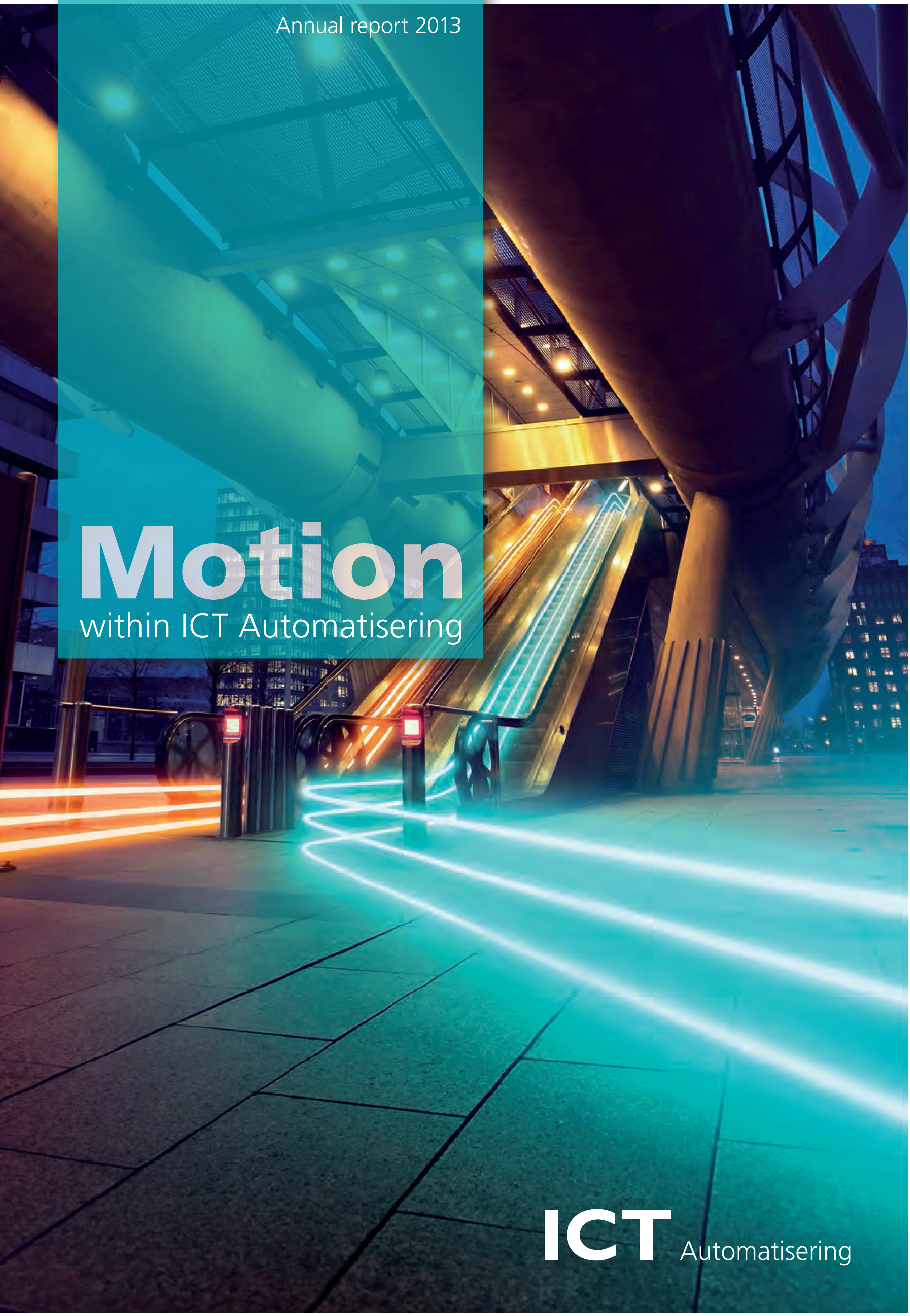

Annual report 2013

Motion

within ICT Automatisering

ICT Automatisering

ICT Automatisering

Annual Report 2013

2013

Profile ICT Automatisering

Building better business relationships with our customers

ICT Automatisering's ambition is to build lifetime relationships with its customers by assisting them in improving the effectiveness and efficiency to their operations. ICT Automatisering has a 35-years track record in taking smarter IT solutions to the heart of our customers' operations: in their business, production and communication processes.

We combine business-relevant, proven and reliable technology with the best and most dedicated IT professionals in the field. All focused on delivering proven solutions in the industries of which we have extensive knowledge and experience. We continuously invest in industry know-how, so we can deliver effective and efficient solutions that achieve the targets. Combining the best-of-breed concepts and solutions to deliver tangible return on investments. We deliver the best people, the most relevant technology and the brightest ideas.

