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Barendrecht, 18 August 2016

HALF YEAR RESULTS 2016 ICT GROUP

STRONG FIRST HALF YEAR RESULTS

On track to become a leading total technology solutions provider

Highlights H1 2016

- Revenue up 22% to € 42.1 million, 8% organic growth
- EBITDA increased 32% to € 4.2 million
- Net profit at € 2.1 million, an increase of 44% (H1 2015: € 1.5 million)
- Acquisition of BMA in the field of Smarter Health completed
- Intended acquisition of Nozhup in the field of Smarter Industries as announced on 12 July 2016
- Barring unforeseen circumstances, ICT expects an improvement in EBITDA between 25%-35% for the full year 2016 compared to 2015.

Key figures

Key figures

(in millions of €)	**H1 2016**	**H1 2015**	**Change**
Revenue	42.1	34.6	22%
Revenue Added Value	37.3	31.8	18%
EBITDA	4.2	3.2	32%
Amortisation / depreciation	1.2	1.1	8%
Operating result	3.0	2.1	44%
Net profit	2.1	1.5	44%
(in €)			
Earnings per share (*)	0.24	0.17	41%

(*) Based on the average number of outstanding ordinary shares.

Jos Blejie, CEO of ICT Group N.V.: *"We are pleased with the developments of this first half year. Both in terms of results as well as in the further roll out of our strategy. We realised strong revenue and EBITDA growth, to which all our key activities contributed. We closed the acquisition of BMA, thereby strengthening our position in Smarter Health. We announced the expansion of our water infrastructure services through the acquisition of the Dynniq activities. And finally, early July, we announced the intended acquisition of Nozhup, with which we will gain significant scale in the Industrial Automation markets. These are all important steps in our road map to becoming a leading total technology solutions provider. In March we decided to close our Polish operations and focus our nearshoring business on Strypes in Bulgaria, which is further professionalising its organisation to enable sustainable growth. We are confident about the second half of the year and therefore expect an improvement in EBITDA between 25-35% for the full year 2016."*

Strategy update

In the first half of 2016 ICT made important steps in the execution of its strategic road map. The success of the earlier strategic choices is reflected in the strong financial results realised in the first half of the year. In 2015 ICT changed its organisational structure from verticals to business units, to spark the entrepreneurial spirit within ICT. This resulted in the first half of 2016 in a profitable autonomous growth of 8%.

In February 2016 ICT completed the purchase of 51% of the shares of BMA (Buro Medische Automatisering), a leading Dutch Healthcare software company active in obstetrics. The remaining 49% will be acquired after a period of three years. This transaction also marks an important step in ICT's growth strategy and further enhances ICT's position in the field of Smarter Health.

The acquisition of Raster in September 2015 marked an important step in strengthening ICT's position in the Oil and Gas market. In June 2016, ICT acquired the water related services activities of Dynniq, which strengthened ICT's expertise in Smarter Cities. In July 2016, we announced the proposed acquisition of Nozhup, active in process automation in the industry and infrastructure markets. With these acquisitions, ICT is well on track to deliver on its ambition to become one of the largest Industrial Automation players in the Netherlands, addressing the global themes Smarter Industries and Smarter Cities.

Furthermore at the end of March 2016 ICT announced the closure of the ICT Poland operation with effect from 31 May 2016. As the Polish operations had not reached the necessary scale to continue to make the operation viable, ICT decided to focus its nearshoring strategy fully on Strypes Bulgaria.

At the beginning of July 2016 a new legal entity (start-up), ICT Mobile B.V., was incorporated, in which ICT holds 51% of the shares (49% is owned by the two founders). With this new activity ICT is responding to the trend of enterprises embracing mobile processes and adopting a mobile strategy at high speed.

At the AGM held on 11 May 2016 the statutory name change of ICT Automatisering N.V. to ICT Group N.V., was adopted. The new name better reflects the international character of the company and also enables the company to easier add new labels to the group.

Notes to the results

In the first six months of 2016 ICT Group's revenue came in at € 42.1 million, up 22% compared to € 34.6 million reported in H1 2015. Organically, revenue increased by 8%. This was driven by increased number of staff, slightly higher average rates and good project results, whilst overall productivity was slightly lower.

