Annual Report 2012

ICT Automatisering

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Profile ICT Automatisering

ICT Automatisering (ICT) provides high-quality information and communication technology solutions, with a particular focus on the following markets (Verticals): Automotive, Logistics, Machine & Systems, Industrial Automation, Energy and Healthcare. The company is active in the Netherlands, Germany and Poland. The solutions ICT offers its clients include the secondment of highly educated staff in dedicated fields of expertise, the realisation of system solutions on a project basis and the maintenance and management of IT systems. ICT is also active in Traffic & Transport and Testing through its participations in the companies: InTraffic and Improve Quality Services.

We know the markets in which we operate. We have the people. We have the technologies. And we have the ideas. All of which ensures that the proven solutions we deliver are always tailored to our clients' needs, using standard and state-of-the-art technology.

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Financial highlights 2012

ICT in figures

(x € 1.000.000)	**2012**	2011 restated
Net revenue	**77.8**	80.2
*ICT Netherlands	62.1	64.9
*ICT Germany	15.7	15.3
Added value (net revenue minus cost of materials and subcontractors)	68.9	71.3
Operating profit excluding exceptionals	1.7	4.0
Profit before taxation	(3.9)	(6.5)
Net profit (loss)	(5.2)	(8.2)
Net cash flow from operating activities	(0.5)	3.5
Personnel		
FTE as at 31 December	772	794
Average number of FTEs for year	778	790
Concise balance sheet information		
Shareholders' equity	31.5	37.7
Total equity and liabilities	47.8	53.4
Ratios		
Operating profit excluding exceptionals / net revenue	2,2%	5,0%
Net profit (loss) / net revenue [3]	(6,8%)	(10,4%)
Net profit (loss) / average equity capital [3]	(15,4%)	(19,3%)
Equity capital / total capital	65,9%	70,6%
Information per share of a nominal value of € 0.10 (in €)		
Net Profit (Loss) [1]	(0.61)	(0.95)
Equity capital [2]	3.61	4.31
Cash dividend [2]	-	0.09

[1] Based on the average number of ordinary shares

[2] Based on number of issued shares at year end

[3] 2011 restated: for more details see Annual Report

Message from the CEO

"At this moment, our industry is not yet showing any real signs of recovery, although we did see opportunities and initial improvements in some of our markets. At ICT Automatisering, we adapted our organisation to this market reality, and also made sure to pursue opportunities, such as the successful water contracts concluded and the uplift in demand from the chip industry. Whilst making our organisation more lean and effective through appropriate restructuring and cost-saving measures, we will maintain the required scale and expertise to benefit from future upturns in demand and business activity."

In the first six months of the year, markets were dominated by a continued reluctance to invest in IT, with modest signs of recovery seen in the summer. However, this upturn did not persist and after the summer we were again confronted with a decline in demand. As a result, our turnover for the year was down slightly on the previous year, while the operating result showed a sharp decrease due to the declining average utilisation and productivity levels, especially in the Netherlands, that had a strong negative impact on our results.

To improve profitability, in November we announced restructuring measures for both the Netherlands and Germany. In the Netherlands, we have reduced the number of direct employees with a low utilization rate as well as the number of indirect employees to further reduce indirect costs. We will continue to focus our recruitment efforts on selectively hiring new direct employees. These measures were taken as part of the balancing act between keeping the right level of expertise in anticipation of an actual market rebound, and being cost-conscious in the face of the current market reality. The situation in Germany continued to be difficult. ICT Germany did not make a positive contribution to our operating result in 2012. However results did improve compared to 2011.

Effective early December, we sold our non-core operations in Neustadt, Germany, to Kassel-based ATS, as they lacked scale and a perspective of future profitability. This fits the strategy for Germany with the focus on automotive. We also improved group-wide cooperation and effectiveness by completing the implementation of the same ERP system and procedures, IT systems, etcetera in Germany as being used and recently enhanced in the Netherlands. We improved efficiency by reducing the number of indirect staff, which was made feasible by the implementation of the new infrastructure. Finally, we reduced the number of offices. We believe these measures should lead to an at least break-even German operation in 2013 and profitability thereafter, albeit at a lower level than earlier anticipated. Based on this and the results achieved and the more modest expectations for the near future goodwill for ICT Germany has been further impaired for €2.0 million.

"Although markets remain uncertain, we have set ourselves some firm targets for 2013. Focus will be on further implementing the previously announced measures to improve future profitability."

In 2012, we also made further progress in implementing our market strategy based on a number of Verticals. The Verticals we introduced – Industrial Automation, Logistics, Machine & Systems, Healthcare, Automotive and Energy – reflect the markets ICT serves. All the Verticals are focused on cooperation and mutual collaboration, while also developing their own unique strengths. Our financial, business and control systems and procedures now fully support management based on Verticals. We will report on the basis of Verticals as primary management line as of this year.

Furthermore the cadre of senior management leading the strategic Verticals was strengthened. One senior manager was promoted to lead the non-automotive Verticals, while it was decided to recruit new senior management from outside the Group for the automotive activities in The Netherlands, Germany and Poland.

Like in every tough market, interesting opportunities also emerge. We have seen this in our water segment (Industrial Automation), in harbour logistics (Logistics) and in high-tech machine building (Machine & Systems).

Even in Automotive, although volatile, the geographical integration of our automotive activities in both the Netherlands and Germany has shown already first signals of synergy.

Although markets remain uncertain, we have set ourselves some firm targets for 2013. Focus will be on further implementing the previously announced measures to improve future profitability. With motivated employees, expertise and innovative technology in place, we not only addressed market reality but also made sure we are well equipped to benefit once the markets recover.

Furthermore we are pleased with the fact that we reached an agreement with our works council to change from a defined benefit pension scheme to a defined contribution pension scheme as per 1 January 2013.

I would like to thank all our employees for their continuing commitment and dedication to the company. I would also like to thank all our other stakeholders for their involvement and support.

Barendrecht, 22 March 2013

Carlo D'Agnolo
CEO ICT Automatisering N.V.

Strategy

ICT Automatisering delivers innovative and effective product/market solutions enriched with the latest technology. ICT is committed to helping its clients to enhance their flexibility and operational simplicity, while improving their business, production and communications processes. Our focus is on sustainable growth by offering our clients added value, through providing specialised expertise and top-class solutions based on innovative technology. ICT aims to become a solid system integrator as in that role it can add the highest value to its clients.

Firstly, to become a solid system integrator, demonstrating technological leadership, ICT has developed a market approach based on Verticals. The company will continue to professionalize this approach, with the aim of enhancing ICT's profile among its clients and its markets.

Another factor vital to ICT's shift to a solid system integrator is the fact that ICT increasingly offers project-based solutions directed by ICT. ICT is meeting the growing demand among its clients for affordable and proven solutions by offering repeatable and scalable innovative solutions that take into account the entire product lifecycle.

Affordable solutions can also be driven by ICT's smarter use of near- and off-shoring. In addition to its successful recruitment drive in Poland, ICT is exploring options elsewhere.

Retaining and sharing knowledge within the organization is also an important factor in increasing the added value provided to clients. ICT employees are educated and challenged on a continuing basis. This also creates a positive environment from a recruitment perspective.

Shareholders information

General

ICT Automatisering N.V. (ICT) has been listed on the official market of the NYSE Euronext Amsterdam N.V. Stock Exchange (ICT.AS) since 1997. The nominal value per share amounts to € 0.10.

On 31 December 2012, the number of issued ordinary ICT Automatisering N.V. shares amounted to 8,747,544 (2011: 8,747,544).

Major shareholders

The following table provides an overview of equity interests on 31 December 2012.

Shareholders	participation in %
Project Holland Beheer N.V.	14.49
Quellhorst A.J.H., Minderhout *)	7.36
Delta Lloyd Deelnemingen Fonds	5.92
Generali Holding Vienna AG	5.55
Navitas B.V.	5.26
Darlin N.V.	5.15
Fidelity Low Priced Stock Fund	5.10
Decico B.V.	5.01
Optiverder B.V.	5.01

*) Source: ABNAMRO 1/6/2012

Other source: percentage presented by AFM (www.afm.nl)

The share in 2012

Closing prices in euro	2012	2011	2010	2009
Highest share price	3.45	5.80	5.30	5.14
Lowest share price	2.30	2.60	3.88	2.30
Share price on 31 December	3.22	2.65	5.17	4.75
Dividend in %	-	3.40	5.61	-
*Price/earnings ratio (end financial year)	(5.28)	(2.88)	6.99	(25.0)
*2010 and 2011 restated				

Dividend policy

ICT applies a transparent dividend policy. In principle of the net profit 40% is paid out as dividend. The other 60% is added to the shareholders' equity. ICT is able to use this retained profit to finance further growth.

Investor relations

ICT pursues an open information policy towards investors and other parties with a (financial) interest in the company. This is aimed at providing them with clear and timely information on the policy and the developments relating to the company

ICT observes a "silent" period during which no discussions are held with investors and analysts. This pertains to a six-week period prior to the publication of the (half) yearly figures. The website www.ict.eu (press releases, financial data) provides detailed information. Investors can e-mail any direct questions to info@ict.eu.

Prevention misuse of insider information

ICT has rules governing the reporting of transactions involving securities of ICT Automatisering N.V. for its Supervisory Board, Executive Board and other appointed persons, including staff, the management and a number of permanent advisors. ICT has also appointed a compliance officer, who is responsible for supervising compliance with the rules and regulations, and communication with the Dutch Financial Markets Authority.

Financial calendar

25 March 2013	Publication annual results 2012 and analyst meeting
16 May 2013	Trading update first quarter
22 May 2013	General Meeting of Shareholders 2013
19 August 2013	Publication of half-yearly figures 2013 and analyst meeting
18 November 2013	Trading update third quarter

Members of the Supervisory Board and the Executive Board

Members of the Supervisory Board

Name:	Mr. Th.J. van der Raadt (1953), chairman (as from 30 May 2011)
Nationality:	Dutch
Position:	CEO, NDC I VBK publishers, Leeuwarden
Main ancillary position:	Chairman of Supervisory Board of Veen Bosch en Keuning, Utrecht
Initially appointed in:	2011
Current term until:	2015

Name:	Mr. F.J. Fröschl (1951)
Nationality:	German
Position:	CEO, HI TEC INVEST
Main ancillary position:	Chairman of the Supervisory Board of MPHASIS Ltd, Bangalore, India Chairman of the Supervisory Board of IMPAQ holding, Zürich, Switzerland
Initially appointed in:	2011
Current term until:	2015

Name:	Mr. D. Luthra (1950)
Nationality:	Indian
Position:	Director, Nogunoglor Holding BV
Main ancillary position:	Member of Board of Advisors, Van Weelde Shipping Group
Initially appointed in:	2012
Current term until:	2016

Name:	Mr. J.A. Sinoo (1953)
Nationality:	Dutch
Position:	Partner at ConQuaestor Executives
Initially appointed in:	2010
Current term until:	2014

Member of the Executive Board

Name:	Mr. C.A.G. D’Agnolo (1953)
Nationality:	Dutch
Position:	Chairman of the Executive Board
Main ancillary position:	Member of the Supervisory Board of Twice BV





Top left:	Mr. Th. van der Raadt
Top right:	Mr. F.J. Fröschl
Middle left:	Mr. D. Luthra
Middle right:	Mr. J.A. Sinoo
Bottom :	Mr. C.A.G. D'Agnolo

Report of the Supervisory Board

Introduction

For ICT Automatisering 2012 was a challenging year, in which disappointing results were achieved. There were some depressed markets, while on the other hand there were new opportunities in other markets. ICT has taken a significant number of measures to adapt to market reality. The indirect costs, both in the Netherlands and Germany, were lowered by reducing the number of indirect employees. Throughout the organization, certain direct staff with significant low utilization rates were made redundant. Moreover the number of offices in Germany was brought down and non-core activities in Germany (Neustadt) which lacked scale and a perspective of future profitability, were divested. This conforms with the strategy for focus on Automotive software activities in the German market. On a group level, ICT Automatisering will continue to improve efficiency and lower costs where feasible. With a highly skilled and dedicated workforce, innovative ideas and in-house leading edge technology, ICT should be able to grasp existing opportunities and create new ones. This should enable higher productivity levels to be achieved and consequently increase profitability.

Financial statements 2012

In a meeting on 22 March 2013, the Supervisory Board discussed the 2012 financial statements prepared by the Executive Board of ICT Automatisering, in conformity with the International Financial Reporting Standards (IFRS as adopted by the EU). The financial statements and the audit findings were discussed with the auditors at the Audit Committee meeting on 15 March 2013 and the Supervisory Board meeting on 22 March 2013. The financial statements have been audited by Deloitte Accountants B.V. who have issued an unqualified audit opinion, which has been included on page 101 of this Annual Report.

We will propose to the Annual General Meeting of Shareholders on 22 May 2013 that

- The financial statements for the year 2012 be adopted;
- The proposal regarding dividends be adopted;
- The Executive Board and the Supervisory Board be granted discharge for their management of the business and the supervision of the Executive Board respectively throughout the fiscal year.

Dividend 2012

In view of the reported loss and the resultant cash outflows over the year 2012, the Supervisory Board approves the proposal by management to the shareholders, not to distribute a dividend over fiscal year 2012. ICT Automatisering feels it is in the interest of the company and its stakeholders to keep cash available to finance further efficiency measures and organic growth in the key business areas.

Topics discussed during Supervisory Board meetings

During the year under review, the Supervisory Board held twelve meetings in the presence of the Executive Board. This comparative higher level of involvement reflects the urge to pay full attention to key topics and issues faced by the company. The Supervisory Board discussed the further implementation of ICT's strategy, as well as the operational developments. The disappointing financial performance of the company was also discussed extensively. The German operations and the related measures to enhance the performance of these activities were given a lot of attention, as well as operational risks. The Supervisory Board continued to assess business performance openly and discussed all strategic options available to the company, focusing on improving future results and efficiency while serving customers well.

In addition, Supervisory Board representatives discussed different matters with representatives from the Works Council, with the changes in the pension scheme being one of the most important issues in these discussions.

In 2012, the Supervisory Board had one plenary meeting without the Executive Board and senior management in which the members thoroughly discussed the performance of the Supervisory Board and its committees, as well as performance of the Executive Board. The Supervisory Board feels that the Executive Board and senior management have shown decisiveness and purposefulness in the tough circumstances, directing our business towards more resilience and a more goal-oriented approach. The members of the Supervisory Board also had several informal meetings with one another and also with the Executive Board and senior management.

During the year the relationship between the Supervisory Board and ICT's senior management was constructive and close. The Supervisory Board and its committees were provided with sufficient information needed to fulfill their role. The Supervisory Board convened one meeting of shareholders: the Annual General Meeting held on 23 May 2012.

Composition of the Supervisory Board

At the General Meeting of Shareholders on 23 May 2012, Mr. B F. Kostwinder stepped down according to the rotation schedule, and was not available for reappointment. The Supervisory Board likes to thank Ben Kostwinder for his valuable contribution and his strong involvement with our company during his term. At the same meeting, Mr. D. Luthra was appointed member of the Supervisory Board. The Supervisory Board welcomes the appointment of Deepak Luthra and strongly feels that his extensive financial background and expertise will be of great value to ICT Automatisering in the future. Mr. Luthra agreed to take on the position of chairman of the Audit Committee. Further information on the current members of the Supervisory Board can be found on page 12 of this Annual Report. The composition of the Supervisory Board meets the Dutch Corporate Governance Code guidelines. Each member of the Supervisory Board at ICT Automatisering has the experience and expertise needed to fulfil his duties and has sufficient time available to carry out his tasks. The profile of the Supervisory Board will be reviewed each year.

The Supervisory Board committees

The Supervisory Board has two separate committees, both of which launched in 2011: the Audit Committee and the Remuneration and Appointments Committee. The committees were set up on a voluntary basis, as the Dutch Corporate Governance Code only prescribes these committees for companies with Supervisory Boards consisting of five members or more, while ICT has four. Regulations were drawn up for both committees, which are available on the ICT website. Both entities consist of two members of the Supervisory Board.

Audit Committee

Mr. D. Luthra (Chairman) and Mr. J. A. Sinoo are members of the Audit Committee. In 2012, the Audit Committee held three meetings in the presence of ICT's Chief Financial Officer, group controller and the external auditor. The Audit Committee also held a meeting with the external auditor without the company executives being present. The Audit Committee meetings are generally held slightly prior to the Supervisory Board meeting, where the Audit Committee Chairman reports on the principal issues discussed, on actions arising and the follow up on such actions and makes recommendations on matters requiring a decision by the Supervisory Board meeting.

Subjects other than the annual financial statements discussed during the year under review included;

- the 2012 interim (quarterly) financials and the 2013 budget.
- the risk management and internal control framework
- the management letter, the external auditor reports and the follow up by management of the recommendations of the external auditor;
- the performance of the individual units also in the light of the carrying value of the goodwill;
- the financing of the group and the credit facilities and the compliance with debt covenants; and
- the change of the pension plans from the defined benefit plan to a defined contribution plan.

Remuneration and Appointments Committee

This committee consists of Mr. J. A. Sinoo (Chairman) and Mr. Th. J. van der Raadt. The committee held two meetings in the year under review, attended by the CEO. Subjects discussed included the remuneration policy, the composition of the Executive Board and top management bodies and the performance and remuneration of the Executive Board. More information can be found in the 'Remuneration report' paragraph hereafter.

Composition of the Executive Board

The Executive Board consists of Mr. C. A.G. D'Agnolo, who was officially appointed as member of the Executive Board/Chief Executive Officer (CEO) of ICT on 1 October 2011.

Corporate Governance

ICT's corporate governance structure is a shared responsibility of the Supervisory Board and the Executive Board. At least once every year, the Supervisory Board discusses corporate governance rules applicable to the company and advises on possible changes. In addition, in case of substantial changes in the corporate governance structure and in compliance of the company with the Dutch Corporate Governance Code, these are put on the agenda of and discussed during the Annual General Meeting of Shareholders. Page 43 of this Annual Report includes a separate section on Corporate Governance. This section describes the company's Corporate Governance approach and explains how the company implemented the Dutch Corporate Governance Code.

The Supervisory Board confirms that all members who served during the year are independent as defined under BP IIII.2.2 of the Corporate Governance Code.

Diversity

New Dutch legislation on gender diversity in the boardroom came into effect as of 1 January 2013, to ensure that men and women are represented in a balanced way on the various boards of public and private businesses. Dutch companies should pursue a policy of having at least 30% of the seats on the Executive Board and the Supervisory Board be held by men and at least 30% by women. ICT's Executive Board and Supervisory Board do not yet meet these thresholds. ICT is a serious supporter of diversity though, and will make best efforts to mirror best practices in the future.

Remuneration report

The Supervisory Board

The remuneration of the members of the Supervisory Board is not linked to the company's results. The AGM is responsible for determining the compensation of the members of the Supervisory Board. None of the members holds ICT shares or options. The Supervisory Board's actual compensation can be found on page 81 of this report.

The Executive Board

The Supervisory Board has determined the compensation of the Executive Board in line with the remuneration policy as drawn up by the Remuneration and Appointments Committee. This new policy was presented to the AGM on 23 May 2012 and adopted after some amendments were made. Information on the actual remuneration of the Executive Board is available on page 81 of this report. The Supervisory Board periodically checks whether arrangements are in line with the market. This was most recently done at the end of 2011.