ICT Automatisering's Vertical structure mirrors the key industries we serve. Our key vertical market related Verticals are: Logistics, Automotive, Machine & Systems, Industrial Automation, Energy and Healthcare. The key constituents of each Vertical are the professionals with in-depth knowledge and expertise of a particular's industry's processes, technology and products. For synergy purposes and to serve our customers, relevant Verticals cooperate on specific customer assignments or project groups. Leveraging the Verticals' key assets, enables the shortest time to market and best business value to the customers we work with.

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ICT in figures

(x € 1,000,000)	2013	2012
Net revenue	**79.5**	77.8
Added value (net revenue minus cost of materials and subcontractors)	70.1	68.9
Operating profit excluding exceptional	4.9	1.7
Profit before taxation	0.1	(3.9)
Net loss	(1.1)	(5.2)
Net cash flow from operating activities	5.3	(0.5)
Personnel		
FTE as at 31 December	751	772
Average number of FTEs for year	759	778
Consolidated balance sheet information		
Shareholders' equity	30.3	31.5
Total equity and liabilities	47.2	47.8
Ratios		
Operating profit excluding exceptionals/net revenue	6.2%	2.2%
Net loss/net revenue	(1.4%)	(6.8%)
Net loss/average shareholders' equity	(3.5%)	(15.4%)
Solvency (Shareholders' equity/total assets)	64.2%	65.9%
Information per share of a nominal value of €0.10 (in €)		
Net Profit (Loss) [1]	(0.13)	(0.61)
Shareholders' equity [2]	3.47	3.61
Cash dividend [2]	0.15	-

[1] Based on the average number of ordinary shares

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

For this year's annual report we have chosen the theme 'Motion'. The world is moving rapidly, and while our markets are full of opportunities, it can be a bumpy ride. As a company we have been on the move from start of the year right to the end. I joined ICT as the new chief executive of this great company just, a few months after Jan Willem Wienbelt joined us as CFO. So that's a lot of motion for one year.

Of course 'motion' is not inherently positive. The word itself simply means: the process of moving, and of course you can move just as easily in the right or the wrong direction. We chose to move in the right direction, with our Verticals strategy. This focused approach allows us to pick the projects that truly add value, for our customers, our stakeholders and for us. As a result, we showed resilience and entrepreneurial determination in what was a very challenging year for the IT industry. There are signs of a cautious recovery, and last year we saw an increase in our utilisation rate and a higher number of projects. At the same time we must also acknowledge the fact that project value per project is lower than in previous years. So we have to be realistic. What this means for ICT Automatisering is that we have tailored the Company to the new market reality and aligned our products and services to the needs of our customers today and in the future. Thanks to our adequate and prudent restructuring effort and our increased and constant focus on costs controls, we are much leaner and more flexible. This gives us a very solid basis for future profitable growth, both organic and through targeted acquisitions. In short, ICT is well positioned and ready to move in what we believe is the right direction.

Over the last couple of years, our markets have been dominated by a continued reluctance to invest in IT. As a result of this, we had to take restructuring measures that included redundancies, as part of the balancing act between keeping the right level of expertise

"For the coming year, we will further roll out our strategy, boost efforts in promising product market combinations and critically review product market combinations that may not help us to move ahead."

in anticipation of the market rebound and being cost-conscious. This did lead to an improvement in results. And on the recruitment front, we have managed to recruit a group of new direct employees. As the word spread that we were hiring, we saw quite a few new high-potential employees knocking on ICT's door, employees who clearly see us as an attractive and interesting employer. I am very pleased with that, as I firmly believe that we are a people company. Without the right people on board, we are just a brand name and 'Verticals' would be nothing more than meaningless lines.

In the coming year, we will continue to roll out our strategy, boost efforts in promising product market combinations and critically review product market combinations that may not help us to move ahead. Each Vertical must deliver a positive contribution to the growth and profitability of our company; it's as simple as that. This means a more transparent workflow with more uniformity in the right places. It also means that more than ever before we will be setting clear targets, that challenge us to outperform customer's expectations. Increased operational excellence will be the key to achieving this. Our work should put customers' processes in motion and enhance connectivity and collaboration. Like I said, we are a people company. Our people design processes, integrate systems and make complex series of individual components communicate. They optimise excellence by making things better. That is in essence what we do.

Whether we are looking for further expansion of our presence geographically, or exploring the future potential of off-shoring and near-shoring, we always bear in mind what is best for our customers. Our approach of delivering customer solutions worldwide via agile taskforces of skilled people is paying off. The deal with Massachusetts General Hospital in Boston proves this. This contract is a striking milestone that reflects our international ambitions. And, the partnerships we have announced over the past year prove that in today's connected world, it is virtually impossible to operate alone. Partnerships are essential if we are to deliver best-of-breed solutions, although we have to make sure that we stay firmly in the driver's seat to keep us moving in the direction of a better future for our customers, our staff, our shareholders and society as a whole.

I would like to express my gratitude to you, our shareholders, for your support. And on behalf of our Company I want to thank our employees for their dedication and commitment over the past year.

Jos Blejie
CEO ICT Automatisering N.V.