Revenue at ICT Netherlands increased 7% to € 32.3 million in H1 2016 from € 30.1 million in the same period last year. Productivity levels were more or less at the same levels as last year, but ICT was able to increase the average rate and the company realised good project results. Licences and materials sales were below expectations. Market circumstances in the Industrial Automation market remained challenging. Other markets, including High Tech, Machine & Systems, Automotive, Healthcare and Logistics, showed a positive development. ICT sees ample opportunities in Healthcare that realised good growth percentages.

Strypes Bulgaria ("ICT Nearshoring" or "Strypes") saw a 26% increase in revenue from € 2.5 million in H1 2015 to € 3.2 million in the first six months of 2016. As Strypes further broadened its client base, it continued to decrease the firm's dependency on its largest client. In the past six months Strypes invested efforts both on new clients as well as on the internal processes, with the objective to further professionalise the organisation and to ensure that Strypes Bulgaria will be able to continue its strong growth path. Given these outlays we anticipate a temporisation of the results.

Raster contributed revenues of € 2.9 million in the first six months of 2016. Despite the still challenging Oil and Gas market, Raster showed a good performance, in line with expectations.

The segment 'other' (Improve, BMA and ICT Poland) recorded revenues of € 4.2 million. The market for training is favourable as is reflected in the revenue recorded by Improve, which slightly improved over last year. BMA performed below expectations as a result of postponement of projects, but expects to improve in the second half of the year and the new product developments are running on schedule. As a result of the closure of the Polish operations as per 31 May 2016, revenue of ICT Poland was slightly down compared to H1 2015.

Personnel costs increased overall to € 24.9 million (H1 2015: € 21.6 million), as a result of both salary increases as well as the increase in number of employees. Other operating expenses also increased, mainly as a result of the most recent acquisitions. The costs related to strategic initiatives and the realisation of acquisitions and partnerships amounted to € 0.3 million (H1 2015: € 0.3 million).

EBITDA for the first six months of 2016 increased by 32% to € 4.2 million, compared to € 3.2 million in the comparable period in 2015. Organically (excluding BMA and Raster) EBITDA was in line with last year. Profitability at ICT Netherlands increased, but this was off-set by the increased investments in Strypes Bulgaria and the costs related to the closure of the Polish operations. The EBITDA margin increased from 9.2% in H1 2015 to 9.9% in H1 2016.

Based on Purchase Price Allocation, ICT has attributed a value to and is amortising a number of intangible assets, including order backlog, software and customer relations of its recent acquisitions. Amortisation amounted to € 0.9 in the first half of 2016, comprising € 0.3 million related to Strypes Bulgaria, € 0.3 million related to Raster and € 0.3 million related to BMA. Depreciation for the first half of 2016 amounted to € 0.2 million (H1 2015: € 0.2 million).

The operating profit amounted to € 3.0 million in H1 2016 (H1 2015: € 2.1 million).

The results from joint venture InTraffic increased compared to last year and contributed € 0.1 million to the results. The result from associates improved to € 0.1 million negative (H1 2015 € 0.2 million negative), mainly due to a better performance of LogicNets Inc.

Taxes in the first half of 2016 amounted to € 0.7 million compared with € 0.4 million in the first half of 2015.

Net profit for the first six months of 2016 amounted to € 2.1 million, compared with € 1.5 million in H1 2015. This translates into earnings per share of € 0.24 for H1 2016. The number of outstanding ordinary shares increased during the first half year 2016 to 8,845,251 (31 December 2015: 8,747,544).

Cash flow movement
As usual for the first half of the year, net operational cash flow amounted to € 0.3 million negative in H1 2016 (H1 2015: € 0.8 million negative). The cash position per 30 June 2016 decreased to € 1.2 million (31 December 2015: € 6.7 million). This was mainly due to investments in housing facilities, the payment of the earn out obligation related to the acquisition of Strypes Bulgaria, the purchase price cash consideration of the acquisition of BMA, and the payment of dividend. The acquisition of BMA was partly financed from the acquisition facility.

Balance sheet structure
In the first half of 2016, shareholders' equity increased to € 36.3 million (31 December 2015: € 35.5 million) as a result of the net effect of dividend paid of € 2.1 million, issuance of new shares of € 0.8 million, related to the acquisition of BMA and net profit of € 2.1 million. The balance sheet total increased from € 58.2 million at year-end 2015 to € 70.3 million at 30 June 2016, as a result of the acquisitions in the last half year. Solvency (shareholders' equity/total assets) represents a sound financial basis and stood at 52% at the end of June 2016 (61% at year-end 2015).