Note of thanks

Finally, the Supervisory Board would like to express its gratitude to the Executive Board and all ICT employees for their dedication and commitment to the company in 2012.

Barendrecht, 22 March 2013

The Supervisory Board

Th. J. van der Raadt (Chairman)

F.J. Fröschl

D. Luthra

J. A. Sinoo

Report of the Executive Board

Introduction

In the first six months of the year, markets were dominated by a continued reluctance to invest in IT, with modest signs of recovery seen in the summer. However, this upturn did not persist and after summer ICT was again confronted with a decline in demand and a consequent drop in employee productivity. As a result, revenue for the year was down slightly compared to the previous year, while ICT's operating result showed a sharp decline.

To improve profitability ICT implemented restructuring measures for both Germany and the Netherlands, mainly to reduce indirect costs. Regarding its professionals ICT is balancing between keeping the right level of expertise in anticipation of an actual market rebound, and being cost-conscious in the face of the current market reality.

Financial Developments

ICT's total revenue fell by 3% to € 77.8 million (2011: € 80.2 million). Revenue at ICT Netherlands declined by 4% to € 62.1 million (2011: € 64.9 million). Where in the first half of the year a slight increase in revenue was realized, revenue fell sharply in the second half, as a result of continuous low demand in IT markets and a consequent low utilisation rate. In 2012, revenue at ICT Germany amounted to € 15.7 million, a modest increase of 3% compared to the previous year (€ 15.3 million). This increase was realized in the second half of the year, when revenue amounted to € 7.9 million compared to € 7.5 million in 2011. In Germany, ICT was able to improve its average return per hour. In the Netherlands it was raised slightly.

The cost of sales, mostly material, expenses and outsourced work, increased marginally to € 9.0 million (2011: € 8.9 million). Personnel costs increased slightly from € 49.8 million in 2011 to € 50.0 million this year. Operating costs decreased slightly, marketing costs increased but this was more than compensated by a reduction in other operating costs.

The total operating result before exceptional items for the year 2012 declined to € 1.7 million (2011: € 4.0 million). The operating result in the Netherlands fell sharply to € 3.8 million for the full year 2012 from € 6.7 million in 2011. This was the result of lower utilisation levels, especially December showed very low productivity levels. The lower number of direct employees in the Netherlands compared to last year also impacted the result. The German activities in 2012 were again loss making. However the results did show an improvement compared to last year mainly due to the performance in the second half in 2012. ICT Germany continued to make a loss also in 2012, but the operating results, before exceptional items, did improve compared to the previous year, from an operating loss of € 2.7 million to an operating loss of € 2.0 million.

In Germany the operating result in Automotive has improved in 2012 compared to 2011. The result of the Neustadt operation that focused on non-Automotive activities deteriorated compared to 2011. This operation was divested at the end of 2012. The average utilization rate in Germany was lower than in the previous year, but improved in the second half of the year compared to the first half and was better than the second half in 2011. During 2012, ICT Germany has implemented the same infrastructure, i.e. systems, procedures, etc., as in The Netherlands. This has made it feasible to reduce the number of indirect cost substantially. Also the number of offices has been reduced. The full impact of this will be visible as per first half 2013.

The operating margin before exceptional items for the group came in at 2.2% in 2012 compared to 5.0% in 2011.

Due to the bankruptcy of real estate company Eurocommerce in the second quarter of this year, ICT recognized a provision for onerous contracts, pertaining to the rent of the building in Deventer. ICT will no longer receive rental income from subletting part of this office building to Eurocommerce.

Early 2013 ICT has reached agreement with the owner of the building to pay-off its rental obligations since a co-tenant has been found. The decision was made to give up additional office space to meet the wishes of the co-lessee. The onerous contract provision at 2012 year-end was re-measured based on this new situation.

In addition, the offices in Braunschweig are no longer used. The total provision taken for onerous contracts amounts to € 1.8 million. The rental cost for these facilities and some other for which the conditions have been renegotiated, will reduce substantially as of 2013.

To enhance the profitability in both the Netherlands and Germany, ICT has implemented a number of cost reducing measures. The implementation of the group ERP system has been one of the preconditions to reduce costs in Germany. It has improved controls and delivery of effective management information. Both in the Netherlands and Germany, ICT has taken measures to further reduce the number of indirect staff notably in support areas such as Finance, IT and secretarial support. Including the divestment costs of the Neustadt activities the total cost are € 1.2 million. In addition, goodwill on ICT Germany was impaired by € 277,000, which reflects the proportional amount of goodwill that can be appropriated to the Neustadt operation relative to the overall goodwill pertaining to ICT Software Engineering GmbH. Including this impairment, the total divestment cost for Neustadt amounted to € 637,000.

German operations did not recover at a level that was earlier anticipated, with the measures explained above we believe the operation is well positioned to reach at least break-even in 2013, and thereafter should generate profits albeit at a lower level than anticipated previously. This view has led to the decision to impair goodwill for ICT Germany for a further € 2 million in addition to the € 10.2 million that was impaired in 2011.

Goodwill for the Improve Quality Services B.V. acquisition was impaired by € 1.5 million in view of the developments of results over the last years and the expectation that its profitability should improve albeit at a slower pace than previously felt feasible.

In addition ICT adjusted its 2011 financial accounts to reflect its obligation to purchase the remaining 25% in the share capital of Improve. The estimated liability at year-end 2011 reduced as a result of a lower profit before tax which is the basis for the calculation of the purchase price of the remaining 25%. As a consequence, € 477,000 was recognized as a gain in the profit and loss accounts of 2012.Towards the end of 2012, ICT reached an agreement with the works council regarding a new pension structure. The final pay pension scheme has been converted into an average pay pension scheme. As a result the pension liability on the restated balance sheet per end 2011 of € 0.7 million was released in the last quarter of 2012.

The Deferred Tax Asset for accumulated fiscal losses by ICT Software Engineering GmbH was written-off. End 2011 we held € 717,000 of carry forward losses on the balance sheet. It was decided to no longer recognize these. This does not imply that carry forward losses cannot be used to compensate any future profits.

The group cash position was € 5.9 million at year-end 2012 compared to € 8.1 million 2011. Working capital was at a higher level at year end mainly as a consequence of the tax receivable. The company continues to focus on proper cash management, though we are faced with markets in which customers demand longer payment terms.

Relevant events occurring after balance sheet date

On 1 January 2013, 15% of the remaining 25% were acquired of Improve Quality Services. Although the initial contract stipulated that all remaining shares should be acquired, the contract was amended in order to allow the acquisition of the remaining 10% shares at a later date. The fair value for the remaining shares is estimated at an amount of € 580,000. The remaining 10% of the shares will be acquired on 1 January 2015.

Financing facilities

Credit facilities that have been granted to the Company are described in the financial section of this Annual Report in note 4, pages 64, 65 and 66.

Capital expenditures

In 2012, € 0.6 million of investments were made in computer equipment and other fixed assets. Further details are provided in note 7 of the financial section of this Annual Report, page 68. We expect the capital expenditures for 2013 to be in line with 2012.

R&D Investment

In general ICT does not develop R&D for its own account. Though, it supports its customers in developing innovative solutions which in several circumstances qualifies as R&D expenses for these customers. ICT strives to use specific elements of its acquired knowledge repetitively in other projects.

Operating Developments

ICT Netherlands

In the Netherlands, ICT, operating under the name ICT Automatisering Nederland BV, formerly HUMIQ, focuses on the entire software development process of information systems that control a primary process or provide information on this process. In addition to seconding IT professionals and the development of customer specific systems, ICT Automatisering has intensified its focus on integrating several client systems into one total solution. In addition, ICT Automatisering is one of the leading players in the embedded software domain, whereby ‘embedded’ stands for software that has been incorporated in clients’ products. Through RDS IT-Support, ICT is actively involved in port logistics. And via Improve Quality Services, ICT provides tests and quality management services. ICT holds a 50% interest in InTraffic, which is dedicated to the software development of traffic and transport systems.

Business Highlights

ICT Automatisering is mainly active in the Dutch industry, but also provides solutions to German customers. Resulting from the challenging market conditions throughout the past year, ICT has had to deal with headwinds in the form of output contraction in the Dutch manufacturing industry. Especially in the second half of 2012, the industrial sector was hit by a major setback due to a decline in export growth. Despite this challenging market there were some positive developments in our water segment (part of our Industrial Automation Vertical) and ICT’s cloud solutions. Moreover, sustainability is an important element within the organization, attested to by our participation in smart grid solutions (PowerMatching City 2) and cooperation on electric transport solutions driven from our Energy Vertical. In our Healthcare Vertical, we devised our mPACSView app in partnership with the Catharina Hospital in Eindhoven. In line with ICT’s sustainability strategy, in June 2012, we obtained the C02 awareness Certificate of the CO2 Performance Ladder for ICT’s internal adjustments towards a sustainable environment.

As a result of the decline in the number of projects during the year, we saw a drop in utilization levels in the Netherlands. Although growth of the activities in the high-tech machine building sector, the overall number of professionals in the Netherlands was lower as a result of our selective recruitment policy and the layoff of a number of professionals with a structural low utilization rate. In the second half of the year, we recruited and trained young professionals for one of our large clients. The number of professionals increased again in the second half year, growing from 460 direct employees in August to 480 direct employees in December. Turnover and consequently operating result were down on the previous year, especially in the second half of the year.

To improve the profitability of the Dutch activities, ICT took a number of measures to further reduce our indirect costs. The recruitment activities remain focused on the selective hiring of new direct employees, taking into account the anticipated growth of the activities in the high-tech machine building sector.

Developments within Verticals

ICT's most mature Vertical, Industrial Automation, showed favorable developments in the first half of the year, particularly in the area of Water. ICT acquired a number of new contracts in the first months of the year, such as the contract from Hoogheemraadschap Rijnland. The second half of the year showed a slow down compared to the first half although several contacts were signed such as the contract with Water Maatschappij Limburg. Over the full year, Industrial Automation showed a positive result.

Overall it has been a slow year for the Logistics Vertical, affected by the postponement of investment decisions on the client side, which resulted in less new contracts. The second part of the year gained pace. ICT invested in developing targeted propositions based on our new Supply Chain Platform. Investments in the team have been made to ensure we are well equipped in all varieties of logistics such as harbour logistics. A partner contract with Motorola was signed to develop applications for Motorola's industry devices such as tablets and mobile phones.

In the Vertical Machine & Systems, mostly active in the OEM market, ICT's results suffered from lower utilization levels. On the positive side, ICT has a large satisfied customer base, providing relatively stable turnover. We invested in the expansion of hardware know-how and we added a know-how cluster for Windows Azure in our Groningen location, to boost the focus on Cloud Computing. We also continued to expand our partner networks, adding CoDeSys to enable us to deliver services such as machine control, product development and software services to our clients more effectively and more quickly.

Within Healthcare, we completed a successful pilot with the Catharina Hospital in Eindhoven, which resulted in the market launch of the innovative application mPACSView.

The Energy Vertical serves the upcoming sustainability market. ICT's role in the Power Matching City project as smart grid technology partner and the partnership with GreenFlux for the delivery of a platform of charging points for electric transportation is merely the starting point of ICT's presence in this market.

The Automotive Vertical mostly operates for German Customers and will therefore be discussed separately under ICT Germany, Automotive.

Qualitative outlook for 2013

ICT Automatisering expects another challenging year in 2013, in line with the economic developments in the Dutch industrial sector. In 2013, one of our major objectives will be the further professionalization of our Verticals. ICT will also be formulating a clear vision on and launching off- and near-shoring. Furthermore, the themes of sustainability, development into a 24/7 service model and further flexibility in new ways of working will be on the management agenda.

Improve Quality Services

Improve Quality Services (Improve) is a specialised company dedicated to providing high-quality and innovative solutions in the field of testing and quality management. Improve advises on and provides professional training and hires out consultants in this field. On 9 January 2013, Improve celebrated its 15th anniversary. Effective 1 January 2013, ICT Automatisering holds 90% of the shares, up from 75%, while the remaining 10% are held by the founder and former owner.

Both parties have the right to buy and sell the remaining 10% effective January 2015.

In 2012, Improve placed a strong emphasis on three key areas of expertise: structured testing, agile testing and Quality Level Management. Structured testing has been the company's solid basis for 15 years already. This holds true for all three services: training, consultancy and flexible staffing.

Agile testing is a fast-growing expertise, especially in the area of training. Improve was the first company in The Netherlands to introduce the Certified Agile Tester training (CAT), which has a growing market share. In addition to training, Improve provides agile coaching and hires out agile testers and scrum masters.

In 2012, the market for training in particular lagged behind expectations. The economic situation led to companies deciding to postpone or even cancel training. However, Improve continues to invest in developing and updating courses to maintain its leading market position. The focus remains on blended learning: a mixture of classroom training, coaching and e-learning. Training-on-the-job is an essential part of a learning trajectory, and Improve is therefore highly specialized in this approach.

In 2012, turnover increased slightly, but Improve's operating result was down as a result of a lower utilization rate and a lower number of attendants per training.

From 2013 onwards, Improve will be focusing increasingly on consultancy and training while flexible staffing remains a solid base.

InTraffic BV

InTraffic is dedicated to business in the Traffic & Transport sector. InTraffic is a 50/50 joint venture of ICT Automatisering and engineering firm Movares.

InTraffic develops smart ICT solutions aimed at improving mobility: people and goods arrive at their destinations more quickly, more safely, at a lower cost, in a more sustainable manner and with greater predictability. To achieve this, InTraffic focuses on the entire public transport chain (including rail, road, bus/metro/tram and water), ensuring optimum use of all means of transport. InTraffic's core competencies in this respect are the development and maintenance of business critical and safety critical information systems.

Turnover in 2012 was stable compared to the previous year. This applies to both turnover at the largest client ProRail as well as turnover from other clients. The operating result in 2012 was also more or less on the same level as the previous year. The first half showed an increase in both turnover and operating result which, was offset by a slight drop in the second half of the year.

For the longer term, InTraffic sees clear growth opportunities as a traffic and transport specialist with combined knowledge of domain and information technology. For 2013, we expect the turnover from ProRail to grow slightly, along with the turnover from other customers. In the years ahead, InTraffic will focus on the smarter use of infrastructure to increase mobility. Information and control systems will be crucial in mobility issues.

ICT Germany (ICT Software Engineering GmbH)

ICT Germany, operating under the name ICT Software Engineering GmbH, focuses primarily on the automotive market. ICT delivers automotive solutions, such as the integration and testing of the hardware and software of complex technical products. This involves embedded software activities, as well as software for the development process of information systems.

Business highlights

ICT Germany did not contribute to the operating result in 2012, though its results did show an improvement compared to the previous year. ICT Germany welcomed more than 10 new customers while keeping its relationship with key OEM and Tier 1 customers mostly in Germany. ICT has launched a number of cost-saving measures to manage the German activities to break-even. This was made possible by the implementation of the same systems and procedures as have been implemented in The Netherlands during 2011 and the first half of 2012. As a result the number of indirect employees has been reduced and will be further reduced over the coming months. ICT also reduced the number of offices in Germany. In December 2012, ICT transferred its loss-making activities in Neustadt, including all employees working for the Neustadt office, to ATS GmbH in Kassel. ICT concluded that Neustadt did not fit ICT's strategy sufficiently, as it is not active in Automotive. ICT therefore decided to discontinue these activities within the Group.

ICT placed a great deal of emphasis on growth through the recruitment of new staff in 2012. Staff turnover was much lower than in 2011, but did however remain high due to the very tight German labour market, in which ICT faces competition from major OEMs and Tier-1 suppliers. The fact that ICT is managing to keep the absolute number of staff at the same level clearly shows that the recruitment drive was successful.

ICT paid considerable attention to the organisation in Poland in 2012, including the successful recruitment of new staff. These employees are currently working on projects for Dutch and German clients.

Last year was a disappointing year for the automotive sector. The drop in sales in the European automotive market and hesitation in other markets such as Asia made that Tier-1 suppliers and OEMs became more prudent in hiring seconded expertise and in starting software engineering projects. As a consequence, we saw delays in projects at Tier-1s and OEMs, which led to postponements in the start-up of projects that negatively impacted the average utilization rate.

Due to the deteriorating market conditions, the profit development for 2014 and beyond is expected to be more moderate than anticipated 12 months ago.

In view of the potential of the German market and the position ICT Germany has managed to build, ICT believes there are opportunities on the German market. Combined with the cost saving measures, ICT is committed to taking the German activities to breakeven in 2013. Further development of solutions for the automotive industry for the connected vehicle, vehicle related applications and mechatronics will be key in 2013.

Outlook

2012 was characterized by the postponement of investment decisions by our clients across all our markets, which put revenues and profit under pressure. We expect the economic climate to remain difficult. On the other hand, the range of measures that management has taken are expected to have a positive effect starting early 2013. Given the volatility, ICT feels it is inadvisable to express an outlook for 2013.

ICT's sustainable focus

Last year we adjusted our sustainability policy in line with the growing global interest in sustainable solutions. Thanks in part to the growing sustainability awareness of our employees, we made significant steps towards greener offices, we reviewed our mobility policy and we worked hard to commit to an ambitious climate policy and CO_2 reduction targets. The crowning moment of our efforts to become greener was the winning of the level-4 CO_2 awareness certificate of the CO_2-Performance ladder.

Our climate policy will be a key element in ICT's business operations within the framework of sustainability and corporate social responsibility. This is only logical, as sustainable business practices – including climate policy and CO_2 reduction – are the future. Our Code of Conduct contains the following section on sustainability:

"Corporate social responsibility is a self-evident element of the organization. ICT aims to operate fairly and transparently and to shoulder its responsibility towards shareholders, customers, employees, its surroundings and the environment."

Advantages of driving a sustainable business:

It's good for the natural environment.

The reservoir of natural resources is being depleted and ecosystems are becoming increasingly unbalanced. By working together with companies that, like ICT, aim to adopt a policy that also focuses on sustainable growth, it is possible to achieve results in this area.

Sustainable entrepreneurship saves energy.

This is also seen in lower costs. Examples include the use of low-energy light bulbs, insulation, greater awareness in the use of heating and cooling devices, and the use of green energy.

Improves our competitive position.

The CO_2 awareness certificate gives a competitive edge to companies that do business in a sustainable fashion when it comes to tenders. Our green logo adds an extra layer of meaning, as concrete proof of our efforts, as a 'green computerisation firm', to do business more sustainably.

We firmly believe that we have a responsibility not only to our employees, but also to our partners and our stakeholders to develop innovative and agile solutions that advance sustainability. This will serve our clients and help us in our goal as a company in the coming years: sustainable growth.

Organisation and personnel

In 2012, 54% of our professionals attended one or more training courses. We also held several group training sessions, internal workshops, in-house training sessions and conducted internal knowledge sharing events on a regular basis. Due to our partnerships with Microsoft and other companies, 53 professionals were certified last year.

Labour market competition was very high, but ICT nevertheless managed to successfully recruit new staff in 2012. Our Dutch operation launched a new recruitment campaign and a new recruitment website in 2012, specifically targeting candidates with technical profiles. We also kicked off a technical traineeship programme for one of our large clients, which had a positive impact on the recruitment of BSc and MSc graduates. We will continue both campaigns in 2013, as we expect the labour market for highly skilled technical staff to stay very tight. This means that we will also continue to recruit non-Dutch speaking candidates.

