and other receivables	234,002	253,627	
Income tax assets	5,603	5,010	
Cash and cash equivalents	136,956	180,037	
Total current assets		376,560	438,674
Total assets		417,754	479,393
Non-current liabilities			
Provisions	855	712	
Deferred income tax liabilities	1,051	1,561	
Long term liabilities	1,074	1,074	
Total non-current liabilities		2,980	3,347
Current liabilities			
Current liabilities	126,069	124,932	
Income tax liabilities	2,870	3,387	
Total current liabilities		128,939	128,319
Total liabilities		131,919	131,666
Net assets		285,835	347,727
Share capital	1,512	1,499	
Share premium	83,397	76,765	
Reserves	192,109	231,885	
Result for the year	8,441	37,122	
Non-controlling interest	375	456	
Total equity		285,835	347,727

Consolidated statement of changes in shareholders' equity (unaudited)
(EUR '000)

	2016			2015		
	Shareholders' equity	Minority Interest	Group equity	Shareholders' equity	Minority Interest	Group equity
Balance at 1 January	347,271	456	347,727	327,803	466	328,269
Net income	8,441	337	8,778	14,637	253	14,890
Exchange differences arising on translation of foreign operations	-2,228	-32	-2,260	14,191	37	14,228
Income tax relating to components of other comprehensive income	531	0	531	-978	0	-978
Total comprehensive income	6,744	305	7,049	27,850	290	28,140
Cash dividend	-75,500	-386	-75,886	-34,884	-430	-35,314
Modification of share based payment scheme	0	0	0	-1,383	0	-1,383
Share based payments	300	0	300	770	0	770
Option rights exercised	6,645	0	6,645	7,367	0	7,367
Balance at 30 June	285,460	375	285,835	327,523	326	327,849

Consolidated Cash flow statement (unaudited)
(EUR '000)

	2016	2015
	H1	H1
Group result before tax	14,144	23,914
Adjustments for:		
Depreciation and amortisation	4,113	4,074
Interest income	-378	-367
Interest expenses	45	3
Result non-consolidated participations valued at equity	1,064	7
Other non cash expenses	628	261
Share based payments	1,200	1,127
Changes in:		
Change in receivables	19,411	39,750
Change in provisions	240	-95
Change in current liabilities	-2,535	-11,068
	<u>37,932</u>	<u>57,606</u>
Income tax paid	-12,643	-12,668
Interest paid	-46	-3
Interest received	375	367
Cash flow from operating activities	<u>25,618</u>	<u>45,302</u>
Additions to property, plant & equipment	-593	-1,090
Additions to intangible assets	-2,907	-2,274
Disposals of property, plant & equipment	72	19
Cash flow from investing activities	<u>-3,428</u>	<u>-3,345</u>
Issue of new shares	6,645	7,367
Dividend non-controlling interest	-386	-430
Dividend ordinary shareholders	-70,835	-34,884
Cash flow from financing activities	<u>-64,577</u>	<u>-27,947</u>
Total cash flow	<u>-42,387</u>	<u>14,010</u>
Cash position at beginning of period	180,037	125,070
Total cash flow	-42,387	14,010
Exchange rate movements	-694	5,198
Cash position at end of period	<u>136,956</u>	<u>144,278</u>

**Notes to the condensed consolidated financial statements
for the period ended 30 June (unaudited)**

Reporting entity

Brunel International N.V. is a public limited liability company incorporated and domiciled in The Netherlands and listed on Euronext Amsterdam.

The consolidated interim financial statements of Brunel International N.V. as at and for the six-month period ended 30 June 2016 include the company and its subsidiaries (together called 'the Group').

Basis of preparation

These consolidated interim financial statements have been condensed and prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting. These interim financial statements do not include all of the information required for annual financial statements, and should be read in conjunction with the annual report of the Group as at and for the year ended 31 December 2015.

Significant accounting policies

These consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations issued by the International Accounting Standards Board (IASB), as adopted by the European Union (hereinafter: IFRS).

The accounting policies applied by the Group in these consolidated interim financial statements are unchanged from those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2015.

Estimates

The preparation of consolidated interim financial statements requires the Group to make certain judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. In preparing these consolidated interim financial statements, the significant judgments, estimates and assumptions were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2015.