Personnel
The total number of employees at 30 June 2016 was around 4% higher than at year-end 2015. This was due to both acquisitions and as well as increased recruitment efforts.

Significant events after the balance sheet date
On 11 July 2016, ICT signed a letter of intent to acquire Nozhup. With this intended acquisition ICT gains significant scale in the industrial automation market. At the same time it considerably widens ICT's customer base in this market. Nozhup will immediately contribute to the profitability of ICT.

In anticipation of the intended acquisition of Nozhup, ICT has extended its acquisition credit facility with Rabobank in July 2016 from € 6 to € 11 million. Additionally ICT has increased its working capital credit facility from € 6 million to € 10 million. The conditions of the facilities remained unchanged.

Composition of the Supervisory Board
At the General Meeting of Shareholders held on 11 May 2016, Mr. Luthra was reappointed for a second four-year term as member of the Supervisory Board.

Outlook
ICT continues to aim for organic growth in combination with growth through acquisitions. ICT will focus on further leveraging its recent acquisitions. Given the strategic progress made and its acquisitions, ICT expects for the full year 2016 an improvement in EBITDA between 25%-35% compared to the full year 2015.

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ICT Group N.V. is a leading industrial technology solutions and services provider. Our specific industry knowledge of various markets, enables us to realise innovative solutions. Over 700 passionate technical specialists are working for the ICT Group. The following subsidiaries are the main operating entities of the ICT Group: ICT Netherlands (ICT Automatisering Nederland B.V.), Strypes Bulgaria (Strypes EOOD ltd), Raster (Raster Industriele Automatisering B.V. and Raster Products B.V.), Improve (Improve Quality Services B.V.), BMA (Buro Medische Automatisering B.V.) (51%) and ICT Mobile B.V. (51%). For more information: www.ict.eu

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Annex: Condensed consolidated interim financial statements 30 June 2016

ICT GROUP N.V.

Condensed consolidated interim financial statements

30 June 2016

Condensed interim consolidated statement of total comprehensive income

(UNAUDITED)

(x € 1,000)	Note	1 January - 30 June 2016	1 January - 30 June 2015
Net revenue	1)	**42,086**	**34,575**
Cost of Materials and subcontractors		4,769	2,817
Employee benefit expenses		24,921	21,624
Depreciation and amortisation	2)	1,173	1,085
Other operating expenses		8,235	6,970
Total operating expenses		39,098	32,496
Operating profit		**2,988**	**2,079**
Financial expenses		(160)	(100)
Financial income		2	
Result from joint ventures		103	86
Result from associates		(123)	(156)
Result before taxes		2,810	1,909
Income tax (expense) profit		(666)	(418)
Net profit (loss)		**2,144**	**1,491**
Other comprehensive income (net of tax)		**(1)**	**24**
Total comprehensive income		**2,143**	**1,515**
Net profit (loss) attributable to:			
- Shareholders of ICT Group N.V.		**2,129**	**1,491**
- Non-controlling interests		**15**	**-**
Total comprehensive income attributable to:			
- Shareholders of ICT Group N.V.		**2,128**	**1,515**
- Non-controlling interests		**15**	**-**
Earnings per share:			
Basic earnings per share (in €)		0.24	0.17
Diluted earnings per share (in €)		0.24	0.17

There are no non-recyclable other comprehensive income items.

Condensed interim consolidated balance sheet

(Before proposed profit appropriation)
(UNAUDITED)