After the serious decline in the number of German employees in previous years, we managed to reduce staff outflow significantly in 2012. Both the Dutch and German labour markets are expected to remain tight in 2013.

Pensions

In December 2012, ICT agreed with the works council that it would stop the defined benefit pension scheme as per December 31, 2012. It will be replaced with a defined contribution pension scheme that has become effective as per January 1, 2013. All employees who joined ICT before 1 January 2008 and who were eligible for the final pay pension scheme as per 31 December 2012 will start under the average pay pension scheme as per 1 January 2013. Employees who joined ICT as per 1 January 2008 or later will remain in a defined contribution pension scheme.

Personnel

At the end of 2012 the company had 772 FTEs compared to 794 at year-end 2011. In Germany, FTEs stood at 161 at the start of the year and 141 at year end 2012. This is essentially the impact of the divestment of the Neustadt operation. In the Netherlands, the number of FTEs went from 619 FTEs at the start of 2012 to 617 at year-end 2012. The number of FTEs in Poland was 14 at year-end 2012, the same as year-end 2011. Staff turnover was approximately 14%, with the turnover in Germany higher than in The Netherlands. Absence due to illness went down to 2.3% (2.8% in 2011).

Director’s responsibility statement

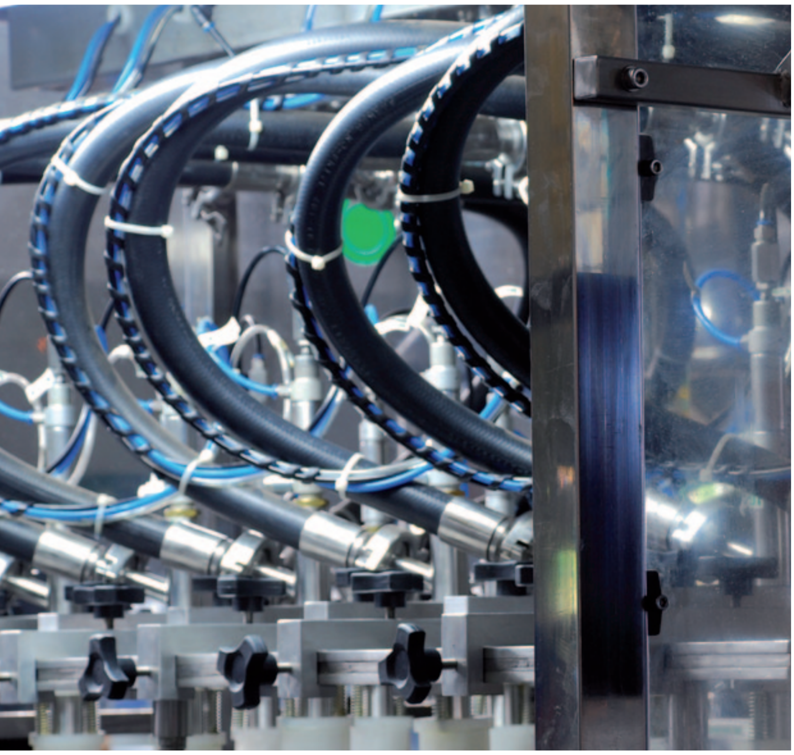
Under the terms of the articles of association, the company directors are responsible for preparing financial statements and the Annual Report in accordance with Dutch law and International Financial Reporting Standards (IFRS). Pursuant to article 5:25c of the Financial Supervision Act, the Executive Director, taking into account the above, declares that to the besto of his knowledge (i) the financial statements give a true and fair view of the assets, liabilities, financial position and profit of ICT Automatisering N.V., and its consolidated subsidiaries; (ii) the Annual Report gives a true and fair view of the situation on the balance sheet date, developments during the financial year of the company and its related companies and (iii) that the Annual Report includes a description of the principal risks facing ICT. The company’s Executive Director has signed the financial statements pursuant to the legal obligations by virtue of article 2:101, paragraph 2 of the Dutch Civil Code and article 5:25c, paragraph 2c of the Financial Supervision Act.

Barendrecht, 22 March 2013

Executive Board

C.A.G. D’Agnolo






ICT Automatisering Introduction to the Verticals

ICT's daily ambition is to translate IT technology into relevant business solutions for its clients. To enable sustainable growth for our customers and our organization, and to enable us to serve our markets effectively, we have divided our organisation into six different Verticals: Automotive, Industrial Automation, Logistics, Energy, Healthcare and Machinery & Systems. Despite the fact that Dutch employees account for 50 of the 180 FTEs, Automotive is largely operated from Germany, while the remaining five Verticals operate largely from the Netherlands.

We clustered expertise and staffed each Vertical with highly-skilled professionals. Our professionals have up-to-date knowledge and experience in their fields of expertise. Combining our strengths – highly skilled professionals, solutions and products for complex (technical) automation issues – puts us in the perfect position to act as a cross-border provider to markets and clients. We took the first steps towards the creation of a Vertical-driven organization back in 2011, with the aim of serving our markets more effectively. In 2012, ICT intensified this approach and implemented the Verticals in its organisation. Automotive was the first to cultivate cross fertilisation across different geographic areas.

As from 1 January 2013, ICT will report its half-year and full-year results at the level of the Verticals. The Verticals Healthcare and Energy – a small incubator – will, for the time being, be reported under the Vertical Machine and Systems. In 2013, for reasons of comparison, ICT will also maintain the current turnover segmentation at country level.

Reference case

ICT recognizes that cars have potential as internet gateways, as new technology enhances safety and it is helping vehicles communicate with their external environment. Car connectivity, telematics and apps are just a few of the key factors in this growing market. Our knowledge of car technology is widely recognized by major car brands. For one of the car brands of the VW Group, we have developed an internal test and quality assurance framework for their suppliers' integration of BAP (in German: Bedien- und Anzeige Protokoll, which translates into Control and Display Protocol). This won us preferred supplier status with this particular brand.

Automotive solutions for a safer and energy-efficient environment

Automotive

Automotive is an independent 'single source' engineering solutions provider, fully specialized in automotive and related business. This Vertical offers products and services throughout the entire automotive supply chain, to chip manufacturers, system/niche suppliers and OEMs. Its core business is the development of embedded software for automotive systems in the domains infotainment & telematics and the more traditional domains such as body, chassis and engine manufacture. Knowledge of the vehicle architecture, including electronics hardware, ensures optimal cooperation with the automotive industry.

ICT is a respected supplier in the automotive industry, and software is playing an increasingly important role in this sector. We are at the forefront of many of the latest developments, thanks to our in-depth knowledge of technology following trends on further telematics based integrations and further mechatronisations demanding functional safe solutions. New product-market combinations, such as mobile solutions, saw the light in 2012. In addition to this, we carried out a number of projects for our customers, such as the Navi-Simulator project with leading automotive brand Hyundai.

In today's market, the need for innovative software solutions is creating excellent opportunities for sustainable growth in the Automotive Vertical in 2013. Car drivers expect the same connectivity on the move as they have at home, which means there is a need for innovative solutions such as apps, and these will increasingly be a differentiating factor in new products and services in the automotive industry. ICT is in a perfect position to play a significant role in this development, thanks to its combination of domain specific skills and automotive market knowledge.

ECT Europe Container Terminals

Logistics Case

One of our key customers was operating their logistic process through a complex logistics system built on the VAX-VMS platform. ICT migrated this system to an up-to-date architecture based on Unix, adding significant new logistics functionality to the system. The migration was performed in a fully operational environment. Thanks to our combination of logistics know-how and technical expertise, we were able to execute this migration without any disruption to our customer's business operations.

Innovative solutions optimising logistics processes

Logistics

ICT has broad expertise in the logistics sector. Services in this segment are subdivided into three sub-sectors: port logistics, logistics service providers and material handling. ICT is active in the port logistics sector though its participation in RDS IT-Support. It is active at the cutting edge of logistics, planning and technology of container transhipment, from it base at the heart of Rotterdam's container port.

The Supply Chain Solutions offered by the Logistics Vertical are designed to automate and streamline the activities of logistics service providers. The Logistics Vertical operates in a very broad market, while its solutions are always sharply focused. This Vertical has created a balanced series of high-quality standard applications combined in an integrated supply chain platform, demonstrating both knowledge of the market and technical intelligence.

In 2012, ICT continued to make progress in the cloud computing domain by migrating the applications used by its existing customers into this environment. This enables our customers to focus solely on their own business functionalities, rather than have to worry about their in-house IT landscape. The Third and Fourth Party Logistics market flattened out in the first half of 2012. However, projects were continued due to the strategic importance of our services.

ICT is continuously looking at opportunities to expand its applications, services and expertise, also in collaboration with partners. For instance, in 2012 ICT signed a partner contract with Motorola Solutions, industry leader in the field of enterprise mobility. The combination of ICT and Motorola will help create innovative solutions for end-user customers by offering total solutions – combining hardware, software and services.

We expect companies to invest further in true overall business improvements in 2013, not just technology improvements. Our integrated platform will drive the integration, optimization and visualization of the actual logistics process. Mobile applications, cloud computing and portal technology will be key for growth.

Reference case

For Inomatic – a German company that provides specialised electronics for special-purpose vehicles (police, ambulance, fire brigade) – ICT received an order for the design and delivery of a new controller for special purpose vehicles, to control the additional equipment in the special purpose vehicles. ICT delivered a total solution for Inomatic based on our Machine Control Platform (MCP). This solution consists of a combination of hardware, software and CODESYS licenses and service and provides Inomatic and its customers with additional features that give them a market advantage.

Reliable and flexible solutions

Machine & Systems

The Machine & Systems Vertical consists of a specialized group of professionals with more than 30 years of experience in embedded software engineering and machine construction. ICT delivers specific software and hardware expertise and solutions for engineering machines, operating and control systems and complete line management systems for discrete production lines. Our goal is to improve our clients' competitive position.

The greatest demand from clients in this segment is for secondment services. However, in 2012 we saw a clear shift to projects (also at existing secondment customers). In addition to this trend, we have seen a growing demand from our customers for integrated hardware & software solutions (Machine Control Platform). In the second half of 2012, we noticed an increase in opportunities, mostly driven by growth in the chip industry, which resulted in a slight growth in the number of employees within this Vertical. Last year, ICT also started to recruit employees in Poland, which has proven to be successful.

The growth in Machine Control Platform (MCP) was mainly due to new opportunities in Germany. The MCP solution offers equipment builders the possibility of reducing costs and improving their software functionality, which in turn enables them to differentiate more effectively from their competition.

The Machinery and Systems Vertical has a clear focus and vision for 2013 and beyond, and that is to contribute to ICT's sustainable growth. ICT sees a clear trend towards the connectivity of embedded devices. ICT has the knowledge and experience to implement this vision and offers a solution that makes it possible to connect embedded devices even into the Cloud.

With our core team of embedded professionals, ICT will continue to ensure it provides state-of-the-art embedded software solutions for our customers. We will also continue to invest in our team and augment the team with specialists from Poland. Secondly, ICT will continue to focus strongly on the Machine Control Platform (MCP), where we see opportunities to grow in Germany.

Reference case

The food industry is coping with falling margins and increasing government and retail regulation, which means the industry has to improve the agility of its production sites. ICT has developed a Vertical and horizontal information integration strategy to help the food industry deal with market pressures. The food industry benefits from ICT's expertise, thanks to its high-tech automation solution focusing on a combination of downtime reduction, flexibility and manufacturing intelligence dashboards. Key partners Wonderware and SAP are joining ICT in its total integration strategy.

Unique integrated solutions for optimum productivity and efficiency

Industrial Automation

Industrial Automation delivers complete integrated solutions for industrial production companies. The intelligent deployment of systems, coupled with seamless integration with ERP systems, enables our customers to improve their operating processes. For our focused market segments Water, Food&Feed, Chemicals and Basic Materials, we offer solutions, service and maintenance support and secondment services.

In 2012, we had a stable year with a continuous focus on the growth of our order intake in the Water segment. The Water segment is a tender market and is dominated by the long-term investment calendar of the Dutch government.

We have defined three product market combinations in this specific segment to facilitate our continuing growth going forward. The first of these is the Waterway Optimizer, which centralizes the operational control of operating and controlling bridges and locks. The second is Waterproof (water level control), which provides users with a sophisticated Real Time Control (RTC) for managing surface water and sewage water systems. And thirdly, the SmartControl (waste water control), an analytical tool that allows our customers to fully utilise a sewerage system. We ensure that this is in fact achieved by running simulations in advance.

In addition to our efforts in the water segment, in 2012 we initiated greater strategic focus on two other markets: food/feed and the chemicals market. ICT's installed base in these market segments are a solid foundation of our Industrial Automation Vertical and will facilitate the generation of product-market combinations and therefore growth in each of these segments.

A continuous growth in the Water segment combined with an improved focus on Food/Feed and Chemicals will be the foundation for our business in 2013.

Reference case

The use of Electric Vehicles (EV) will be one of the driving factors in the growth of electricity consumption, as one EV consumes the same amount of power as about five households. ICT has developed an innovative and state of the art platform for its customer GreenFlux, enabling it to manage and control the complete EV process (From charging to billing). ICT has designed, built and deployed this platform in the Microsoft Public Cloud.

Intelligent technology as the basis for Sustainable Energy Solutions

Energy

The energy sector is facing major challenges, which ICT saw as reason enough to start a dedicated Energy Vertical. With a skilled team from the Machine & Systems Vertical, this incubator has a lot of potential for growth in the coming years.

Smart Energy Service Platform

The Smart Energy Service Platform offers a complete platform to monitor, manage and control Smart Grid Environments. The platform provides an end-to-end solution (from platform into homes or offices), including the collection of large volumes of data. In addition, the platform delivers web-based solutions to visualize data for consumers. The Smart Energy Service Platform can be used to manage large volumes of homes, but can also be used to manage offices. ICT developed the basis of the platform in a real life environment: Power Matching City (Hoogkerk). The Power Matching City project, is a leading and innovative project that was included in the Sustainia100 list of groundbreaking sustainability projects announced at the RIO+20 Climate event in 2012.

ICT's vision is that the Smart Energy Service Platform needs to be low cost, scalable and available as a service (monthly subscription). ICT has therefore decided to build the platform in Microsoft's Public Cloud.

ICT expects the development of new Smart Energy Services to take at least several years. The energy market is an emerging market that ICT will supply with new technologies and solutions. ICT also expects the use of electric vehicles to drive the rapidly increasing use of electricity and will make it necessary to use intelligent solutions like the Smart Energy Service Platform. ICT therefore expects the use of the platform to start growing in 2013 and beyond.

Reference case

mPACSView is part of ICT's Medical Data Exchange (MDE) solution. The premise of the MDE approach is that medical data should be available to users wherever they are. ICT created mPACSView in cooperation with the Catharina Hospital in Eindhoven. ICT's expertise in the field of innovation and healthcare made it the obvious partner for the Eindhoven hospital. The application meets the strict requirements set by radiologists at the start of the development phase, and has now been successfully tested in a live environment.

An efficient healthcare process through optimum control of IT processes

Healthcare

ICT's Healthcare division has for several years specialised in all facets of Medical Data Exchange (MDE), ranging from training and consultancy to medical software implementations.
Standardisation and the uniform exchange of data are essential to effective collaboration between healthcare information systems of different suppliers. ICT provides tailored software solutions, integration services, training and advice for suppliers of medical systems, healthcare institutions, diagnostics centres, clinics and academic organisations. Boasting more than 30 years of experience in healthcare, combined with knowledge of the latest technologies and legislation, ICT is in a perfect position to help its clients maximise results through well-thought out specific solutions.

In 2012, the MDE solution has focused on three main areas of healthcare:

- Medical equipment builders: connecting the devices to the healthcare infrastructure using MDE technology and solutions;
- Medical software solution providers: ensuring that software uses the state-of-the-art healthcare standards such as DICOM (Digital Imaging and Communication in Medicine) and HL7 (High Level 7 is protocol and messaging services in hospitals);
- Hospitals, where ICT's mPACSView solution enables specialists to review medical images remotely in a secure and effective manner.

It is clear that costs of healthcare will continue to increase, unless health can be organised effectively and in a modular fashion. Releasing medical data in a secure and effective way will be one of the key demands in healthcare environments. ICT expects its MDE knowledge and solutions will create significant opportunities for 2013 and beyond.

Corporate Governance

General

ICT Automatisering N.V. is a public limited company with its registered office in Barendrecht. ICT has a two-tier board system and has been listed on the NYSE Euronext Amsterdam since 1997. ICT's corporate governance policy is outlined below, together with ICT's view of the provisions of the Dutch Corporate Governance Code, hereinafter referred to as the Code. ICT also notes where it deviates from the Code, and the reasons for any deviation. Since its listing, ICT has developed a clear and transparent policy for investors and other stakeholders in the company. (www.ict.eu).

Executive Board

As a two-tier board company, ICT is required to have a Supervisory Board and an Executive Board. In the financial year 2012, the Executive Board consisted of one member and the Supervisory Board had four members. In accordance with the company's objectives and Dutch law, the Executive Board manages the company, taking into account all parties involved in the company and its related businesses. The Executive Board is accountable to the Supervisory Board and the General Meeting of Shareholders for how it manages the company. The company has drawn up rules for the Executive Board that have been placed on its website in accordance with the Code's provisions.

Members of the Executive Board are appointed by the Supervisory Board. Before the Supervisory Board appoints a new member, it notifies the General Meeting of Shareholders and the Works Council of its intention to do so. The Supervisory Board may suspend and dismiss members of the Executive Board. The remuneration of the directors is decided by the Supervisory Board upon the advice of the Remuneration and Appointments Committee. This committee closely follows the trends related to the remuneration of members of the Executive Boards of similar organisations.

The Supervisory Board has on several occasions commissioned a detailed study of salary structures within the ICT sector. This has resulted in a balanced remuneration structure.

Supervisory Board

The Supervisory Board monitors the company's management and the general affairs of the company and advises the Executive Board. In accordance with the provisions of the Code, all the members of the Executive Board and the Supervisory Board are independent. The Supervisory Board acts in the interests of the company and the companies associated with it, as well as in the interests of all parties involved in the company. It is also responsible in particular for the supervision of:

1. the achievement of the company objectives;
2. the strategy and risks associated with the company's activities;
3. the set-up and operation of internal risk management and related control systems;
4. the financial reporting process;
5. compliance with legislation and regulations.

The Executive Board gives the Supervisory Board all of the information that the Supervisory Board requires to carry out its work and does so in writing and in a timely manner. The Supervisory Board is informed in writing at least once a year about the key elements of the strategic policy, the general financial risks and the company's management and control systems. The Supervisory Board has set up two separate committees: the Remuneration and Appointments Committee and the Audit Committee. The Board as a whole is responsible for the supervisory tasks. The Supervisory Board has adopted a set of rules that govern decision making by and the functioning of the Board. The Board has also drawn up rules for the committees. All regulations can be found on the company's website.

In accordance with the provisions of the law, members of the Supervisory Board are appointed by the General Meeting of Shareholders based on nominations by the Supervisory Board. The nominations are drawn up by the Supervisory Board once the General Meeting of Shareholders and the Works Council have been notified of the vacancy in question and have been given the opportunity to recommend individuals for nomination. One supervisory director is recommended by the Works Council on the basis of its enhanced right of recommendation. The individual members of the Supervisory Board can only be dismissed by the enterprise chamber of the Amsterdam Court of Appeal. In addition, the entire Supervisory Board shall resign in the event the General Meeting of Shareholders approves a motion of no confidence against the Supervisory Board.