Fair value and fair value estimation

The fair values of our monetary assets and liabilities as at 30 June 2016 are estimated to approximate their carrying value.

Seasonality

Our activities in Europe are affected by seasonal patterns. Revenue and contribution margins fluctuate per quarter in items such as the number of working days, public holidays and holiday periods. The business in Europe usually generates its strongest revenue and profits in the second half of the year.

Income tax charge

The effective tax rate for the six-month period ended on 30 June 2016 is 37.9% (H1 2015: 37.7%), and is based on the estimated average annual tax rate for the whole year 2016 (actual effective tax rate for FY 2015: 33.6%).

Share capital

The authorised share capital is EUR 5,000,000, divided into one priority share with a nominal value of € 10,000 and 166.3 million ordinary shares with a nominal value of EUR 0.03. The subscribed capital consists of 50,403,624 ordinary shares.

Number of shares issued as at 31 December 2015	49,967,624
Shares issued in period ended 30 June 2016	436,000
Number of shares issued as at 30 June 2016	50,403,624

Dividend

During the interim period, an ordinary dividend of EUR 0.74 per share and a super dividend of EUR 0.76 per share was paid to the shareholders.

Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

Number of shares	2016 H1	2015 H1
Weighted average number of ordinary shares for the purpose of basic earnings per share	50,185,624	49,917,624
Effect of dilutive potential ordinary shares from share based payments	302,000	459,000
Weighted average number of ordinary shares for the purpose of diluted earnings per share	50,487,624	50,376,624

Segment reporting (unaudited)

Reportable segments

(EUR '000)

	Revenue		EBIT		Total assets	
	2016 H1	2015 H1	2016 H1	2015 H1	2016 H1	2015 H1
Energy	248,343	452,486	2,318	17,519	246,215	353,940
Europe						
Netherlands	100,919	88,355	7,714	4,745	45,417	48,633
Germany	102,484	94,533	11,260	6,327	63,360	50,080
Other Europe	17,900	15,430	147	-442	62,762	32,161
Total Europe	221,303	198,318	19,121	10,630	171,539	130,874
Unallocated	0		-4,826	-4,641		
	496,646	650,804	16,613	23,508	417,754	484,814

*Included in Energy revenue is EUR 6 million (2015: EUR 10 million) revenue generated in The Netherlands.

Employees

The total number of direct and indirect employees with the group companies is set out below:

Average workforce H1

	2016		2015	
	Direct	Indirect	Direct	Indirect
Energy	4,911	613	6,739	752
Europe				
Netherlands	2,224	381	2,047	362
Germany	2,160	416	2,035	449
Other regions	334	116	350	85
Total Europe	4,718	913	4,432	896
	9,629	1,526	11,171	1,648

Total average workforce

11,155 **12,819**

Workforce at 30 June

	2016		2015	
	Direct	Indirect	Direct	Indirect
Energy	4,511	596	6,409	733
Europe				
Netherlands	2,144	384	2,121	373
Germany	2,210	408	2,018	449
Other regions	341	121	348	86
Total Europe	4,695	913	4,487	908
	9,206	1,509	10,896	1,641

Total workforce at 30 June

10,715 **12,537**

Other segment information (unaudited)
(EUR '000)

	Revenue		EBIT	
	2016 H1	2015 H1	2016 H1	2015 H1
Energy	248,342	452,486	2,318	17,520
Engineering	149,278	141,230	14,060	8,667
IT	34,680	26,642	3,047	925
Unallocated	37,346	30,446	-2,812	-3,604
	469,646	650,804	16,613	23,508

Employees

The total number of direct and indirect employees with the group companies is set out below:

Average workforce H1

	2016		2015	
	Direct	Indirect	Direct	Indirect
Energy	4,911	613	6,739	752
Engineering	3,127	574	3,029	551
IT	780	112	617	95
Unallocated	811	227	786	250
	9,629	1,526	11,171	1,648
Total workforce	11,155		12,819	

Workforce at 30 June

	2016		2015	
	Direct	Indirect	Direct	Indirect
Energy	4,511	596	6,409	733
Engineering	3,181	571	3,021	547
IT	780	114	652	99
Unallocated	734	228	814	262
	9,206	1,509	10,896	1,641
Total workforce	10,715		12,537	