(x € 1,000)	Note	As at 30 June 2016		As at 31 December 2015	
Assets					
NON-CURRENT ASSETS					
Property, plant & equipment		1,830		1,341	
Goodwill	2)	16,999		14,893	
Other intangible assets	2)	11,281		6,888	
Investment in joint ventures		1,043		1,234	
Investment in associates		2,128		2,252	
Deferred tax assets		4,138		4,138	
Other financial assets		502		-	
			37,921		30,746
CURRENT ASSETS					
Trade and other receivables		25,126		20,694	
Corporate income tax receivable		254		94	
Cash and cash equivalents		6,962		6,694	
			32,342		27,482
TOTAL ASSETS			70,263		58,228
Equity and liabilities					
SHAREHOLDERS' EQUITY					
Issued share capital		885		875	
Share premium		9,192		8,411	
Currency translation reserve		96		97	
Legal reserve		1,392		1,392	
Retained earnings		22,138		21,171	
Result for the year		2,129		3,551	
Attributable to shareholders of ICT Automatisering N.V.		35,832		35,497	
Non-controlling interest		476		-	
			36,308		35,497
NON-CURRENT LIABILITIES					
Deferred tax liabilities	2)	3,789		2,886	
Share-based compensation liabilities		137		137	
Loans (long term)		3,735		2,280	
Deferred acquisition consideration (long term)	2)	3,014		-	
			10,675		5,303
CURRENT LIABILITIES					
Trade payables		1,631		2,143	
Corporate income tax payable		753		859	
Other taxes and social security premiums		4,295		5,726	
Loans (short term)		1,054		760	
Deferred acquisition consideration (short term)		-		1,538	
Other current liabilities		9,834		6,402	
Bank overdrafts		5,713		-	
			23,280		17,428
TOTAL EQUITY AND LIABILITIES			70,263		58,228

Consolidated interim statement of changes in equity

(UNAUDITED)

(x € 1,000)	Issued share capital	Share premium	Issued option reserve	Currency translation reserve	Legal reserve	Treasury shares	Retained earnings	Profit (loss) for the year	Total	Non-controlling interest	Total equity
	Attributable to owners of the parent										
First half-year 2015											
1 January 2015	**875**	**8,411**	**13**	**69**	**1,174**	**-**	**18,365**	**4,934**	**33,841**	**132**	**33,973**
Net profit	-	-	-	-			-	1,491	1,491	-	1,491
Other comprehensive income	-	-	-	24			-	-	24	-	24
Total comprehensive income	-	-	-	24	-	-	-	1,491	1,515	-	1,515
Dividends paid	-	-	-	-	-	-	(2,012)	-	(2,012)	(22)	(2,034)
Acquisition of subsidiaries	-	-	-	-	-	-	110	-	110	(110)	-
Exercised options	-	-	(13)	-	-	-	(20)	-	(33)	-	(33)
Purchase of own shares	-	-	-	-	-	-	-	-	-	-	-
Sale of own shares	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-
Prior year result allocation	-	-	-	-	-	-	4,934	(4,934)	-	-	-
30 June 2015	**875**	**8,411**	**-**	**93**	**1,174**	**-**	**21,377**	**1,491**	**33,421**	**-**	**33,421**
First half-year 2016											
1 January 2016	**875**	**8,411**	**-**	**97**	**1,392**	**-**	**21,171**	**3,551**	**35,497**	**-**	**35,497**
Net profit	-	-	-	-			-	2,129	2,129	15	2,144
Other comprehensive income	-	-	-	(1)			-	-	(1)	-	(1)
Total comprehensive income	-	-	-	(1)	-	-	-	2,129	2,128	15	2,143
Dividends paid	-	-	-	-	-	-	(2,123)	-	(2,123)	-	(2,123)
Acquisition of subsidiaries	-	-	-	-	-	-	(461)	-	(461)	461	-
Exercised options	-	-	-	-	-	-	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	-	-	-	-	-	-
Sale of own shares	-	-	-	-	-	-	-	-	-	-	-
Issuance of new shares	10	781	-	-	-	-	-	-	791	-	791
Transfers	-	-	-	-	-	-	-	-	-	-	-
Prior year result allocation	-	-	-	-			3,551	(3,551)	-	-	-
Balance at 30 June 2016	**885**	**9,192**	**-**	**96**	**1,392**	**-**	**22,138**	**2,129**	**35,832**	**476**	**36,308**

Condensed interim consolidated cash flow statement
(UNAUDITED)