No transactions took place during the past financial year that involved executive directors, supervisory directors or majority shareholders in a conflict of interest. The nature of ICT's activities means it is unlikely that such transactions would take place. ICT declares that stipulations II.3.2 to II.3.4 and III.6.1 to III.6.3 of the Code (conflicts of interest) have been observed. All transactions of the company and the natural persons and legal entities holding at least 10% of the company shares were agreed under the sector's usual conditions. Decisions to effect transactions with these persons that are of material significance to the company and/or to these persons require the approval of the Supervisory Board. These transactions are published in the annual report.

General meeting of shareholders

The main powers of ICT's General Meeting of Shareholders by virtue of the law and the articles of association are as follows:

- the adoption of the financial statements, including the appropriation of results;
- the adoption of the dividend proposal;
- the discharge of the Executive Board and Supervisory Board;
- the decision to (authorise the Executive Board to) issue shares or grant rights to subscribe to shares and restrict the preferential right thereto;
- the authorisation of the Executive Board to purchase own shares;
- the appointment of the external auditor; the appointment of members of the Supervisory Board (upon the recommendation of the Supervisory Board, with the Works Council's enhanced right to nominate, if applicable); a vote of no confidence in the Supervisory Board;
- the adoption of the remuneration of the members of the Supervisory Board; drawing up the remuneration policy; a resolution to amend the articles of association.

With respect to shareholders' rights, ICT's articles of association are divided into two categories: holders of ordinary shares and holders of cumulative preference shares.

Anti-takeover measures

In the articles of association, the General Meeting of Shareholders has authorised the company to issue preference shares to the Stichting Continuïteit ICT. The objective of the Stichting is to safeguard the interests of the company and its business and all stakeholders. In the event of a hostile takeover attempt, the Stichting can call the preference shares from the company under the option agreement entered into between the company and the Stichting. The Stichting may subscribe for a number of preference shares equal to the number of outstanding ordinary shares in the company.
In the event of a hostile takeover bid, the issuance of preference shares will enable the Executive Board to decide upon its position vis-à-vis the bidder, consider the bidder's plans, examine alternatives, and thus further safeguard the interests of the company and its stakeholders.

The current members of the board of the Stichting are Mr. H.R. Okkens, Mr. J.C.M. Schönfeld, Mr. P.F. Plaizier, and Mr. R. ter Haar. The board of the Stichting is independent.

Overview of corporate governance provisions

ICT complies with the provisions of the Dutch Corporate Governance Code, apart from those listed below. The entire text of the Code is available at www.commissiecorporategovernance.nl.

Best practice provision II.2.5

This stipulation provides that shares granted to management board members without financial consideration shall be retained for a period of at least five years or until at least the end of the employment, if this period is shorter. ICT's remuneration policy provides that under certain circumstances shares may be allotted to members of the Executive Board, which must be held for at least three years or at least until the end of employment. Thus the lock-up period will never be longer than the period of employment.

Best practice provision III.4.3

According to this provision, the Supervisory Board shall be assisted by the company secretary. The company is too small for a full-time company secretary. Nevertheless the Supervisory Board is assisted by an independent part-time secretary.

Principle III.5

The Supervisory Board has two committees: the Audit Committee and the Remuneration and Appointments Committee. The recommendations relating to these committees do not apply in terms of the composition of the core committees as set out in this principle, as the number of Supervisory Board members is four. This means that the committees have been installed on a voluntary basis.

Best practice provision III.6.5

There is no regulation covering private investments by members of the Supervisory Board or members of the Executive Board. Members of these Boards are subject to general legislation.

Best practice provision IV. 3.1

This stipulation provides for webcasting analysts' meetings, presentations and press conferences for all shareholders. ICT communicates information relevant to shareholders in press releases and adds presentations to its website. Given the relatively high costs for providing webcams and/or other technical tools that can be used to follow analyst meetings and other third-party meetings, as well as shareholders' participation in meetings, ICT will not be taking action to make this possible in the foreseeable future. ICT's governance policy was discussed most recently at the 2012 Annual General Meeting. This did not involve any comments from the shareholders.

Amendment to the articles of association, issuance and purchase of shares

The General Meeting of Shareholders may only decide to amend the articles of association following a motion to this effect by the Supervisory Board.
Following the Supervisory Board's approval, the General Meeting of Shareholders may resolve to issue shares. The General Meeting of Shareholders may appoint the Executive Board for a maximum period of five years as the body authorised to issue shares. The Executive Board, provided it has been authorised by the General Meeting of Shareholders, may decide that the company will acquire its own shares, taking into account relevant provisions in the law and the articles of association.

Corporate governance statement

This is a corporate governance statement, as referred to in article 2a in conjunction with articles 3 through 3b of the Decree on additional requirements for annual reports *(Vaststellingsbesluit nadere voorschriften inhoud jaarverslag)*. The information required can be found in this chapter dedicated to Corporate Governance and elsewhere in this Annual Report. The sections in question should be regarded as inserted and repeated here.

We specifically refer to certain sections that have not been included in this chapter, such as:

- composition of the Executive Board and Supervisory Board: see 'Report of the Supervisory Board' and page 14;
- the information required by virtue of article 10 of the Decree pertaining to the takeover guidelines: see this chapter and also page 95;
- the main features of internal risk management and control systems in connection with the group's financial reporting: see chapter 'Risk Management and Internal Control';
- the description of the performance of the General Meeting of Shareholders is provided in the relevant section above.

ICT observes the best practice stipulations of the Dutch Corporate Governance Code with the deviations explained in this chapter.

Financial and economic risk management and internal control

Within the company we recognize 3 areas of risks:

- Financial and market risks – these are described in section 4 of the financial statements pages 64, 65 and 66
- Internal control risks – these are described in this paragraph
- Economic risk – these are also described in this paragraph.

Internal control risks

ICT has implemented internal risk management and risk control systems with a view to minimizing the company's operating and financial risks and restricting the impact of unexpected events on balance sheet ratios and results. ICT considers risk management to be a continuous process, an essential part of which is to embed policy in control systems and procedures at each level within the organization.

ICT operates policies and guidelines on how to undertake business and financial transactions, as well as instructions and procedures that are binding for staff.

In 2012 ICT has implemented a full suite of business modules offered by its ERP system and has also implemented the system in Germany together with procedures, schedules, etc. Consequently ICT the Netherlands and ICT Germany work with the same system in an integrated environment. The benefits are:

- Support of the strategy and steering model, material enhancement in management information;
- Effectiveness improvement in operations;
- Better controls;
- Reduction of dependence on one or a few employees, and finally;
- An important improvement in efficiency.

The focus in 2013 will be on bringing ICT Germany on the same effectiveness and efficiency level as ICT Netherlands. In addition, alert and compliance reporting will be enhanced. Also, senior managers will be requested to make positive assurance statements about compliance and control levels. Finally, it is planned to start with internal audits performed by peers coordinated by the Q.A. Manager.

Key elements in the risk management and control system are the budgeting, project management and financial reporting systems, which monitor the progress and the actual results of the company's operating activities. ICT also uses a staff evaluation and appraisal system.

In accordance with the best practice stipulation II.1.4 of the corporate governance code, ICT continuously evaluates and improves its internal risk management and control systems. Based on activities carried out in 2012 and in accordance with the best practice stipulation II.1. 5, the Executive Board is of the opinion that the risk management and internal control systems as a whole were adequate for ICT's financial reporting in the 2012 financial year. In 2012 the Dutch financial and business systems and procedures have been extended to Germany. This has created uniformity within the group and improved risk management and control systems in Germany. During the course of 2013 the Company will make further efforts to improve the proper usage of systems and compliance with procedures. The current status of internal controls gives the Executive Board a reasonable degree of certainty that the financial statements do not contain any material inaccuracies.

Economic risks

ICT has identified the following economic risks:

Economic trends

General economic conditions affect the commercial success of ICT's clients. For example, decisions to invest may be delayed or the size of R&D budgets may be reduced due to lower profits. This obviously has a negative impact on the demand for ICT's services.

Movements of activities to low-cost sites

Ongoing globalisation means that multinationals are increasingly locating parts of their production facilities outside Europe. In the wake of this, elements of software development are also being moved to these regions.

Technological developments

Rapid technological progress, changing client requirements and evolving software standards are all features of the software market. ICT's success hinges on its ability to adapt to these developments and keep the know-how of its staff up-to-date. ICT expects to be able to maintain its position by closely following the changes affecting its clients and the market. These changes are happening rapidly, which means the company needs to be alert.

Dependence on staff

For its current business operations and planned growth, ICT is to a large extent dependent on the availability of sufficient personnel and in particular on sufficient numbers of highly qualified staff. With the exception of periods of temporary downturn, the labour market for personnel with relevant knowledge and expertise is tight and competition is fierce. Due to current economic and social developments, the shortage on the labour market in the Netherlands – and Germany – is on the increase.

Dependence on large clients

A relatively small number of clients account for a substantial proportion of ICT's turnover, reflecting the fact that large companies tend to operate in ICT's markets. In addition, ICT the supplier needs to have a certain scale to build up a good relationship and create a so-called "preferred suppliership". The loss of any of these larger clients for any reason may therefore have a negative impact on ICT. In view of this, broadening our client base remains one of ICT's priorities.

The above overview of the principal risk areas for ICT is not exhaustive. It is also possible that risks that have not currently been identified, or that are not regarded as material, will have a significantly adverse effect on ICT's ability to achieve its objectives at a later date. ICT's internal risk management and risk control systems are, in as far as possible, geared to the timely identification of such risks.

Financial Statements 2012

- Consolidated balance sheet
- Consolidated statement of total comprehensive income
- Consolidated statement of changes in equity
- Consolidated statement of cash flows
- Notes to the consolidated financial statements

Consolidated balance sheet
(before proposed profit appropriation)

(x € 1,000)	Note	As at 31 December 2012		As at 31 December 2011 restated		As at 1 January 2011 restated	
Assets							
Non-current assets							
Property, plant and equipment	7	1,396		1,576		1,950	
Goodwill	8	16,441		20,218		30,368	
Deferred tax assets	9	-		883		822	
			17,837		22,677		33,140
Current assets							
Trade and other receivables	10	22,822		22,663		22,736	
Income tax receivable		1,305		-		888	
Cash and cash equivalents	11	5,877		8,088		14,643	
			30,004		30,751		38,267
Total assets			47,841		53,428		71,407
Equity and liabilities							
Shareholders' equity	12						
Share capital		875		875		875	
Share premium		8,411		8,411		8,411	
Issued options		155		155		155	
Revaluation Reserve		1,398		1,398		1,398	
Retained earnings		25,654		34,762		30,303	
Result for the year		(5,327)		(8,321)		6,996	
Attributable to shareholders of ICT Automatisering N.V.		31,166		37,280		48,138	
Non-controlling interest		380		420		391	
			31,546		37,700		48,529
Non-current liabilities							
Deferred tax liabilities	9	-		16		116	
Provisions	14	648		-		-	
Pension liability	13	-		663		-	
Share purchase liability	15	-		1,441		1,695	
Other non-current liabilities	16	125		325		525	
			773		2,445		2,336
Current liabilities	17						
Trade payables		1,877		1,633		2,384	
Other taxes and social security liabilities		5,047		5,258		6,380	
Other current liabilities		8,598		6,392		11,778	
			15,522		13,283		20,542
Total equity and liabilities			47,841		53,428		71,407

Consolidated statement of total comprehensive income

(x € 1,000)	Note	2012 Excluding exceptional Items*	2012 Exceptional items*	2012 Total	2011 restated Excluding exceptional Items*	2011 restated Exceptional items*	2011 restated Total
Net revenue	18	77,829	-	**77,829**	80,230	-	**80,230**
Cost of Materials and subcontractors		8,967	-	**8,967**	8,931	-	**8,931**
Employee benefit expenses	19	50,021	179	**50,200**	49,768	663	**50,431**
Depreciation and amortization	7	727	312	**1,039**	785	-	**785**
Impairment charges	8	-	3,500	**3,500**	-	10,150	**10,150**
Other operating expenses	25	16,402	2,148	**18,550**	16,741	-	**16,741**
Total operating expenses		76,117	6,139	**82,256**	76,225	10,813	**87,038**
Operating (loss) profit		1,712	(6,139)	**(4,427)**	4,005	(10,813)	**(6,808)**
Financial expenses	26	0	-	**0**	0	-	**0**
Financial income	26	61	477	**538**	72	254	**326**
Profit before taxation		1,773	(5,662)	**(3,889)**	4,077	(10,559)	**(6,482)**
Income tax expense	27	1,755	(441)	**1,314**	1,859	(166)	**1,693**
Net profit (loss)		18	(5,221)	**(5,203)**	2,218	(10,393)	**(8,175)**
Other comprehensive income (net of tax)		-	-	**-**	-	-	-
Total comprehensive income		18	(5,221)	**(5,203)**	2,218	(10,393)	(8,175)
Total comprehensive income attributable to:							
- Shareholders of ICT Automatisering N.V.				**(5,327)**			**(8,321)**
- Non-controlling interests				**124**			**145**
Earnings per share:							
Basic earnings per share (in €)	28			**(0.61)**			**(0.95)**
Diluted earnings per share (in €)	28			**(0.61)**			**(0.95)**

* Represents non-IFRS supplementary financial (disclosure) information. Reference is also made to note 5.

Consolidated statement of changes in equity

(x € 1.000)	Share capital	Share premium	Issued options	Revaluation Reserve	Retained earning	Profit (loss) for the year	Total	Non-controlling interest	Total equity
	Attributable to owners of the parent								
Balance at 1 January 2011 according to Annual Report	875	8,411	155	-	31,961	6,434	47,836	391	48,227
Restatements	-	-	-	1,398	(1,658)	562	302	-	302
Balance at 1 January 2011 (restated)	**875**	**8,411**	**155**	**1,398**	**30,303**	**6,996**	**48,138**	**391**	**48,529**
Net loss 2011 (restated)	-	-	-	-	-	(8,321)	(8,321)	146	(8,175)
Other comprehensive income 2011	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	(2,537)	-	(2,537)	(117)	(2,654)
Allocation of the 2010 loss to the retained earnings	-	-	-	-	6,996	(6,996)	-	-	-
Balance at 31 December 2011	**875**	**8,411**	**155**	**1,398**	**34,762**	**(8,321)**	**37,280**	**420**	**37,700**
1 January 2012	875	8,411	155	1,398	34,762	(8,321)	37,280	420	37,700
Net loss 2012	-	-	-	-	-	(5,327)	(5,327)	124	(5,203)
Other comprehensive income 2012	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	(787)	-	(787)	(164)	(951)
Allocation of the 2011 loss to the retained earnings	-	-	-	-	(8,321)	8,321	-	-	-
Balance at 31 December 2012	**875**	**8,411**	**155**	**1,398**	**25,654**	**(5,327)**	**31,166**	**380**	**31,546**

Consolidated statement of cash flows

According to the direct method

(x € 1,000)		**2012**		2011
Cash flow from operating activities				
Receipts from customers	92,815		95,031	
Payments to suppliers and employees	(91,540)		(93,682)	
		1,275		1,349
Payment of the employee share of the pension surplus	-		(2,000)	
Severance payment of former CEO	-		(1,233)	
		-		(3,233)
Interest received (paid)	61		72	
Income tax received (paid)	(1,810)		(1,678)	
		(1,749)		(1,606)
Net cash flow from operating activities		**(474)**		**(3,490)**
Investment activities				
Purchases of property, plant and equipment	(586)		(411)	
Divestment of Neustadt operations	(200)		-	
Net cash flow from investment activities		**(786)**		**(411)**
CASH FLOW FROM FINANCING ACTIVITIES				
Dividend paid to non-controlling interest	(164)		(117)	
Dividend paid to shareholders of ICT Automatisering N.V.	(787)		(2,537)	
Net cash flow from financing activities		**(951)**		**(2,654)**
Net cash flow		**(2,211)**		**(6,555)**
Balance cash and cash equivalents as at 1 January	8,088		14,643	
Balance cash and cash equivalents as at 31 December	5,877		8,088	
Increase / (decrease) cash and cash equivalents		(2,211)		(6,555)

Notes to the consolidated financial statements

1 General information

ICT Automatisering N.V. ("ICT" or "the Company") is a public limited company incorporated and established in the Netherlands. In the context of the consolidated financial statements, the Company also refers to the ICT group of companies.

The address of ICT Automatisering N.V. is:

Kopenhagen 9
2993 LL Barendrecht
Telephone: 0031 180 646000
Fax: 0031 180 646002

The consolidated financial statements of ICT Automatisering N.V. in Barendrecht for the year ended 31 December 2012 were authorized for issue by the Executive Board on 22 March 2013 and will be submitted for adoption to the Annual General Meeting of Shareholders on 22 May 2013.

ICT has some 800 employees (in FTE), provides high-quality, technological solutions for several business issues, whereby state-of-the-art software is pivotal. ICT Group's activities have been subdivided into the Dutch and German divisions. In the Netherlands ICT dedicates itself to the entire software development process of information systems that control a primary process or provide information on this process. Software development mainly concerns client-specific systems. Also, ICT is one of the leading players in the field of embedded software, whereby 'embedded' stands for software that is an integral part of and has been built into clients' products.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

ICT's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The accounting policies applied by ICT comply with IFRS and the pronouncements of the International Financial Reporting Interpretation Committee (IFRIC) effective at 31 December 2012.

The consolidated financial statements have been prepared under the historical cost convention, unless otherwise stated.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

2.2 Prior year restatement

ICT has restated its previously issued financial statements to correct its accounting for the following two items:

- The classification and measurements of the put and call option for the purchase of a non-controlling interest ("NCI") in Improve Quality Services B.V. ("Improve" or "Improve B.V. ") In prior years the options regarding the purchase of the outstanding 25% shares in Improve were classified as equity. These options were initially measured at fair value and subsequently not re-measured due to the equity classification. Management reassessed the accounting for these options and has determined that ICT has an unavoidable obligation to purchase the 25% non-controlling interest in Improve and that the options should have been classified as a liability. This liability is initially measured at fair value and the subsequent measurement should also be at fair value. ICT has corrected its accounting for these options and this restatement has been retrospectively applied. This has resulted in an increase in the goodwill related to the acquisition and an increase in the liability relating to the future acquisition of the remaining shares in Improve. In addition, because the results of Improve have deteriorated since the acquisition, the fair value of the liability has decreased and ICT will have to pay less for the 25% non-controlling interest compared to the initial estimate. The resulting decrease in the liability has been recognized within financial income.
- The methodology used to determine the fair value of the pension plan assets has been changed compared to 2011. Where plan assets include qualifying insurance policies that exactly match the amount and timing of some or all of the benefits payable under the plan, IAS 19.104 needs to be applied in the calculation of the fair value of the plan assets. Accordingly, the same discount rate applied in the calculation of the present value of the defined benefit obligation needs to be applied in the calculation of the fair value of the plan assets. In previous years the fair value of the plan assets was incorrectly calculated by applying a lower discount rate than applied in the calculation of the present value of the defined benefit obligation. The revised actuarial calculations did not have an effect on the consolidated balance sheet (i.e. net defined benefit asset/liability) due to the application of the corridor approach, as of January 1, 2011. Accordingly, there is no effect included in the restated balance sheet as of 1 January 2011. However, the revised calculations do have an effect on the net funding status and the unrecognised cumulative actuarial gains and losses of the plan as of January 1, 2011.