According to the direct method (x € 1,000)	First half-year 2016		First half-year 2015	
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts from customers	51,441		42,610	
Payments to suppliers and employees	(50,595)		(43,127)	
		846		(517)
Interest (paid) received	(142)		(10)	
Income tax (paid) received	(1,024)		(268)	
		(1,166)		(278)
Net cash flow from operating activities		**(320)**		**(795)**
CASH FLOW FROM INVESTMENT ACTIVITIES				
Additions to property, plant and equipment, software	(709)		(161)	
Additions to development costs	(203)		-	
Acquisition of subsidiaries (net of cash acquired)	(1,861)		(4,254)	
Acquisitions/purchases of other financial fixed assets	(502)		-	
Net cash flow from investment activities		**(3,275)**		**(4,415)**
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds (repayments) of borrowings (external loans)	1,517		-	
Proceeds (repayments) of borrowings (earn-out liabilities)	(1,538)		-	
Dividend received from (paid to) non-controlling interest	294		(22)	
Dividend paid to shareholders of ICT Group N.V.	(2,123)		(2,012)	
Net cash flow from financing activities		**(1,850)**		**(2,034)**
Net cash flow		**(5,445)**		**(7,244)**
Cash at bank and in hand as at 30 June	1,249		4,102	
Cash at bank and in hand at 1 January	6,694		11,346	
Increase / (decrease) cash and cash equivalents		**(5,445)**		**(7,244)**

Note to the condensed consolidated interim statement of income

General information

ICT Group N.V. (in May 2016 ICT Automatisering N.V. changed its name to ICT Group N.V.) and its subsidiaries ("ICT", "ICT Group" or "the Company") is a public limited liability Company incorporated and established in the Netherlands. In the context of the consolidated financial statements, the Company is also referred to as the "ICT group of companies".

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These condensed consolidated interim financial statements ('interim financial statements') as at and for the six months ended 30 June 2016 comprise the Company and its subsidiaries (together referred to as the 'Group') and the Group's interests in associates and joint ventures.

ICT Group is a leading industrial technology solutions and services provider. The solutions we offer our clients involve software, solutions on project basis, the secondment of experienced and highly educated staff as well as services to maintain IT systems. Technology based-innovations are critical for the competitive edge of our customers; getting smarter every day in every product, process or application. ICT is able to link people, technology and ideas. With over 750 dedicated professionals in the field, we are capable of translating new and innovative technologies into relevant business solutions, enriched with state-of-the-art technologies, and introduce these solutions into the heart of its customers' operations.
Within our focus areas Smarter Cities, Smarter Industries and Smarter Health we serve the following key industries: Transport & Logistics, Automotive & Mobility, Industrial Automation, Energy, Oil & Gas, Water & Infra, Healthcare, Food, Chemicals & Pharma, Manufacturing and High Technology.
ICT is mainly active in Europe and the USA from several locations in the Netherlands and has a nearshoring team in Bulgaria (Strypes). Through its participations and subsidiaries, ICT is also active in Traffic & Transport (joint venture with InTraffic), Oil & Gas (Raster), Testing and Training (Improve Quality Services) and Healthcare (Buro Medische Automatisering, 51%).

ICT Group N.V. is a Company incorporated and established in the Netherlands. The following group companies are included in the consolidation.

Group companies	
ICT Automatisering Nederland B.V.	Barendrecht (the Netherlands) 100%
Rijnmond Distribution Services B.V.	Rotterdam (the Netherlands) 100%
ICT Nearshoring B.V.	Eindhoven (the Netherlands) 100%
Strypes EOOD Ltd.	Sofia (Bulgaria) 100%
Strypes Nearshoring Ltd.	Sofia (Bulgaria) 100%
Raster Beheer B.V.	Dreumel (the Netherlands) 100%
Raster Products B.V.	Dreumel (the Netherlands) 100%
Raster Industriële Automatisering B.V.	Dreumel (the Netherlands) 100%
Raster BVBA	Dendermonde (Belgium) 100%
Raster Industrielle Automatisierung GmbH	Essen (Germany) 100%
Improve Quality Service B.V.	Waalre (the Netherlands) 100%
ICT Poland Sp. z o.o. (dormant)	Gdansk (Poland) 100%
ICT Software Engineering GmbH, Germany (in liquidation)	Karlsruhe (Germany) 100%
Buro Medische Automatisering B.V. 1)	Houten (the Netherlands) 51%
BMA BeLux BVBA 1)	Bellegem (Belgium) 51%
BMA France SAS 1)	Versailles (France) 51%
ICT Mobile B.V. 2)	Barendrecht (the Netherlands) 51%

1) Buro Medische Automatisering B.V. is a participating interest of ICT Group N.V. and was acquired as of 5 February 2016. BMA Belux BVBA and BMA France SAS are subsidiaries of Buro Medische Automatisering B.V.
2) ICT Mobile B.V. was incorporated on 21 April 2016.

Joint ventures and associates	
InTraffic B.V.	Utrecht (the Netherlands) 50%
Strypes Nederland B.V.	Leersum (the Netherlands) 25%
LogicNets, Inc.	Washington D.C. (USA) 20%
Greenflux Assets B.V.	Amsterdam (the Netherlands) 24.49%

The consolidated interim financial statements were drawn up by the Executive Board and approved for publication by the Supervisory Board on 17 August 2016. The consolidated interim financial statements have not been audited.

In these interim financial statements, where information has been presented in thousands or millions of units, amounts may have been rounded. Accordingly, totals of columns or rows of numbers in tables or charts may not be equal to the apparent sum of the individual items. Actual numbers may differ from those contained herein due to such rounding.

Accounting policies

General basis of accounting
These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2015. For a full explanation of the accounting policies, we refer you to the Annual Report for the financial year 2015 (see the Annual Report ICT Group N.V. 2015 or go to www.ict.eu.)

As of 1 January 2016, there are no new IFRS standards that have been effective or endorsed by the European Union that are relevant to the Company.

The company does not use complex financial instruments other than the liability for the earn out of BMA. ICT is obliged to pay an earn out in the first half of 2019. The valuation at fair value is in line with IFRS 13. Receivables and payables are not valued at fair value, but at nominal value. ICT takes provisions for risks related to the collection of receivables whenever relevant. The need to do so is assessed periodically.

In 2016 ICT closed its Polish operations. The sale of these operations do not meet the definition of Discontinued Operations under IFRS 5 'Non-current assets held for sale and discontinued operations as the former Polish operations are not considered to be a separate major line of business or geographical area of operations. Therefore the no discontinued operations are disclosed.

Seasonal influences
As a company whose revenue is largely dependent on work carried out by professionals, ICT is subject to seasonal influences, a large part of which is determined by holiday periods.

Risks
ICT has implemented internal risk management and control systems, the aim of which is to minimise the operational and financial risks of the company and to limit as much as possible the influence of events on the company's balance sheet ratios and its results. The most significant operational and financial risks, outlined on pages 27-31 of our 2015 Annual Report, were unchanged in the first half of this year. The 2015 Annual Report is available at www.ict.eu.

For further information, we refer you to section 6 of the 2015 Annual Report, page 78 onwards.

Auditor's statement
The contents of this condensed consolidated interim report have not been audited.

Segment information (note 1)

First half year 2016
(UNAUDITED)

The composition of revenue, gross profit margin can be displayed as follows:

(X € 1,000)	ICT Netherlands	ICT Nearshoring	Raster	Other	Eliminations	Consolidated
Revenue:						
From clients	**32,192**	**2,859**	**2,871**	**4,164**	**-**	**42,086**
Inter-segment	107	305	-	85	(497)	-
Total revenue	**32,299**	**3,164**	**2,871**	**4,249**	**(497)**	**42,086**
Operating expenses directly attributable to the operating segments	23,484	1,891	1,757	2,705	(497)	29,340
Segment Gross profit	**8,815**	**1,273**	**1,114**	**1,544**	**-**	**12,746**
Allocated operating expenses	6,204	661	287	1,433	-	8,585
Operating profit (loss) before amortisation and depreciation	**2,611**	**612**	**827**	**111**	**-**	**4,161**
Allocated amortization and depreciation	235	350	326	262	-	1,173
Impairment charges	-	-	-	-	-	-
Operating (loss) profit	**2,376**	**262**	**501**	**(151)**	**-**	**2,988**
Financial expenses						(160)
Financial income						2
Result from joint ventures						103
Result from associates						(123)
Profit before taxation						**2,810**
Taxes						(666)
Net profit						**2,144**
Segment Assets*	54,100	5,088	5,693	5,382		70,263
Segment Liabilities*	13,282	930	818	18,925		33,955
Other notes						
Operating profit (loss) before amortisation and depreciation/ total revenue	8.1%	19.3%	28.8%	2.6%	-	**9.9%**
Average number of employees	599	104	16	75	-	**794**

* At 30 June 2016

Segment information (note 1 continued)

The composition of revenue, gross profit margin can be displayed as follows:

First half year 2015
(UNAUDITED)