The table below provides a summary of the corrections and each impacted financial statement line item:

Restated consolidated balance sheet:

(x € 1,000)	31 Dec. 2011 reported	31 Dec. 2011 adj. 'NCI'	31 Dec. 2011 adj. 'pensions'	31 Dec. 2011 restated	01 Jan. 2011 reported	01 Jan. 2011 adj. 'NCI'	01 Jan. 2011 adj. 'pensions'	01 Jan. 2011 restated
Assets:								
Goodwill	18,221	1,997	0	20,218	28,371	1,997	0	30,368
Deferred tax asset	717	0	166	883	822	0	0	822
Total assets	**51,265**	**1,997**	**166**	**53,428**	**69,410**	**1,997**	**0**	**71,407**
Liabilities:								
Non-current share purchase liability	0	(1,441)	0	(1,441)	0	(1,695)	0	(1,695)
Pension liability	0	0	(663)	(663)	0	0	0	0
Total liabilities:	**(13,624)**	**(1,441)**	**(663)**	**(15,728)**	**(21,183)**	**(1,695)**	**0**	**(22,878)**
Net-assets	**37,641**	**556**	**(497)**	**37,700**	**48,227**	**302**	**0**	**48,529**
Equity:								
Retained earnings and revaluation reserve	35,858	302	0	36,160	31,961	(260)	0	31,701
Profit / Loss for the year	(8,078)	254	(497)	(8,321)	6,434	562	0	6,996
Total equity	**37,641**	**556**	**(497)**	**37,700**	**48,227**	**302**	**0**	**48,529**

Restated consolidated statement of total comprehensive income:

(x € 1,000)	2011 reported	2011 adj. 'NCI'	2011 adj. 'pensions'	2011 restated
Employee benefit expenses	49,768	0	663	50,431
Operating (loss) profit	**4,005**	**0**	**(663)**	**3,342**
Financial income	145	254	0	399
Profit before taxation	**(6,073)**	**254**	**(663)**	**(6,482)**
Income tax expense	1,859	0	166	2,025
net profit (loss)	**(7,932)**	**254**	**(497)**	**(8,175)**
Other comprehensive income	0	0	0	0
Total comprehensive income	**(7,932)**	**254**	**(497)**	**(8,175)**
Effects on earnings per share:				
Basic earnings per share (in €)	(0.92)	0.03	(0.06)	(0.95)
Diluted earnings per share (in €)	(0.92)	0.03	(0.06)	(0.95)

2.3 Changes in accounting policies

(a) New and amended standards adopted by the Company

The International Accounting Standards Board (IASB) and IFRIC have issued new standards, amendments to existing standards and interpretations, some of which are not yet effective or have not yet been endorsed by the European Union. Where relevant ICT has applied these new standards and interpretations that became effective in 2012. The adoption of these standards and interpretations did not have a material effect on the Company's financial performance or position.

(b) New standards and interpretations not yet adopted

The Company has revised its former defined benefits plans into defined contributions plans as of 31 December 2012. As a consequence, contrary to the communication per half year 2012, the Company has not early adopted IAS19R 'Employee benefits' during 2012. The Company will apply IAS 19R, 'Employee benefits' per 1 January 2013. Following the change of its defined benefit plans, the Company does not expect any material effect from the adoption of IAS 19R in 2013. Per 1 January 2013, the Company will also apply IFRS 13, 'Fair value measurement'. Because the Company has no significant amount of assets and liabilities measured at fair value it does not believe that this standard will have a material effect on its financial statements. The application of IFRS 13 and IAS 19R will have no effect on the result and financial position of the Company.

IFRS 10 'Consolidated Financial Statements', IFRS 11 'Joint Arrangements', IFRS 12 'Disclosure of Interests in Other Entities' and revised standards IAS 27 'Separate Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' were issued during 2011 and are required to be adopted, with retrospective effect, by 2014. The standards reinforce the principles for determining when an investor controls another entity, amend in certain cases the accounting for arrangements where an investor has joint control and introduces changes to certain disclosures.

IFRS 11 'Joint arrangements' specifically requires that investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangement. In addition this standard removes the option to apply proportionate consolidation for joint ventures and requires that all joint ventures are measured by means of the equity method. The Company has one joint venture InTraffic B.V. ("InTraffic") and the Company is in the process of assessing the detailed effects. Based on the Company's preliminary analysis, InTraffic will likely classify as a joint venture. As a result the Company's share in the gross assets and liabilities of the joint venture will presented in one single line 'investments in joint ventures' resulting in a decrease of the balance sheet total (i.e. not proportionally consolidated). The application of this new standard will have no effect on the results of the Company. The Company will apply the standard per 1 January 2014.

2.4 Consolidation

(a) Subsidiaries

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. The Company also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

The Company applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Company recognises any non-controlling interest in the acquire on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred by the Company is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised in assets are also eliminated. The financial figures reported by the subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

The company profit and loss account has been drawn up on application of section Book 2 Section 402 of the Netherlands Civil Code.

(b) Joint venture

ICT Automatisering N.V. participates in a joint venture InTraffic, also called a 'jointly controlled entity', meaning a co-operative agreement has been created in which one or more parties undertake an economic activity in which they exercise joint control. The Company's interests in jointly controlled entities are proportionately consolidated. The Company combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Company's financial statements. To apply this method consistently the figures of the joint venture have been drawn up in accordance with the accounting policies of the Company.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Board that makes strategic decisions.

2.6 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in 'Euro' (€), which is the group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Foreign exchange gains and losses are presented in the income statement within 'financial income or expenses'.

(c) Subsidiaries

The results and financial position of all the subsidiaries that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates, and;
- all resulting exchange differences are recognised in other comprehensive income.

2.7 Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

- Computer equipment — 5 years
- Furniture, fittings and other equipment — 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.9).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other operating expenses' in the income statement.

2.8 Intangible assets

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the company's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2.9 Impairment of non-financial assets

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.10 Financial assets

Classification
The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. The Company only has loans and receivables.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Recognition and measurement
Loans and receivables are initially recognised at fair value plus transaction costs and are subsequently carried at amortised cost using the effective interest method. Loans and receivables are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

2.11 Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

2.12 Trade and other receivables

Trade and other receivables comprise trade debtors, unbilled revenue relating to projects and other receivables and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.13 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.14 Share capital

Equity instruments which are reacquired (treasury shares) are deducted from shareholder's equity until the shares are cancelled or reissued. Where such equity instruments are reissued subsequently, any consideration received, net of income tax effects, is included in shareholders' equity.

2.15 Share based payments

In the past the Company awarded option-scheme to certain pre-defined employees. An option represents the right to a depositary receipt from Stichting Administratiekantoor ICT or Stichting Personeelsoptieplan ICT. An exercise period of five years from the date an option is awarded applies to all option schemes. An option is strictly personal and cannot be transferred or traded. Under almost all the option schemes, options lapse when the holder leaves the Company. Options can be exercised for a period of five years at the stipulated exercise price, which is the same as the share price at the time the options were granted or equals the average share price over a number of previous years. The option holder is not entitled to dispose of the depositary receipts obtained as a result of exercising options within a period of two or three years from the start of the corresponding option period. After this period of two or three years, the option holder has the opportunity at least twice a year – or as many times as determined by the boards of the foundations, to give instructions to sell the depositary receipts. In the third, fourth and fifth year after the start of the relevant option period, one third of the depositary receipts may be sold each year. The parts which are not sold accumulate and may be sold in any subsequent year.

ICT Automatisering N.V. options granted are classified as equity-settled share-based payments and are measured at their fair value determined at grant date. Accordingly, the fair value of the option is expensed as an employee benefit expense, based on the estimated numbers of options that will accrue over the vesting period. The options are granted to employees and former board members of ICT Automatisering N.V. as remuneration in the form of rights to purchase depositary receipts for shares of ICT whereby in some cases employees may be required to deliver a specific performance in order to receive an unconditional right to depositary receipts for shares. The costs of options granted are recognized, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees obtain the full right entitled to the grant ("vesting date"). The cumulative expense for granted options recognized at each reporting date until the vesting date is partly based on the expected number of options that will ultimately vest. No expense is recognized for grants that do not ultimately vest. If vesting depends on a market condition, they are treated as vested irrespective of whether the market condition is satisfied, provided that all other performance conditions are satisfied.

The dilutive effect of outstanding options not covered by treasury shares is reflected as share dilution in the computation of diluted earnings per share.

2.16 Share purchase liability

The share purchase liability represents the liability to acquire the remaining 25% share in Improve. This liability is initially measured at fair value at the acquisition date. Subsequent changes to the fair value of this liability are recognized in the income statement.

2.17 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.18 Employee benefits

(a) Pension obligations

The Company operated various pension schemes. The schemes were generally funded through payments to insurance companies or trustee-administered funds. The Company had both defined benefit and defined contribution plans.
A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognized past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess of the greater of 10% of the fair value of plan assets or 10% of the present value of the defined benefit obligation are charged or credited to income over the employees' expected average remaining working lives.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

For defined contribution plans, the Company pays contributions to pension insurance plans on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Per the end of 2012, the Company entered into a transaction that eliminated all liabilities (both past service costs and future costs) for the benefits provided under its defined benefit pension plan. This curtailment and settlement of its defined benefit plan is further discussed in note 13.

2.19 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

a) Onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting its obligations under the contract.

b) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to a termination without possibility of withdrawal. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2.20 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases.
The company has no finance leases.

2.21 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.22 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services provided, stated net of discounts and value added taxes. The Company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company’s activities, as described below.

Revenue is recognised in the accounting period in which the services are rendered.

When the outcome of a project can be estimated reliably and it is probable that the project will be profitable, project revenue is recognised over the period of the project by reference to the stage of completion. The stage of completion is measured by reference to the project costs (primarily hours) incurred up to the end of the reporting period as a percentage of total estimated costs for each project. Costs incurred in the year in connection with future activity on a project are excluded from project costs in determining the stage of completion. When it is probable that total project costs will exceed total project revenue, the expected loss is recognised as an expense immediately.

When the outcome of a project cannot be estimated reliably, project revenue is recognised only to the extent of project costs incurred that are likely to be recoverable. Warranty and project losses are recognised immediately. Warranties, if any, are of a short-term nature.

On the balance sheet, the Company reports the net project position for each project as either an asset (under revenues to be invoiced) or a liability (under accruals and deferred income). A project represents an asset where costs incurred plus recognised profits (less recognised losses) exceed progress billings; a project represents a liability where the opposite is the case.

2.23 Operating expenses

Expenses arising from the Company's business operations are accounted for as operating expenses in the year incurred. Losses are recognised as soon as they are foreseen.

2.24 Depreciation

Depreciation of tangible fixed assets is calculated on the basis of fixed percentages of the acquisition value less any residual values based on expected useful economic lives.

2.25 Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

2.26 Dividend income

Dividend income is recognised when the right to receive payment is established.

2.27 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.28. Notes to the consolidated cash flow statement

The cash flow statement is drawn up using the direct method. Receipts and expenses related to interest, received dividend and corporate income tax are included in the cash flows from operating activities. Paid dividends are included in the cash flows from financing activities.

3. Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Measurement of fixed price projects

The use of the percentage-of-completion method requires the Company to estimate the services performed to date as a proportion of the total services to be performed as far as the progress to which services were performed on the balance sheet date can be determined reliably and the incurred expenses to complete the transaction can be estimated reliably.

In the event of circumstances interfering with the initially estimated revenue, costs or planned activities, estimates will be revised. These revisions might influence future revenue or costs. These revisions are processed in the period in which the circumstances causing the changing estimates arise.

If the result of an ongoing project on behalf of third parties cannot be estimated in a reliable manner, income shall only be accounted for up to the projects costs incurred, insofar they are probably covered by the project income.

Acquisitions and fair value estimates

Goodwill arising from the acquisition of a business is valued at cost upon initial recognition, this being the difference between the cost of the business and the interest of the Company in the net fair value of the identifiable assets, liabilities and contingent liabilities. The individual valuation of the identifiable assets, liabilities and contingent liabilities involves estimates (such as for example the expected cash flows and the discount factor).

Impairment review of goodwill

The Company tests annually whether goodwill has suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates on expected future cash flows, the cash flow generating unit and the discount factor. Refer to Note 8 for information on goodwill impairment test and assumptions used.

Measurement of the pension plans

At least once a year the Company reviews the principles for valuing the pension plan. This requires an estimate of actuarial and financial principles to value pension obligations and the related plan assets. For the valuation of pension benefit liabilities the company has to estimate future outgoing cash flows, which in turn depend on estimates with regard to the applied discount factor, expected price and salary rises as a result of expected employee career development, disability risks and mortality rates. Estimates are also needed regarding the return on plan assets. The estimates are made consistently depending on economic and demographic developments. Note 13 contains information about assumptions used for pensions.

Per the end of 2012, the Company entered into a transaction that eliminated all liabilities (both past service costs and future costs) for the benefits provided under its defined benefit pension plan. This curtailment and settlement of its defined benefit plan resulted in a release of the net post-employment liability as per 31 December 2012. For details, we refer to note 13.

4. Financial risk management, objectives and policies

General

The company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. Company policy is geared towards managing these risks, insofar relevant.
The Executive Board has overall responsibility for the establishment and oversight of the Company's risk management. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their role and obligations.

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of risk management in relation to the risks faced by the Company.

The Company does not have significant exposure to financial risks due to the absence of derivatives and long term borrowings. The Company is primarily exposed to financial risks with regards to its working capital. In addition the Company primarily has financial instruments measured at amortized cost, with the exception of the share purchase liability which is measured at fair value.

a) Fair value risk

The company is not significantly exposed to changes in the fair value of its financial instruments. The only financial instrument measured at fair value concerns the share purchase liability. Management has no formal objective policies for managing this financial risk, because the risk is considered to be limited.

b) Interest rate risk

ICT considers interest rate risks to be limited because the Company does not have any interest-bearing debts nor any significant amount of interest-bearing financial assets. The result of the Company is therefore not sensitive to changes in market interest rates. Management has no formal objective or policies for managing this financial risk, because the risk is considered to be limited.

Financial liabilities	31 December 2012		
(x € 1,000)	Less than 3 months	3 months to 1 year	2-5 years
Trade payables	1,877	-	-
Other taxes and social security liabilities	-	5,047	-
Other liabilities	-	6,988	-
Accruals and deferred income	-	1,610	-
Total	1,877	13,645	-

Financial liabilities	31 December 2011		
(x € 1,000)	Less than 3 months	3 months to 1 year	2-5 years
Share purchase liability	-	-	1,441
Trade payables	1,633	-	-
Other taxes and social security liabilities	-	5,258	-
Other liabilities	-	5,098	-
Accruals and deferred income	-	1,294	-
Total	1,633	11,650	1,441

c) Currency risk

The Company is not exposed to any significant currency risks. Virtually all transactions are conducted in Euro's and the Company does not have significant operations in non-Euro countries. The result of the Company is therefore not sensitive to changes in currency exchange rates. Management has no formal objective or policies for managing this financial risk, because the risk is considered to be limited.

d) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. It is the objective of the Company to reduce its credit risk as much as possible.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each client. New customers are analyzed individually for creditworthiness before payment terms and conditions are offered. The Company's review may include external ratings, where relevant and available services from a credit insurance institution, and in some cases bank references.

No significant losses have occurred during the last few years and ICT assesses the credit risks to which it is exposed as average because of the good reputation and the creditworthiness of most of its clients. For transactions with banks and other financial institutions, only parties with a good creditworthiness are accepted, significantly reducing the credit risk on liquid assets.

The Company has one customer that comprises between 9 and 10% of the Company's annual revenues. No collectability issues have been incurred with respect to this client. The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of outstanding receivables with customers. Reference is made to note 10 of the financial statements for further disclosure on credit risk.

e) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company performs periodic cash flow forecasting in order to monitor the Company's liquidity requirements. This is performed to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. The cash flow forecasts take into consideration any debt financing, if relevant, and covenant compliance.

The liquidity risk of the Company is considered to be moderate given the reasonable cash position and the positive net working capital. However the Company also has a high so-called operational leverage which involves a risk making a cash buffer desirable. ICT has two advised credit facilities. One facility is advised and is used for providing guarantees and securities. The other is committed and can be used for debit balances on current accounts and acquisitions. This credit facility amounts to € 2 million (2011: € 2 million) and was unused per year-end 2012 and 2011. The committed facility matures mid 2015. The risk of liabilities not being payable from liquid assets in the short term are considered minor, because the current assets are approximately twice as high as short term liabilities. During 2012 the Company remained within its bank covenants of adjusted EBITDA.

The table below analyses the Company's non-derivative financial liabilities into the relevant maturity grouping based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

f) Capital management

The Executive Board's policy is to maintain a strong capital base in order to retain investor, creditor and market confidence and to sustain future development of the business. Capital consists primarily of share capital, share premium, revaluation reserve, retained earnings and non-controlling interests of the Company. With regards to capital management, the main target is to retain a strong balance sheet ratio in terms of solvency (debt versus equity) and liquidity.

5. Exceptional items (non-IFRS supplementary financial information)

Exceptional items are items which are exceptional from the view of management and are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

Overview of exceptional items (pre-tax)

(x € 1,000)	2012	2011
Goodwill impairment	(3,500)	(10,150)
Fair value movement on share purchase liability	477	254
Result on divestment of Neustadt operations	(637)	-
Restructurings	(842)	-
Pension liability release	663	(663)
Expenses related to onerous contracts	(1,823)	-
Total	**(5,662)**	(10,559)

Impact of exceptional items on taxes

(x € 1,000)	**2012**	2011
Current profit tax	(607)	-
Deferred taxes	166	(166)
Total	**(441)**	(166)

Goodwill impairment
The goodwill impairment is related to the German operations (€ 2 million) and Improve (€ 1,5 million), as a result of continuing weak market developments and their effects on the forecasted results. For details on the impairment analysis, refer to note 8.

Fair value movement on share purchase liability
The results of Improve have deteriorated since the acquisition, resulting in a decrease of the fair value of the share purchase liability. Consequently, ICT will have to pay less for the remaining 25% non-controlling interest compared to the initial estimated fair value. The resulting decrease in the liability has been recognized within financial income. For details on the movement in the liability, refer to note 15.

Result on divestment of Neustadt operations
The Company decided to discontinue the loss-making operations in Neustadt, Germany as per 1 December 2012 as part of its cost reduction program. The operations were disposed to ATS GmbH, Kassel, Germany (ATS) for which a consideration was paid to ATS. The transaction resulted in a loss of € 637 thousand. This loss is primarily attributable to the derecognition of goodwill allocated to the divested Neustadt activities, disposal of property, plant and equipment and consideration paid to ATS.

Restructurings
To increase the profitability of the Company, several restructurings were conducted in Germany and The Netherlands. This has resulted in restructuring expenses of € 842 thousand.

Pension liability release
Per the end of 2012, the Company entered into a transaction that eliminated all liabilities (both past service costs and future costs) for the benefits provided under its defined benefit pension plan. This curtailment and settlement of its defined benefit plan resulted in a release of the net post-employment liability as per 31 December 2012. For details, we refer to note 13.

Expenses related to onerous contracts
The expenses are related to the recognition of a provision for two onerous lease contracts. For details on the onerous lease contracts, refer to note 14.