(X € 1,000)	ICT Netherlands	ICT Nearshoring	Other	Eliminations	Consolidated
Revenue:					
From clients	**30,053**	**2,446**	**2,076**	**-**	**34,575**
Inter-segment	40	67	312	(419)	-
Total revenue	**30,093**	**2,513**	**2,388**	**(419)**	**34,575**
Operating expenses directly attributable to the operating segments	22,007	1,284	1,491	(419)	24,363
Segment Gross profit	**8,086**	**1,229**	**897**	**-**	**10,212**
Allocated operating expenses	5,696	518	834	-	7,048
Operating (loss) profit before amortisation and depreciation	**2,390**	**711**	**63**	**-**	**3,164**
Allocated amortisation and depreciation	204	876	5	-	1,085
Operating (loss) profit	**2,186**	**(165)**	**58**	**-**	**2,079**
Financial expenses					(100)
Result from joint venture					86
Result from associate					(156)
Profit before taxation					**1,909**
Taxes					(418)
Net profit					**1,491**
Segment Assets*	51,250	4,023	2,955	-	58,228
Segment Liabilities*	12,205	403	10,123	-	22,731
Other notes					
Operating (loss) profit before amortisation and depreciation/ total revenue	7.9%	28.3%	2.6%	-	**9.2%**
Average number of employees	571	66	48	-	**685**

* At 31 December 2015

Business combinations and acquisition of subsidiaries (note 2)

Acquisition of BMA

On 5 February 2016, the Group acquired 51% of the shares and voting interests in Buro Medische Automatisering B.V. ("BMA"), a leading Dutch Healthcare company based in Houten, the Netherlands. BMA develops software products that are designed for electronic record-keeping and foetal monitoring, focusing on the optimisation of the working and decision-making processes at the maternity ward. BMA distinguishes itself by offering all necessary software modules in order to produce paperless synoptic reporting.

Consideration transferred

The following table summarises the acquisition date fair value of each major class of consideration transferred.

	x € 1,000
Consideration transferred	3,324
Deferred / contingent acquisition consideration	3,014
Total consideration transferred	6,338

Deferred acquisition consideration

The purchase consideration for 51% ("tranche 1") of the shares amounts to € 3,324 thousand in total and comprises a cash payment of € 2,533 thousand and an amount paid in (newly issued) ICT shares of € 791 thousand (97,707 shares). The purchase consideration for tranche 1 was paid in February 2016. The remaining 49% ("tranche 2") will be acquired after a period of three years. This consideration for the second tranche will be payable after a period of three years based on the realised average yearly normalised EBITDA during this period.

The amount of € 3,014 thousand represents the fair value as at the acquisition date.

Acquisition-related costs

The Company incurred acquisition-related costs including legal fees and due diligence costs. These costs were included in 2016 under "other operating expenses".

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition date.

	Carrying amount	Fair value adjustments	Recognised values
Intangible assets: Software	698	2,536	3,234
Intangible assets: Distribution	-	1,216	1,216
Intangible assets: Customer relationships	-	638	638
Tangible fixed assets	54	-	54
Inventory	83	40	123
Trade and other receivables	3,501	-	3,501
Corporate tax receivable	109	-	109
Cash and cash equivalents	511	-	511
Short and long term debt	-262	-	-262
Trade and other payables	-1,286	-	-1,286
Revenue billed in advance	-2,498	-	-2,498
Deferred tax liabilities	-	-1,108	-1,108
Total identifiable net assets acquired	910	3,322	4,232

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows.

Assets acquired	Valuation technique
Intangible assets	Income approach: The income approach determines the fair value from the future cash flows the subject asset will generate over its remaining useful life. The application of this approach involves projecting the cash flows which the subject asset is generating, based on current expectations and assumptions about future states. The cash flows generated by the subject asset have to be converted to present value by discounting them with the appropriate discount rate. The discount rate reflects the time value of money and the relevant risk associated with the cash flows of the asset.

The trade receivables and revenue to be invoiced comprise gross contractual amounts due of € 3,501 thousand, all of which was considered to be collectible at the acquisition date.

Fair values measured on a provisional basis

The fair value of the assets acquired and liabilities assumed at the acquisition date have been determined on a provisional basis. If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the above amounts, or any additional provisions that existed at the acquisition date, then the accounting for the acquisition will be revised.

Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	x € 1,000
Consideration transferred	6,338
Fair value of identifiable net assets	4,232
Goodwill	2,106

The goodwill is attributable mainly to the experienced management team of BMA, the expected sales growth relating to new software developments and potential for international growth. None of the goodwill recognised is expected to be deductible for tax purposes.