Impact of exceptional items on taxes
The deferred income tax of EUR 166 thousand relates to the pension liability recognition end 2011 and subsequent release end 2012. The Current Profit Tax relates to onerous contracts and the Dutch part of the restructuring provision.

6. Interest in joint venture

Joint venture in InTraffic
ICT Automatisering N.V. has a 50% interest in InTraffic, an entity which was set up in 2003 and is jointly-controlled by the Company and Movares Nederland B.V. InTraffic is an IT consultant and project coordinator providing services for public transport companies.

The share of assets, liabilities, income and expenses of the Company in the joint venture as at 31 December 2012, as proportionally consolidated in the Company's consolidated financial statements, is as follows.

(x € 1,000)		2012		2011
Fixed assets	254		282	
Current assets	2,567		2,424	
		2,821		2,706
Current liabilities		(1,226)		(1,143)
Shareholders' equity		1,595		1,563
Revenue		6,706		6,365
Costs		6,510		6,207
Net profit after taxation		157		125

There are no contingent liabilities relating to the Company's interest in the joint venture. The Company has no capital commitments in relation to its interests in the joint venture.

7. Property, plant and equipment

The following table shows the movement of the tangible fixed for the years presented:

(x € 1,000)	Computer equipment	Other fixed assets	Total
Total cost as at 1 January 2011	3,914	1,891	5,805
Total accumulated depreciation and impairments	(2,418)	(1,437)	(3,855)
Net book value as at 1 January 2011	1,496	454	1,950
Movements in cost			
Investments	387	24	411
Disposals	-	(7)	(7)
Total movements in cost	387	17	404
Movements in depreciation			
Disposals	(1)	8	7
Depreciation	(632)	(153)	(785)
Total movements in depreciation	(633)	(145)	(778)
Net book value as at 31 December 2011	1,250	326	1,576
Total cost as at 1 January 2012	4,301	1,908	6,209
Total accumulated depreciation and impairments	(3,051)	(1,582)	(4,633)
Net book value as at 1 January 2012	1,250	326	1,576
Movements in cost			
Investments	287	299	586
Disposals	(160)	(44)	(204)
Total movements in cost	127	255	382
Movements in depreciation			
Disposals	160	40	200
Depreciation	(460)	(302)	(762)
Total movements in depreciation	(300)	(262)	(562)
Net book value as at 31 December 2012	1,077	319	1,396
Total cost as at 31 December 2012	4,428	2,163	6,591
Total accumulated depreciation and impairments	(3,351)	(1,844)	(5,195)
Net book value as at 31 December 2012	1,077	319	1,396

8. Goodwill

The movements in goodwill can be summarised as follows:

(x € 1,000)	2012	2011 restated
Total cost as at 1 January	30,368	30,368
Total accumulated impairment at 1 January	(10,150)	-
Net book value as at 1 January	20,218	30,368
Movements:		
Acquisitions	-	-
Impairment charges	(3,500)	(10,150)
Disposals	(277)	-
Total movements	(3,777)	(10,150)
Total cost as at 31 December	30,368	30,368
Total accumulated impairment as at 31 December	(13,927)	(10,150)
Net book value as at 31 December	16,441	20,218

For the purpose of impairment testing, goodwill is allocated to CGUs which represent the lowest level within the Company at which the goodwill is monitored for internal management purposes. This is not higher than the Company's operating segments as reported in note 18. The following CGU's have significant goodwill allocated as at 31 December 2012:

(x € 1.000)	2012	2011 restated
ICT Automatisering Nederland B.V.	8,692	8,692
ICT Software Engineering GmbH	980	3,257
Improve	6,769	8,269
Total	16,441	20,218

Impairment test

The recoverable amounts of the cash-generating units (CGU) have been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on a five-year period business and financial plan with 2013 as first year. Cash flows beyond 2017 are extrapolated by means of a terminal value. The value-in-use is calculated as the net present value of the estimated pre-tax cash flows projections for each CGU, subject to the below mentioned key assumptions.

Key assumptions

Pre-tax cash flow projections in the value-in-use calculation are dependent on the development of the productivity rate, FTE growth rate and the tariff growth. Management estimated these assumptions based on past performance and its expectations of market developments.

The pre-tax discount rate used to discount the pre-tax cash flows used for impairment testing purposes is determined through an iterative calculation using the projected post-tax-cash flows, expected tax rate for the respective cash generating unit and a post-tax discount rate for the Company. The post-tax discount rate was calculated using a theoretical loan capital – shareholders' equity ratio based on peer companies in the market. The weighted average pre-tax discount rate used to discount the pre-tax cash flows for impairment testing purposes for the CGU's is 16.4% (2011: 14.8%).
The weighted average post-tax discount rate used amounts to 12.3% (2011: 11.1%).

A terminal value was calculated on the normalised cash flows beyond management's 5-year forecasted period, using an estimated growth rate of 1%. This growth rate is based on long-term market price trends adjusted for actual ICT experience. The key assumptions (weighted average over 5 plan years) per CGU used for value-in-use calculations are as follows:

	ICT Automatisering Nederland B.V.	ICT Software Engineering GmbH	Improve
Management forecast period			
(5 years)			
Productivity rate	69.5%	66.3%	67.0%
FTE growth rate	2.5%	4.0%	3.8%
Tariff growth rate	2.0%	2.0%	3.0%
Extrapolated period			
Growth rate	1%	1%	1%

Impairment analysis results and other movements in goodwill

The movements in goodwill per CGU can be summarised as follows:

Goodwill (x € 1.000)	1 January 2012	Impairment	Disposal	31 December 2012
ICT Automatisering Nederland B.V.	8,692	-	-	8,692
ICT Software Engineering GmbH	3,257	(2,000)	(277)	980
Improve	8,269	(1,500)	-	6,769
Total	20,218	(3,500)	(277)	16,441

The impairment analysis in 2012 resulted in impairments for two CGUs, ICT Software Engineering GmbH (€ 2,000) and Improve (€ 1,500). These impairments were primarily driven by deterioration in results and outlook for these CGUs. Also, the labour market for experienced and qualified software engineers in the Automotive sector proved much tighter than expected in 2012.

The operations in Neustadt are part of the CGU 'ICT Software Engineering GmbH'. The goodwill allocated to Neustadt within this CGU amounts to € 277 thousand. As Neustadt is divested in 2012, the allocated goodwill is disposed accordingly. For details on this divestment, we refer to note 5.

Sensitivity analysis

The impairment analysis for the goodwill allocated to ICT Automatisering Nederland B.V. shows significant headroom between the CGU's recoverable amount and its carrying amount. The goodwill allocated to ICT Software Engineering GmbH and Improve has been impaired to its recoverable amounts. A reasonably possible change in assumptions would have resulted in additional impairment charges as follows:

	ICT Software Engineering GmbH percentage point change	Additional impairment charge (x € 1.000)	Improve percentage point change	Additional impairment charge (x € 1.000)
Management forecast period				
(5 years)				
Productivity rate	-5	(980)	-5	(1,843)
FTE growth rate	-1	(802)	-1	(306)
Tariff growth rate	-1	(980)	-1	(729)
Discount rate	+2	(740)	+2	(1,111)
Extrapolated period				
Growth rate	-1	(74)	-1	(338)

9. Deferred tax position

Deferred taxes include carry-forward losses for Germany and differences between the carrying values and the tax base of certain assets and liabilities, resulting in temporary differences. The movement in the deferred tax position is as follows:

	Deferred tax assets		Deferred tax liability	
(x € 1.000)	Carry-forward losses	Pension position	Trade and other receivables	Total
Balance as at 1 January 2011	822	-	(116)	706
Movements:				
Charged to the income statement:				
Gain / (loss)	(105)	166	100	161
Balance as at 31 December 2011	717	166	(16)	867
Movements:				
Charged to the income statement:				
Gain / (loss)	(717)	(166)	16	(867)
Balance as at 31 December 2012	-	-	-	-

Deferred income tax assets are recognised for carry-forward losses to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Company did not recognise deferred income tax assets of € 2.7 million (2011: € 1.1 million) in respect of losses amounting to approximately € 9.0 million (2011: € 3.3 million) that can be carried forward against future taxable income. The unrecognized losses do not expire.

10. Trade and other receivables

(x € 1,000)	2012	2011
Trade receivables (gross)	13,597	14,203
Less: provision for uncollectible receivables	(858)	(858)
Trade receivables (net)	12,739	13,345
Revenue to be invoiced	8,424	7,091
Other receivables	1,346	1,979
Prepayments and accrued income	313	248
	22,822	22,663

Trade receivables are non-interest bearing and generally have a payment term of 30-90 days. The fair value of the trade and other receivables approximates their book value.

The composition of the allowance for uncollectible trade receivables is as follows:

(x € 1,000)	2012	2011
Balance as at 1 January	858	172
Provisions	180	699
Written off against the provision	(180)	(13)
Balance as at 31 December	858	858

The allowance for doubtful accounts primarily related to customers who are in default and customers who are currently experiencing liquidity difficulties. The addition and release of provisions for impaired receivables have been included in 'other operating expenses' in the income statement. Revenues to be invoiced also include fixed price projects (net of any current warranty and project related accruals).

The analysis of outstanding trade and other receivables that are not subject to impairment per 31 December is as follows:

(x € 1,000)	Total	Not overdue	< 30 days	30–60 days	60-90 days	> 90 days
2012						
- Trade receivables	12,739	9,144	1,175	1,164	699	557
- Revenue to be invoiced	8,424	8,424	-	-	-	-
- Other receivables	1,346	1,346	-	-	-	-
Total	22,509	18,914	1,175	1,164	699	557
2011						
- Trade receivables	13,345	10,710	2,124	454	28	29
- Revenue to be invoiced	7,091	7,091	-	-	-	-
- Other receivables	1,979	1,979	-	-	-	-
Total	22,415	12,689	2,124	454	28	29

The Company has no significant trade and other receivables denominated in foreign currencies other than the Euro.

Because the company does not hold any collateral as security, the maximum exposure to credit risk at the reporting date is the carrying value of each class of trade and other receivables as disclosed in the table.

11. Cash and cash equivalents

The cash and cash equivalents are at the free disposal of the Company. The cash and cash equivalents consist of bank balances bearing interest in line with market interest.

12. Shareholders' equity

Issued capital

		Share capital			
(x € 1,000)	Number of shares	Ordinary shares	Cumulative preference shares	Share premium	Total
At 1 January 2011	8,747,544	875	-	8,411	9,286
- Shares issued	-	-	-	-	-
At 31 December 2011	8,747,544	875	-	8,411	9,286
- Shares issued	-	-	-	-	-
At 31 December 2012	8,747,544	875	-	8,411	9,286

The Company's authorised share capital amounts to € 3,750,000 divided into 18,700,000 ordinary shares and 18,800,000 cumulative preference shares all of € 0.10 nominal each. The number of ordinary shares issued and fully paid-up at year-end amounted to 8,747,544 (2011: 8,747,544).

The holders of the preference shares are entitled to a cumulative dividend. The dividend per share is based on the nominal value of the share and the average monthly EURIBOR rate, weighted by the number of days the rate was in force, during the financial year to which the dividend relates, plus two percent. If in a given year the cumulative preference dividend was not paid out in full or in part, no dividends shall be distributed to the ordinary shareholders in subsequent years until the shortfall has recovered. There were no issued cumulative preference shares issued in the years presented.

Both the ordinary shares and the cumulative preference shares entitle their holders to one vote per share.

Treasury shares

At year-end 2012 the Company did not have any own treasury shares in portfolio (2011: nil). During the periods presented no purchase or sale of own shares occurred.

Retained earnings

The retained earnings item comprises the net results appropriated to equity less the cumulative dividends paid out of retained earnings in previous years.

13. Pensions

Until the end of 2012 the Company operated a defined benefit ('DB') pension plan for employees hired up to 1 January 2008. According to the DB scheme, the retirement pension is based on accrued pension benefits. The retirement benefits that the participants receive under this plan is calculated on the basis of 70% of last earned salary, depending on the number of years of service, until the age of 65. The Company has insured its liabilities resulting from the defined benefits pension plan in full with an insurance company. As a result the fair value of the plan assets equalled the amount of the defined benefits liability recognized, excluding the liability relating to back-service obligations.

In December 2012 an agreement with the Works Council was completed whereby the defined benefit pension plan was converted in to a defined contribution pension plan (DC) effective per 1 January 2013. Per December 2012, the Company entered into a transaction that eliminated all liabilities (both past service costs and future costs) for the benefits provided under its defined benefit pension plan. This curtailment and settlement of its defined benefit plan resulted in a release of the net post-employment liability as per 31 December 2012.

Employees hired after 1 January 2008 participate in a defined contribution plan on the basis of available pension contribution (a "DC plan"), which is managed by an insurance company. For this plan the Company has no other obligations than to pay a contribution, which is based upon an agreed-upon scale. No amendments were made on this pension plan per the end of 2012.

The summary of the amounts recognized in the balance sheet is as follows:

Net post-employment liability

(x € 1,000)	**31 Dec. 2012**	31 Dec. 2011 restated
Present value of defined benefits obligation	-	42,046
Fair value of plan assets	-	38,273
Unfunded status	**-**	**3,773**
Net cumulative unrecognised actuarial gains / (losses)	-	(3,110)
Net liability / (asset) end of year	**-**	**663**

The movement in the defined benefit obligation over the year is as follows:

Movement of present value of defined benefit obligation

(x € 1,000)	**2012**	2011 restated
Present value of obligation at beginning of year	42,046	35,873
Current service costs	752	779
Employee contributions	651	655
Interest costs	1,879	1,683
Actuarial (gains) / losses	17,925	3,127
Benefits paid	(71)	(71)
Curtailments / settlements	(63,182)	-
Present value of obligation at end of year	-	42,046

The movement in the fair value of plan assets of the year is as follows:

Movement in fair value plan assets

(x € 1,000)	2012	2011 restated
Fair value of plan assets at beginning of year	38,273	30,775
Expected return on plan assets	1,685	1,445
Company contributions	664	619
Employee contributions	651	655
Administration costs	(66)	(64)
Benefits paid	(71)	(71)
Actuarial gains / (losses)	16,519	4,914
Curtailments / settlements	(57,655)	-
Fair value of plan assets end of year	-	38,273

The amounts recognised in the income statement are as follows:

Post-employment benefits expenses

(x € 1,000)	2012	2011 restated
Service cost including employee contributions	1,403	1,434
Interest cost	1,879	1,683
Expected return on assets	(1,685)	(1,445)
Administration cost	66	64
Curtailment/settlement	(5,527)	-
Actuarial (gains)/losses recognised	4,516	201
SubTotal	652	1,937
Employee Contributions	(651)	(655)
Company service cost	1	1,282
Pension costs of defined contribution plans	590	756
Employee contributions to defined contribution plans	(117)	(224)
Pension costs (recognized in employee benefits expenses)	474	1,814

The composition of the plan assets is as follows:

Asset category	**2012**	2011 restated
Other (insurance contract)	100%	100%
Net liability (asset) end of year	100%	100%

Actual Return on Plan Assets	**2012**	2011 restated
Expected return on plan assets	1,685	1,445
Actuarial gains /(losses) on plan assets	16,519	4,914
Actual return on plan assets	18,204	6,359

The following overview covers the past five years:

	2012	2011 restated	2010 restated	2009	2008
Gross value of the pension obligation as at 31 December	-	42,046	35,873	32,000	23,362
Fair value of the plan assets as at 31 December	-	38,273	30,775	33,188	28,798
(Un)funded status	-	(3,773)	(5,098)	1,188	5,436
Net cumulative unrecognised actuarial gains / (losses)	-	(3,110)	(5,098)	-	-
Net (liability) end of year	-	(663)	-	-	-
Actuarial gain (loss) on the gross value of the pension obligation	**(17,925)**	(3,127)	(1,777)	(5,954)	1,390
Actuarial (loss) gain on the fair value of the plan assets	**16,519**	4,914	3,210	1,947	(776)
Actuarial gain (loss)	**4,516**	201	454	(4,007)	614
Experience differences	**(170)**	163	1,892	1,842	(181)

The actuarial gains and losses on the defined benefits obligation in 2012 of € 17,925,000 (loss) (2011: € 3,127,000 loss) can be attributed to changes in the actuarial gain of € 17,755,000 (2011: € 3,290,000 gain) and loss from experience differences of € 170,000 (2011: € 163,000 gain).

The following actuarial bases were used in determining the pension benefit obligations for the periods presented:

(x € 1,000)	Valuation in 2012	Valuation in 2011 restated
Discount rate applied	3.2%	4.4%
Future salary increases	0.5%-5%	0.5%-5%
Expected return on plan assets	3.2%	4.4%
Mortality table	AG 2012-2062 M -1, F -1	AG 2010-2060 M -1, F -1

Assumptions relating to future salary increases are based on consistent estimates made depending on age levels and irrespective of price inflation. The terms and conditions of the pension plan do not include any commitments made in relation to price inflation.

The employer's contribution for the revised DC scheme (the Average Pay Scheme) in 2013 is expected to amount to approximately € 0.8 million.

14. Provisions

The provisions primarily consist of a provision for onerous lease contracts and restructurings. The composition is as follows:

	2012			2011 restated		
(x € 1,000)	Onerous contracts	Restructuring	Total	Onerous contracts	Restructuring	Total
Balance as at 1 January	-	-	-	-	-	-
Additions	1,408	842	2,250	-	-	-
Balance as at 31 December	**1,408**	**842**	**2,250**	-	-	-
Of which:						
Non-current	648	-	648	-	-	-
Current	760	842	1,602	-	-	-
Total balance	**1,408**	**842**	**2,250**	-	-	-

The provision for onerous contracts relates primarily to a property lease for an office building. Due to relocations of activities the Company only uses part of the total office space subject to the lease. The discounted future expenditures relating to the unused office space is recognized as a provision. The expenses related to the provisions are recognized under the 'Other operating expenses'. The remaining term of the onerous lease contract is 24 months. The current portion of this provision is recognized under the 'Accruals and deferred income'.

The restructuring provision is related to Germany and The Netherlands where management has taken actions in order to increase the profitability of the Company. The execution of these restructurings started prior to the year-end of 2012 and is anticipated to be finalized during 2013. The employees concerned were informed about these restructurings before the year-end of 2012. The current portion of this provision is recognized under the 'Accruals and deferred income'.

15. Share purchase liability

Share purchase liability:

The fair value of the share purchase liability for the remaining 25% of Improve was re-measured to € 964,000 (2011 restated: € 1,441,000). The gain of € 477,000 on this fair value re-measurement is recognized within financial income.

The fair value of the share-purchase liability is based on the discounted settlement value for the acquisition of the remaining shares in Improve. The settlement value is dependent on the estimated net-profit of Improve in the year of settlement.

16. Other non-current liabilities

Advance payments

This relates to payments received as lease incentive with respect to a long term operational lease contract. An annual amount of € 200,000 has been released to the income statement to recognize the operating lease expenses on a straight-line basis. The remaining amount of the advance payment of € 125,000 has a term of more than 1 year and has been included under the non-current liabilities (Refer to note 17).

17. Current liabilities

The current liabilities are non-interest bearing and in general include a payment term up to 45 days. These are usually paid entirely within the payment period. The current liabilities at 31 December 2012 are 0 to 45 days old and are thus within the agreed payment period.

The current liabilities are broken down as follows:

(x € 1.000)	**31 December 2012**	31 December 2011 restated
Trade payables	**1,877**	1,633
Other taxes and social security liabilities	**5,047**	5,258
Pensions	**-**	-
Other liabilities	**6,988**	5,098
Accruals and deferred income	**1,610**	1,294
Total	**15,522**	13,283

The other liabilities include outstanding costs to be paid to suppliers and employees. The restated other liabilities also contain the current portion (of the liability for acquiring the last 25% shares of Improve on 1 January 2013. At 31 December 2012 € 964,000 is accounted for within current other liabilities relating to the post balance sheet share purchase of 25% of the shares in Improve. At 31 December 2011 this purchase of 25% Improve for the amount of € 1,441,000 was recognized in non-current liabilities.

The accruals and deferred income include obligations that follow from fixed price projects (including warranty and project related accruals) and the short-term part of the expected payment by virtue of a long-term lease and the short-term portion of the restructuring costs.

18. Segmentation

The Executive Board is the Company's chief operating decision-maker. Management has determined the operating segments based on the information reviewed by the Executive Board for the purposes of allocating resources and assessing performance. The Executive Board reviews the business from a geographic perspective. The Company has two operating segments, ICT Netherlands and ICT Germany.

The Company's activities have been geographically divided into a Dutch and a German division. In the Netherlands ICT operates under the name ICT Automatisering Nederland B.V. and is one of the leading players in the field of embedded software, whereby 'embedded' stands for software that is an integral part of and has been built into clients' products. Also, ICT Automatisering Nederland focuses on the entire software development process of information systems that control a primary process or provide information on this process. In Germany, where ICT operates under the name ICT Software Engineering GmbH, the Company focuses on supplying software related services including embedded software activities and also software for the development process of information systems. In Germany the Company focuses on Automotive and Industrial Automation in particular.

Change in gross profit definition used by management

The Executive Board assesses the performance of the operating segments based on revenue and gross profit margin. A segment's gross profit margin consists of the revenues and other income, less the materials used, subcontracted work and staff costs. The gross profit margin per segment excludes items classified as exceptional by management. In 2012 the segment's gross profit margin definition in the internal management reporting has been changed. This change has resulted in the restatement of the comparative gross profit. The operating expenses directly attributable to the operating segments concern the staff costs.

In the Annual Report 2011 the staff costs contain the direct personnel costs as well as the indirect personnel costs. The staff costs did not contain car costs. As of 2012 the staff costs contain the direct costs only. The staff costs contain direct personnel costs including car costs, excluding indirect personnel costs. Below shows the effect on the comparative figures of 2011:

(X € 1,000)	ICT Netherlands	ICT Germany	Consolidated
Segment gross profit according to Annual Report 2011	20,062	1,469	21,531
Effect of restatement in staff costs	2,609	1,804	4,413
Segment gross profit according to Annual Report	**22,671**	**3,273**	**25,944**

Sales between segments are carried out at arm's length. The revenue from external parties is measured in a manner consistent with that in the income statement.

2012

(X € 1,000)	ICT Netherlands	ICT Germany	Eliminations	Consolidated
Revenue:				
From clients	62,091	15,738	-	77,829
Inter-segment	654	-	(654)	-
Total revenue	**62,745**	**15,738**	**(654)**	**77,829**
Operating expenses directly attributable to the operating segments.	42,751	12,468	(654)	54,565
Segment Gross profit	**19,994**	**3,270**	-	**23,264**
Allocated amortization and depreciation	520	207	-	727
Non-allocated operating expenses	15,719	5,106	-	20,825
Operating (loss) profit (excl. exceptional items)	**3,755**	**(2,043)**	-	**1,712**
Financial expenses				0
Financial income				61
Profit before taxation (excl. exceptional items)				**1,773**
Exceptional items*				(5,662)
Profit before taxation (incl. exceptional items)				**(3,889)**
Income tax expense				1,314
Net Profit (loss)				**(5,203)**
Segment assets	39,229	8,612		47,840
Segment liabilities	14,079	2,216		16,295
Other notes				
Investments in non-current assets	515	71		586
Average number of employees	617	161		778

* Represents non-IFRS supplementary financial (disclosure) information.

2011

(X € 1,000)	ICT Netherlands	ICT Germany	Eliminations	Consolidated
Revenue:				
From clients	64,927	15,303	-	80,230
Inter-segment	289	-	(289)	-
Total revenue	**65,216**	**15,303**	**(289)**	**80,230**
Operating expenses directly attributable to the operating segments.	42,545	12,030	(289)	54,286
Segment Gross profit	**22,671**	**3,273**	-	**25,944**
Allocated amortization and depreciation	495	290	-	785
Non-allocated operating expenses	15,428	5,726	-	21,154
Operating (loss) profit (excl. exceptional items)	**6,748**	**(2,743)**	-	**4,005**
Financial expenses				-
Financial income				72
Profit before taxation (excl. exceptional items)				**4,077**
Exceptional items*				(10,559)
Profit before taxation (incl. exceptional items)				**(6,482)**
Income tax expense				1,639
Net Profit (loss)				**(8,175)**
Segment assets	43,958	9,470	-	53,428
Segment liabilities	13,439	2,289	-	15,728
Other notes				
Investments in non-current assets	306	105	-	411
Average number of employees	632	158	-	790

* Represents non-IFRS supplementary financial (disclosure) information.

The geographical classification in 2012 and 2011 is equivalent to the operational segmentation. The Company has no individual customers which generate more than 10 percent of the Company's revenues.

19. Employee benefit expenses

Employee costs can be broken down as follows:

(x € 1.000)	Note	2012	2011
Salaries		42,464	42,905
Social security charges		6,420	5,712
Pension expenses	13	474	1,814
Restructuring		842	0
		50,200	50,431

The average number of staff employed by ICT Automatisering N.V. and its group companies in 2012, in full time equivalents was 778 (2011: 790). Of these employees, 161 were employed outside the Netherlands (2011: 158).

20. Options held by the former Executive Board and employees

Share based payments

In 2012 and 2011 no options were issued. The outstanding options at year-end 2012 concern unexpired and vested option rights from the previous years. Under the terms of a (previous) share option scheme for employees and former Executive Board members, option rights have been granted to the foundation Stichting Administratiekantoor ICT and the foundation Stichting Personeelsoptieplan ICT to issue depositary receipts in exchange for ordinary shares in ICT Automatisering N.V. administered by them in connection with options exercised. All options granted by ICT Automatisering N.V. are classified as equity-settled transactions.

2012

	Exercise price in €		Outstanding options at 31-12-2011	New granted options	Lapsed unexercised options	Exercised options in 2012	Outstanding and excersizable options at 31-12-2012	Max. remaining execution time (in years)
Former members of the Executive Board								
Option tranches dated								
23-May-07	15.20		20,000	-	20,000	-	-	-
13-Mar-08	9.20		40,000	-	-	-	40,000	0.2
12-Mar-09	2.43		40,000	-	-	-	40,000	1.2
30-Aug-10	4.15		20,000	-	-	-	20,000	2.7
			120,000	-	20,000	-	100,000	

	Exercise price in €		Outstanding options at 31-12-2011	New granted options	Lapsed unexercised options	Exercised options in 2012	Outstanding options at 31-12-2012	Max. remaining execution time (in years)
Employees' options								
Option tranches dated								
2-Jan-08	10.55	*)	25,000	-	-	-	25,000	-
			25,000	-	-	-	25,000	
Total options			**145,000**	**-**	**20,000**	**-**	**125,000**	

*) The options of 2 January 2008 were granted subject to the achievement of targets.

2011

	Exercise price in €		Outstanding options at 31-12-2010	New granted options	Lapsed unexercised options	Exercised options in 2011	Outstanding and excersizable options at 31-12-2011	Max. remaining execution time (in years)
Former members of the Executive Board								
Option tranches dated								
12-Jan-06	12.00		40,000	-	40,000	-	-	
12-Jan-06	15.00		20,000	-	20,000	-	-	
23-May-07	15.20		20,000	-	-	-	20,000	0.4
13-Mar-08	9.20		40,000	-	-	-	40,000	1.2
12-Mar-09	2.43		40,000	-	-	-	40,000	2.2
30-Aug-10	4.15		20,000	-	-	-	20,000	3.7
			180,000	-	60,000	-	120,000	

	Exercise price in €		Outstanding options at 31-12-2010	New granted options	Lapsed unexercised options	Exercised options in 2011	Outstanding options at 31-12-2011	Max. remaining execution time (in years)
Employees' options								
Option tranches dated								
2-Jan-08	10.55	*)	25,000	-	-	-	25,000	1.0
			25,000	-	-	-	25,000	
Total options			**205,000**	**-**	**60,000**	**-**	**145,000**	

*) The options of 2 January 2008 were granted subject to the achievement of targets.

21. Remunerations of members of the Supervisory Board and Executive Board

As determined in the shareholders' meeting on 30 May 2011 the members of the Supervisory Board received remuneration as follows:

- For the chairman of the Supervisory Board remuneration – € 35,000 per annum;
- For the chairman of the Audit Committee remuneration – € 31,000 per annum;
- For the chairman of the Remuneration and Appointments Committee remuneration – € 31,000 per annum;
- The standard remuneration for other members – € 25,000 per annum; and
- Additional compensation for exceptional circumstances amounts to no more than € 7,500.

The total remuneration for members of the Supervisory Board amounted to € 124,000 in 2012 (2011: € 127,000).

The total remuneration for members of the Executive Board in 2012 and 2011 is as follows:

	Short-term benefits					
2012	Salary	Bonus	Post-employment benefits	Share-based compensation	Other and long-term benefits	Total
C.A.G. D'Agnolo	360,000	15,000	-	-	-	375,000
Total	360,000	15,000	-	-	-	375,000

	Short-term benefits*					
2011	Salary	Bonus	Post-employment benefits	Share-based compensation	Other and long-term benefits	Total
C.A.G. D'Agnolo	410,540	15,000	-	-	-	425,540
Total	410,540	15,000	-	-	-	425,540

*) From 1 January 2011 up to and including 30 September 2011 amounted to € 320,540 based on a temporary contract and to € 90.000 from 1 October 2011 up to and including 31 December. As of 1 October 2011, the official appointment date, the set remuneration amounted to € 360,000 per annum and a variable component provided targets are reached. The performance criteria consist of financial criteria (turnover, EBIT and cash) and qualitative criteria linked to the Company's strategy. The main CEO remuneration elements can be found on ICT's website. For 2011 no agreements were made on the variable component. The latter was set at € 15,000.

The employee benefits expenses 2012 include the recognition of the Dutch crisis tax of 16% for remunerations above € 150,000. The total amounts to € 21,000.

22. Shares held by members of the Supervisory Board and Executive Board

At year-end shares held by members of the Supervisory Board and Executive Board can be broken down as follows:

	Number held at 31.12.2012	Number held at 31.12.2011
Member Executive Board		
C.A.G. D' Agnolo	17,700	17,700

The members of the Supervisory Board do not hold shares in ICT Automatisering N.V.

23. Outstanding options held by members of the Supervisory Board and Executive Board

Executive Board
In 2012, just as in 2011, Mr. C.A.G. D'Agnolo did not hold options in ICT Automatisering N.V.

Supervisory Board
The members of the Supervisory Board did not have options in 2012 and 2011.

24. Loans to members of the Supervisory Board and Executive Board

On the balance sheet dates there were no loans to the Executive Board members or to the Executive Board members.

25. Other operating expenses

The other operating expenses item can be broken down as follows:

(x € 1.000)		2012		2011
Car cost and travel cost		6,810		6,782
Accommodation	2,570		3,065	
Onerous contracts	1,823		-	
		4,393		3,065
Other costs	7,022		6,894	
Restructuring costs ICT Germany	325		-	
		7,347		6,894
		18,550		16,741

26. Financial income and expenses

In 2012 and 2011 the financial income comprises received bank interest and the fair value movement for the share purchase liability. Interest paid is nil.

27. Income tax expenses

The tax burden can be broken down as follows:

(x € 1,000)	2012	2011 restated
Result before taxation	(3,889)	(6,482)
Specification of the tax amount: Profit tax based on prevailing rate, in the Netherlands 25.0% (2011: 25.0%)	(972)	(1,621)
Effect of tax against a lower rate on the first tax Brackets and the effect of non-deductible cost and other amounts not subjected to tax	(138)	(62)
Effect of rates differences in foreign regimes	(268)	(151)
Non-deductible impairment loss tax	1,057	2,537
Unrecognized carry-forward tax losses	1,635	990
Total tax charge	1,314	1,693
Effective tax burden	(34%)	(26%)

Reconciliation between profit tax and tax burden in the profit and loss account is as follows:

(x € 1,000)	2012	2011
Current profit tax	447	1,854
Movement in deferred taxes	867	(161)
Total tax charge	1,314	1,693

The weighted average statutory tax-rates is 26.8 % (2011: 26.4 %).

Taxes are calculated on the profit or loss before taxation based on the tax rates in force, taking into account available tax relief. ICT Automatisering N.V. together with its group companies in the Netherlands, but excluding Rijnmond Distribution Services B.V, forms one single fiscal entity. Tax is calculated and recharged within the tax Group as if the group companies were paying tax on a separate return basis.

28. Earnings per share

The following table reflects the income and share data used in the basic and diluted earnings per share computations:

	2012	2011 restated
Weighted average number of outstanding ordinary shares	8,747,544	8,747,544
Effect of dilution due to granted shares by virtue of outstanding rights not covered by treasury shares	€ 4,008	€ 18,222
Weighted average number of outstanding ordinary shares for calculating the effect of dilution	8,747,544	8,747,544
Net profit attributable to shareholders	(€ 5,327,000)	(€ 8,321,000)

	2012	2011
Profit / (loss) per ordinary share in €	(0.61)	(0.95)
Profit / (loss) per ordinary share in € bearing in mind any effect of dilution	(0.61)	(0.95)

The total dilution effect amounts to (minus) € 4,008 in total (per share minus € 0,00046) and is related to the outstanding options, which are in the money. Such is the case if the exercise price of the option is less than the average price in the year under review (2012: € 2.91 and 2011: € 4.48). In 2012, 40,000 options with an exercise price of € 2.43 were in the money. In 2011, 40,000 options with an exercise price of € 2.43 and 20,000 options with an exercise price of € 4.15 were in the money.

29. Auditor's fees

	2012		2011	
(x € 1,000)	Deloitte Accountants B.V.	Deloitte Network	Ernst & Young	Ernst & Young Network
Audit of the financial statements	65,000	30,000	96,000	52,000
Other audit procedures	55,160	11,255	5,000	10,000
Tax services	-	6,000	-	-
Other non-audit services	4,000	26,553	-	-
Total	124,160	73,808	101,000	62,000

The fees listed above relate to the procedures applied to the Company and its consolidated group entities by its external auditor Deloitte Accountants B.V and the Deloitte Network as referred to in article 1(1) of the Dutch Accounting Firms Oversight Act (Dutch acronym: Wta).

30. Commitments and contingencies not disclosed in the balance sheet

Credit facility

Credit institutions have granted a credit facility of up to € 2.5 million (2011: € 2.5 million) comprising guarantees for the benefits of clients. For investment and financing activities a credit facility has been granted up to € 2 million (2011: € 2 million). The bank has not been given any financial guarantees for this.

Guarantees

At balance sheet date, guarantees outstanding amounted to € 0.8 million (2011: € 0.6 million). These guarantees were provided in connection with current rental commitments and clients.

Rental and lease commitments

The table below reflects the liabilities related to the rental commitments for offices. The rental commitments are long-term in nature with a maximum of 10 years.

(x € 1,000)	2012	2011
No later than 1 year	1,500	2,000
Later than 1 year and no later than 5 years	5,500	6,700
Later than 5 years	960	-
Total	7,960	8,700

The table below reflects the liabilities relating to operating leases for cars provided to employees, each lease having a term of up to four years.

(x € 1,000)	2012	2011
No later than 1 year	6,200	6,200
Later than 1 year and no later than 5 years	12,200	17,800
Later than 5 years	-	-
Total	18,400	24,000

Legal procedures

The Company is involved in a number of legal proceedings in connection with the group's business activities. In the opinion of the Executive Board, these will have no material effect on the financial position of the Company because it is management's assessment that it is not probable that a significant liability will arise.

Fiscal unity

ICT Automatisering Nederland B.V is part of the fiscal entity of ICT Automatisering N.V. for corporate tax purposes. Under the Dutch Collection of State Taxes Act, the Company is jointly and severally liable for any taxes payable by the tax group.

31. Related parties

ICT Automatisering 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	100%
ICT Software Engineering GmbH (Germany)	Böblingen	100%
ICT Software Engineering Südwest GmbH (Germany)	Karlsruhe	100%
ICT Infotainment GmbH	Nürnberg	100%
ICT Software Engineering Nord GmbH (Germany)	Wolfsburg	100%
Rijnmond Distribution Services B.V.	Rotterdam	100%
Improve	Waalre	75%
ICT Poland Sp. z o.o.	Gdansk	100%

ICT NoviQ B.V., Atemex Holding B.V. and RDS Holding B.V. have been merged into ICT Automatisering N.V.
Atemex B.V. has been merged into ICT Automatisering Nederland B.V.

Joint venture companies

InTraffic Utrecht 50%

Other related parties

- Stichting Administratiekantoor ICT
- Stichting Personeelsoptieplan ICT

These other related parties are not included in the consolidation, being independent foundations.

The transactions with abovementioned joint venture companies, on a 50% basis, during the year under review can be broken down as follows:

x € 1,000	**2012**	2011
Sales to related parties	**1,806**	2,063
Purchases from related parties	**-**	-
Receivables from related parties	**399**	364
Payables to related parties	**-**	-

The transactions relate mainly to the outsourcing of personnel. The transactions take place against at arm's length rates. The liabilities from related parties include trade creditors related to these transactions. For the remuneration of the key employees of the group we refer to notes 21, 22 and 23.

The insurer which administers the post-employment benefits plans is also considered to be a related party. For an overview the balances and transactions concerned, reference is made to the disclosure note on the pension liability.

Company Financial Statements 2012

- Company balance sheet as at 31 December
- Company income statement
- Notes to the company balance sheet

Company balance sheet as at 31 December
(before profit appropriation)

(x € 1.000)		2012		2011 restated	
Assets					
Non-current assets	note				
Property, plant and equipment	2	827		725	
Goodwill	3	15,461		16,961	
Financial assets	4	21,424		19,392	
			37,712		37,078
Current assets					
Receivables	5	12,862		9,173	
Cash and cash equivalents		-		586	
			12,862		9,759
			50,574		46,837
Equity and liabilities					
Shareholders' equity	6				
Issued share capital		875		875	
Share premium		8,411		8,411	
Revaluation Reserve		1,398		1,398	
Retained earnings		25,809		34,917	
Profit (loss) for the year		(5,327)		(8,321)	
			31,166		37,280
Provisions	7		5,937		-
Non-current liabilities	8		125		1,766
Current liabilities	9		13,346		7,791
			50,574		46,837

Company income statement

(x € 1,000)	note	2012	2011 restated
Share of profit of investments after tax	4	(2,418)	(8,138)
Other income and expense after tax		(2,909)	(183)
Result of the year	6	(5,327)	(8,321)

Notes to the company balance sheet

1. Accounting information and policies

1.1 Basis of preparation
The Company financial statements of ICT Automatisering N.V. have been prepared in accordance with Part 9, Book 2 of the Dutch Civil Code. In accordance with subarticle 8 of article 362, Book 2 of the Dutch Civil Code, the company's financial statements are prepared based on the accounting principles of recognition, measurement and determination of profit, as applied in the consolidated financial statements. These principles also include the classification and presentation of financial instruments, being equity instruments or financial liabilities.