Amortisation

Software, distribution agreements and customer relations have been identified and valued as a part of a (preliminary) Purchase Price Allocation exercise. Software has been valued for € 3,234 thousand to be amortised over a period of 8 years as from acquisition date. Distribution agreements have been valued at € 1,216 thousand to be amortised over a period of 8 years as from acquisition date. Customer relations have been valued at € 638 thousand to be amortised over a period of 13 years as from acquisition date. As a result the total amortisation amounts to € 252 thousand in the first half of 2016 (€ 169 thousand on software, € 63 thousand on distribution agreements and € 20 thousand on customer relations). The amortisation is not expected to be tax deductible. In the valuation analysis a deferred tax liability is included which will be released during the amortisation period. The net effect on net result after deferred taxes amounts to € 189 thousand. The amortisation in the second half of 2016 will amount to € 303 thousand.

Additional financial information

(UNAUDITED)

(x € 1,000,000)	First half-year 2016	First half-year 2015
Financial Highlights		
Revenue	42.1	34.6
Revenue added value	37.3	31.8
EBITDA	4.2	3.2
Amortisation / depreciation / impairment	1.2	1.1
Operating profit	3.0	2.1
Financial income (expenses)	-0.2	-0.1
Result from joint ventures and associates	0.0	-0.1
Corporate income tax	-0.7	-0.4
Net profit	2.1	1.5
Earnings per share in €	0.24	0.17
Ratios		
EBITDA / net revenue	9.9%	9.2%
Net profit / revenue	5.1%	4.3%
Net profit / average shareholders' equity	6.0%	4.4%
Solvency (Shareholders' equity / total assets) *	51.7%	68.1%
Personnel		
FTE as at 30 June	793	695
Average number of FTEs for the half-year	794	685

** at 30 June 2016 and at 31 December 2015*

Related-parties

For an overview of the related parties, we refer to section 33 of the 2015 Annual Report. During the first half-year of 2016 the transactions with InTraffic B.V., LogicNets Inc. and Greenflux Assets B.V. can be specified as follows:

x € 1,000	**1 January – 30 June 2016**	1 January – 30 June 2015
Sales of services and goods to related parties	1,947	1,552
Purchases of licences from related parties	152	-
Receivables from related parties	1,362	453
Payables to related parties	100	-

The transactions relate mainly to the outsourcing of personnel. The transactions take place at arm's length rates. The liabilities from related parties include trade creditors related to these transactions.

Taxes

In the condensed interim financial statements, taxes are shown in the profit and loss account on the basis of the applicable rates for corporate income taxes in the Netherlands, Bulgaria and Poland.

Outstanding shares

At 30 June 2016 the number of outstanding shares amounted to 8,845,251 (31 December 2015: 8,747,544). Due to the acquisition of BMA, ICT issued 97,707 new shares on 24 March 2016.

Dividend
On 10 June 2016, ICT paid a dividend of € 2,123 thousand over the financial year 2015. In June 2015, ICT paid a dividend € 2,012 thousand over the financial year 2014.

Obligations not shown on the balance sheet
Obligations not shown in the balance sheet that are included in the 2015 financial statements were essentially unchanged in the first half of 2016.

Significant events after the balance sheet date
On 11 July 2016, ICT signed a letter of intent to acquire Nozhup. With this intended acquisition ICT gains significant scale in the industrial automation market. At the same time it considerably widens ICT's customer base in this market. Nozhup will immediately contribute to the profitability of ICT.

In anticipation of the intended acquisition of NozHup, ICT has extended its acquisition credit facility with Rabobank in July 2016 from € 6 to € 11 million. Additionally ICT has increased its working capital credit facility from € 6 million to € 10 million. The conditions of both credit facilities remained unchanged.

Statement from the Board of Executive Directors
The Executive Board of ICT Group N.V. declares, in accordance with the requirements outlined in article 5:25d of the Financial Supervision act, that to the best of its knowledge that the condensed consolidated interim financial statements provides a true and fair view of the assets, liabilities and the financial position as of 30 June 2016 and of the results of our consolidated activities in the first half and of the companies included in the consolidation, and that the condensed consolidated interim financial statements provides a true and fair view of the financial position as of 30 June 2016, of the developments in the course of the first half of 2016 within the Company and the companies included in the consolidation.

Barendrecht, 17 August 2016

Executive Board of ICT Group N.V.