As the financial data of the Company are included in the consolidated financial statements, the income statement in the Company financial statements is presented in its condensed form (in accordance with article 402, Book 2 of the Dutch Civil Code).

In case no other policies are mentioned, refer to the accounting policies as described in the accounting policies in the consolidated financial statements of this Annual Report. For an appropriate interpretation, the Company financial statements of ICT Automatisering N.V. should be read in conjunction with the consolidated financial statements.

All amounts are presented in €'000, unless stated otherwise.

ICT has restated its previously issued financial statements to adjust its previously reported balances for the following two items:

For an overview of the effects of the restatements we refer to note 2.2 of the consolidated financial statements. The restatements regarding the pensions effected the measurement of the participating interests in group companies. The restatement related to the share purchase liability for the non-controlling interest in Improve effected the Company financial statements directly.

1.2 Goodwill
Goodwill relating to investments in consolidated subsidiaries is initially measured as the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Presentation of goodwill is dependent on the structuring of the acquisition. Goodwill is presented separately in the Company financial statements if this relates to an acquisition performed by the Company itself. Goodwill is subsumed in the carrying amount of the net asset value if an investment in a subsidiary is acquired through the Company's intermediate subsidiary.

1.3 Participating interests in group companies
Participating interests are stated at net asset value. Net asset value is based on the measurement of assets, provisions and liabilities and determination of profit based on the principles applied in the consolidated financial statements. Results on transactions, where the transfer of assets and liabilities between ICT and its participating interests, and mutually between participating interests themselves, are not incorporated as far as they can be deemed to be unrealised.

2. Property, plant and equipment

The following overview shows movements in the assets included under this balance item during 2012 and 2011:

(x € 1,000)	Computer equipment	Other fixed assets	Total
Cost at 1 January 2011	2,273	706	2,979
Accumulated depreciation at 1 January 2011	(1,572)	(586)	(2,158)
Net book value as at 1 January 2011	**701**	**120**	**821**
Movements in cost			
Additions	217	24	241
Total movements in cost	217	24	241
Movements in depriciation			
Depreciation	(295)	(42)	(337)
Total movements in depreciation	(295)	(42)	(337)
Net book value as at 31 December 2011	**623**	**102**	**725**
Cost at 1 January 2012	2,490	730	3,220
Accumulated depreciation at 1 January 2012	(1,867)	(628)	(2,495)
Net book value as at 1 January 2012	**623**	**102**	**725**
Movements in cost			
Additions	307	91	398
Disposals	(27)	(40)	(67)
Total movements in cost	280	51	331
Movements in depriciation			
Disposals	27	40	67
Depreciation	(238)	(58)	(296)
Total movements in depreciation	(211)	(18)	(229)
Net book value as at 31 December 2012	692	135	827
Cost at 31 December	2,770	781	3,551
Accumulated depreciation at 31 December	(2,078)	(646)	(2,724)
Net book value as at 31 December 2012	**692**	**135**	**827**

3. Goodwill

The movements in goodwill is as follows:

(x € 1,000)	**2012**	2011 restated
At 1 January		
Cost	16,961	14,964
Accumulated impairment	-	-
Restatement	-	1,997
Net book value	16,961	16,961
Movements in book value 2012		
Impairment	(1,500)	-
	(1,500)	16,961
At 31 December		
Cost	16,961	16,691
Accumulated impairment	(1,500)	-
Net book value	15,461	16,961

For information concerning the impairments recognized we refer to the consolidated financial statements.

The goodwill shown above represents goodwill on the following subsidiaries acquired by the Company. For the annual impairment test, this goodwill is allocated to the relevant cash-generating units.

(x € 1.000)	**2012**	2011 restated
ICT Automatisering Nederland B.V.	8,692	8,692
Improve	6,769	8,269
	15,461	16,961

4. Financial assets

Movement in the net asset value is as follows:

(x € 1.000)	2012	2011 restated
Balance as at 1 January	19,392	27,103
Change caused by merger within concern	1,709	-
Share of profit in participating interests	(2,418)	(8,138)
Dividend received	(2,548)	(572)
Effect of settling claim with joint venture	-	1,000
Exchange rate differences and miscellaneous	-	(1)
Balance as at 31 December	16,135	19,392
Of which:		
Provision for negative net asset value participations	5,289	-
Total	**21,424**	19,392

After the value of the investment in a subsidiary is reduced to zero, additional losses are recognized by a provision (liability) only to the extent that the Company has incurred legal or constructive obligations to pay for the debts of the associate. Such a situation is present for certain German subsidiaries of the company. As a result a provision has been recognized in 2012.

5. Receivables

The composition of the receivables is as follows:

(x € 1,000)	2012	2011
Trade receivables	18	3
Group companies	10,961	8,244
Tax	1,303	-
Other receivables	384	809
Prepayments and accrued income	196	117
Balance as at 31 December	**12,862**	9,173

The prepayments and accrued income mainly relate to prepayments made to suppliers. All items fall due within one year. The fair value of the trade and other receivables approximates their book value.

6. Shareholders' equity

The movements in shareholders' equity are as follows:

(x € 1,000)	Share capital: Ordinary shares	Share capital: Cumulative preference shares	Share premium	Revaluation reserve	Retained earnings	Profit for the year	Total
At 1 January 2011	**875**	**-**	**8,411**	**1,398**	**30,458**	**6,996**	**48,138**
- Net result for the year	-	-	-	-	-	(8,321)	(8,321)
- Dividend paid	-	-	-	-	(2,537)	-	(2,537)
- Appropriation of the result of preceding year	-	-	-	-	6,996	(6,996)	-
At 31 December 2011	**875**	**-**	**8,411**	**1,398**	**34,917**	**(8,321)**	**37,280**
- Net result for the year	-	-	-	-	-	(5,327)	(5,327)
- Dividend paid	-	-	-	-	(787)	-	(787)
- Appropriation of the result of preceding year	-	-	-	-	(8,321)	8,321	-
At 31 December 2012	**875**	**-**	**8,411**	**1,398**	**25,809**	**(5,327)**	**31,166**

The authorised share capital of € 3,750,000 is divided into 18,700,000 ordinary shares with a par value of € 0.10 each and 18,800,000 cumulative preference shares with a par value of € 0.10 each.

The number of shares issued and paid up at the end of the financial year amounted to 8,747,544 (2011: 8,747,544).

No own shares were redeemed at year-end 2012 and 2011. No purchases or sales have taken place.

Share premium reserve

Of the share premium reserve an amount of € 1,158,000 cannot be distributed to the shareholders with a dividend tax exemption.

Revaluation reserve

The revaluation reserve is related to the step-acquisition of Improve in 2010. The fair value step-up on the initial 50% share was recognized as a gain when control was acquired. However because this concerns an unrealized fair value step-up a revaluation reserve was recognized for this amount. The revaluation reserve is a legal reserve, which is not distributable by the Company.

Stichting Continuïteit ICT (ICT Continuity Foundation) and preference shares

In the articles of association, the General Meeting has given the Company the power to issue preference shares to the Stichting Continuïteit ICT. The objective of the 'Stichting' is to safeguard the interests of the Company and its business and all stakeholders. In the event of a hostile takeover attempt, the Stichting can call in the preference shares from the Company under the option agreement entered into between the Company and the Stichting. The Stichting may subscribe for a number of preference shares equal to the number of ordinary shares of the Company that are issued.

In the event of a hostile takeover, the issuance of preference shares will enable the Executive Board to decide upon its position relative to the bidder, consider the bidder's plans, examine alternatives, and thus further safeguard the interests of the Company and its stakeholders. The current members of the board of the Stichting are Mr. mr. H.R. Okkens, Mr. drs. J.C.M. Schönfeld, Mr. drs. P.F. Plaizier RA and Mr. mr. R. ter Haar. The Stichting has an independent board.

7. Provisions

The provisions primarily consist of a provision for onerous lease contracts. The composition is as follows:

(x € 1,000)	2012				2011 restated			
	Onerous contracts	Restructuring	Subsidiaries	Total	Onerous contracts	Restructuring	Subsidiaries	Total
Balance as at 1 January	-	-	-	-	-	-	-	-
Additions	1,408	690	5,289	7,387	-	-	-	-
Balance as at 31 December	**1,408**	**690**	**5,289**	**7,387**	-	-	-	-
Of which:								
Non-current	648	-	5,289	5,937	-	-	-	-
Current	760	690	-	1,450	-	-	-	-
Total balance	**1,408**	**690**	**5,289**	**7,387**	-	-	-	-

The provision for onerous contracts relates primarily to a property lease for an office building. Due to relocations of activities the Company only uses part of the total office space subject to the lease. The discounted future expenditures relating to the unused office space is recognized as a provision. The expenses related to the provisions are recognized under the 'Other operating expenses'. The remaining term of the onerous lease contract is 24 months. The current portion of this provision is recognized under the 'Accruals and deferred income'.

The restructuring provision is related to The Netherlands where management has taken actions in order to increase the profitability of the Company. The execution of these restructurings started prior to the year-end of 2012 and is anticipated to be finalized during 2013. The employees concerned were informed about these restructurings before the year-end of 2012. The current portion of this provision is recognized under the 'Accruals and deferred income'.

The nature of the provision for the negative net asset value of the subsidiaries is disclosed in note 4.

8. Non-current liabilities

Advance payments

This relates to payments received as lease incentive with respect to a long term operational lease contract. An annual amount of € 200,000 has been released to the income statement to recognize the operating lease expenses on a straight-line basis. The remaining amount of the advance payment of € 125,000 has a term of more than 1 year and has been included under the non-current liabilities (Refer to note 16 in the consolidated financial statements).

Share purchase liability:

The fair value of the share purchase liability for the remaining 25% of Improve was re-measured to € 964,000 (2011 restated: € 1,441,000). The gain of € 477,000 on this fair value re-measurement is recognized within financial income.

Because this liability will be settled within one year after the balance sheet date, the liability was reclassed to the current liabilities per year-end 2012.

9. Current liabilities

The current liabilities can be broken down as follows:

(x € 1,000)	**2012**	2011 restated
Trade payables	697	120
Group companies	9,496	6,599
Taxes and social insurance premiums	136	226
Pensions	-	-
Other liabilities	2,101	646
Accruals and deferred income	916	200
Total	**13,346**	7,791

The other liabilities include outstanding costs to be paid to suppliers and employees. The restated other liabilities concern the current portion of the liability for acquiring the last 25% shares of Improve on 1 January 2013.
Per 31 December 2012 € 964,000 is accounted in current liabilities, concerning the purchase of 25% Improve per 1 January 2013. At 31 December 2011 this purchase of 25% Improve for the amount of € 1,441,000 was recognized in non-current liabilities.

The accruals and deferred income include obligations that follow from the fixed price projects and the short-term part of the expected payment by virtue of a long-term lease.

10. Taxes

ICT Automatisering Nederland B.V is part of the fiscal unity of ICT Automatisering N.V. for corporate tax purposes. These entities are jointly and severally liable for the tax liabilities of the tax entity as a whole.

11. Commitments and contingencies not included on the balance sheet

Except for the guarantees and lease commitments please refer to note 30 for this item in the consolidated financial statements.

At balance sheet date the guarantees outstanding for the ICT Group amounted to € 404,000 (2011: € 404,000). These guarantees were provided in accordance with current rental commitments.

Lease commitments

The table below reflects the liabilities relating to operating leases for cars provided to employees, each lease having a term of up to four years.

(x € 1,000)	**2012**	2011
No later than 1 year	115	200
Later than 1 year and no later than 5 years	460	800
Later than 5 years	-	-
Total	**575**	1,000

12. Auditor's fees

For the auditor's fees, refer to note 29 of the consolidated financial statements.

13. Employees

(x € 1,000)	**2012**	2011
Salaries and wages	955	941
Social security contributions	68	67
Pension contributions	73	72
Total	**1,096**	1,080

The average number of staff employed by ICT Automatisering N.V., in full time equivalents was 8 (2011: 8). Of these employees, none were employed outside the Netherlands.

14. Remuneration of the Executive Board and the Supervisory Board

For the remuneration of the Executive Board and the Supervisory Board please refer to note 21 of the consolidated financial statements.

Barendrecht, 22 March 2013

Executive Board
C.A.G. D'Agnolo

Supervisory Board
Th. J. van der Raadt (chairman)
F.J. Fröschl
D. Luthra
J.A. Sinoo

Other information

- Provision in the articles of association concerning the appropriation of profit
- Stichting Continuïteit ICT
- Confirmation of independence
- Relevant events occurring after the reporting period
- Independent auditor's report
- Five-year financial summary

Provision in the articles of association concerning the appropriation of profit

The salient points of Article 37 of the Articles of Association concerning the appropriation of profit are as follows:

Pursuant to law ICT Automatisering N.V. may only distribute dividends to the extent that its shareholders' equity exceeds the amount of paid-up and called-up share capital plus the reserves required to be maintained by law and the Article of Association. If preference shares have been issued, the dividend shall first be distributed on the preference shares from profit available for distribution. The preference dividend shall be a percentage of the amount paid up on the preference shares concerned, equal to the average monthly EURIBOR rate, weighted by the number of days it was in force, during the financial year to which the dividend relates, plus two percent. If in a given year the preference dividend is not paid in full or in part, no dividends shall be distributed in subsequent years until the shortfall has been recovered. Following the distribution of the preference dividend, the Executive Board shall, subject to the approval of the Supervisory Board, add as much as it deems necessary to reserves, up to a maximum of 60% of the profit for the year, subject to the approval of the Annual General Meeting. Any profit not added to reserves is at the free disposal of the Annual General Meeting to be reserved in part or in full, or payable in part or in full to holders of ordinary shares in proportion to the number of ordinary shares held. The Annual General Meeting may, on the proposal of the Executive Board and subject to the approval of the Supervisory Board, resolve that the dividend on ordinary shares will be paid in full or in part in the form of ordinary shares. The Executive Board can declare interim dividends, subject to the approval of the Supervisory Board.

Proposed profit appropriation

On 22 May 2013 the General Meeting of Shareholders shall receive the proposal, in accordance with the dividend and reserved policy, not to pay out any dividend considering the results.

Stichting Continuïteit ICT

The board of directors of Stichting Continuïteit ICT consists of four independent board members, in accordance with appendix X of Book II of the Listing and Issuing Rules of Euronext Amsterdam Stock Market. The independent members are mr. H.R. Okkens, drs. J.C.M. Schönfeld, drs. P.F. Plaizier RA and mr. R. ter Haar.

Confirmation of independence

The Board of directors of Stichting Continuïteit ICT and the Board of Management of ICT Automatisering N.V. jointly declare that the board members of Stichting Continuïteit comply with the independence requirements, as set out in Appendix X of Book II of the Listing and Issuing rules of Euronext Amsterdam Stock Market.

Relevant events occurring after balance sheet date

On 1 January 2013, 15% of the remaining 25% of Improve were acquired. Although the initial contract stipulated that all remaining shares should be acquired, the contract was amended in order to allow the acquisition of the remaining 10% shares at a later date. The fair value for the remaining is estimated for an amount of € 580.000. The remaining 10% of the shares will be acquired on 1 January 2015.

Independent auditor's report

To: the General Meeting of ICT Automatisering N.V.

Report on the financial statements

We have audited the accompanying financial statements 2012 of ICT Automatisering N.V., Barendrecht. The financial statements include the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated balance sheet as per December 31, 2012, the consolidated statements of total comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes, comprising a summary of the significant accounting policies and other explanatory information presented on pages 49 up to and including 85 of this report. The company financial statements comprise the company balance sheet as per December 31, 2012 the company profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information presented on pages 87 up to and including 97 of this report.

Management's responsibility
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the Report of the Executive Board in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the consolidated financial statements
In our opinion, the consolidated financial statements give a true and fair view of the financial position of ICT Automatisering N.V. as per December 31, 2012 and of its result and its cashflows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

Opinion with respect to the company financial statements
In our opinion, the company financial statements give a true and fair view of the financial position of ICT Automatisering N.V. as per December 31, 2012 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements
Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the Report of the Executive Board, presented on pages 19 up to and including 47, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the Report of the Executive Board, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Amsterdam, March 22, 2013
Deloitte Accountants B.V.

Already signed: B.C.J. Dielissen

Five-year financial summary

	2012	2011 restated 4)	2010 restated 4)	2009	2008
Results (x € 1,000)					
Revenue	**77.829**	80.230	84.536	79.090	97.490
Operating profit excluding exceptional items	**1.712**	4.005	3.979	(2.367)	6.773
Net profit 3)	**(5.327)**	(8.321)	6.996	(1.696)	5.288
Depreciation on tangible fixed assets	**1.039**	785	828	902	746
Impairment charges	**3.500**	10.150	-	-	
Cash flow (net profit plus depreciation less impairment loss) 3)	**(788)**	2.614	7.262	(794)	6.034
Dividend	**-**	787	2.537	-	2.187
Assets (x € 1.000)					
Tangible fixed assets	**1.396**	1.576	1.950	2.267	2.763
Intangible fixed assets	**16.441**	20.218	30.368	24.883	24.347
Deferred tax	**-**	883	822	-	234
Current assets	**30.004**	30.751	38.267	32.043	37.877
Long term liabilities	**773**	2.445	2.336	966	1.234
Current liabilities	**15.522**	13.283	20.542	17.360	18.733
Shareholders 'equity	**31.546**	37.700	48.529	41.389	45.254
Total assets	**47.841**	53.428	71.407	59.715	65.221
Employees					
Average number of employees (FTE)	**790**	790	868	940	972
Net revenue per employee (* € 1,000)	**99**	102	97	84	100
Operating profit per employee (* € 1,000)	**2**	5	5	(3)	7
Ratios					
Operating profit/revenues	**0,02**	0,05	0,05	(0,03)	0,07
Net profit/revenue 3)	**(0,07)**	(0,10)	0,08	(0,02)	0,05
Net profit/average shareholders' equity 3)	**(0,15)**	(0,19)	0,16	(0,04)	0,12
Current assets /current liabilities	**1,93**	2,32	1,86	1,85	2,02
Group equity/total assets	**0,66**	0,71	0,68	0,69	0,69
Per share of € 0.10 (nominal in euro)					
Net profit 3)	**(0,61)**	(0,95)	0,80	(0,19)	0,62
Cash flow (net profit plus depreciation exclusive of impairment) 1) & 3)	**(0,09)**	0,30	0,83	(0,09)	0,71
Dividend 2)	**-**	0,09	0,29	-	0,25
Shareholders' equity 2)	**3,61**	4,31	5,55	4,73	5,17
Outstanding ordinary shares at year end	**8.747.544**	8.747.544	8.747.544	8.747.544	8.747.544
Average outstanding ordinary shares during the year	**8.747.544**	8.747.544	8.747.544	8.747.544	8.548.760

1) Based on the average number of ordinary shares
2) Based on the number of ordinary shares at year end
3) In the other data the term net profit is equated to the share of holders of equity instruments of the parent company
4) 2011 is restated for the pension liability (and the related deferred taxes) and 2011 and 2010 for the accounting of Improve

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