Barendrecht, 12 March 2014

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. We focus on sustainable growth by offering our clients added value, through specialised expertise and top-class solutions based on innovative technology. ICT aims to become a multidisciplinary system integrator as in this role it can offer its customers the most added value.

Firstly, to become a multidisciplinary system integrator, demonstrating technological leadership, ICT has developed a market approach based on defined Verticals.
The Company will continue to professionalise this approach, with solutions in defined Verticals across the full spectrum of expertise by translating technology into relevant business solutions for innovative customers in Western Europe.

Another vital factor to ICT's move to become a multidisciplinary system integrator is the fact that we are increasingly offering our customers 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.

Retaining and sharing knowledge within the organisation is also an important factor in increasing the added value we can offer our 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 2013, the number of issued ordinary ICT Automatisering N.V. shares amounted to 8,747,544 (2012: 8,747,544).

Major shareholders

The following table provides an overview of equity interests on 14 January 2014.

Shareholders	participation in %
DPA Group N.V.	20.40
Fidelity Low Priced Stock Fund *)	9.99
Quellhorst A.J.H., Minderhout *)	7.36
Delta Lloyd Deelnemingen Fonds	5.92
Generali Holding Vienna AG	5.55
J.H. Langendoen	5.49
Navitas B.V.	5.26
Darlin N.V.	5.15
Decico B.V.	5.01

*) Source: ABNAMRO 14/1/2014

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

The share in 2013

Closing prices in euro	**2013**	2012	2011	2010
Highest share price	4.87	3.45	5.80	5.30
Lowest share price	2.87	2.30	2.60	3.88
Share price on 31 December	4.75	3.22	2.65	5.17
Dividend in % price on 31 December	3.15	-	3.40	5.61
Price/earnings ratio (end financial year)*	(36.54)	(5.28)	(2.88)	6.99

Dividend policy

ICT has a transparent dividend policy. The Company aims to pay out 40% of its net profit as dividend. The other 60% is added to the shareholders' equity. ICT uses 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 Company's strategy 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.nl (press releases, financial data) provides detailed information. Investors can e-mail questions to info@ict.nl.

Prevention misuse of insider information

ICT has rules governing the reporting of transactions involving ICT Automatisering N.V. securities by 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

15 May 2014	Trading update first quarter
21 May 2014	General Meeting
25 August 2014	Publication of first half year results 2014 and analyst meeting
11 November 2014	Trading update third quarter

The members of the Supervisory Board,
from left to right: Mr. F.J. Fröschl, Mr. D. Luthra, Mr. Th.J. van der Raadt and Mr. J.A. Sinoo

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:	Director, Van der Raadt Management B.V.
Ancillary positions:	Chairman of the Supervisory Board of Veen Bosch en Keuning, Utrecht Member of the Supervisory Board of Remeha Group B.V. – BDR Thermea
Initially appointed in:	2011
Current term until:	2015

Name:	Mr. F.J. Fröschl (1951)
Nationality:	German
Position:	CEO, HI TEC INVEST
Main ancillary positions:	Chairman of the Supervisory Board of MPHASIS Ltd, Bangalore, India Vice Chairman of the Supervisory Board of PE-International AG, Stuttgart, Germany
Initially appointed in:	2011
Current term until:	2015

Name:	Mr. D. Luthra (1950)
Nationality:	Indian
Position:	Director, Nogunoglor Holding B.V.
Main ancillary position:	Member of the 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
Main ancillary positions:	Chairman of the Supervisory Board of MaxGrip B.V., Utrecht Chairman Supervisory Board CVO Groep, Driebergen
Initially appointed in:	2010
Current term until:	2014

Member of the Executive Board

Name:	Mr. J.H. Blejie (1959)
Nationality:	Dutch
Position:	Chairman of the Executive Board
Main ancillary position:	Chairman of the Board of Advisors, Prospex B.V. Member of the Board of Advisors Innocomm B.V.

Introduction

In 2013, the management and staff of ICT Automatisering worked with complete dedication and commitment. They showed great determination to meet the challenge presented by ICT's disappointing results in 2012 and to record better results in 2013. For the Supervisory Board, it is extremely satisfying to note that ICT managed to deliver a significantly better performance in 2013, as markets showed signs of a cautious recovery. Demand is on the rise but the IT market remains volatile and the public and corporate sectors are still showing a marked reluctance to invest. The combination of entrepreneurship and realism has been a key factor in ICT's progress on the road to sustainable growth. The Company's strategy of focusing on its clearly identified Verticals combined with a reduction in indirect costs, is now starting to pay off. Just as importantly ICT Automatisering has become a more entrepreneurial company.

Following a series of initiatives to improve profitability in the Netherlands and Germany, ICT has managed to strike the right balance between healthy levels of expertise and a focus on cost efficiency. The Company has managed to do a lot more than simply improve its figures. It has also taken the first steps to enhance its level of operational excellence. ICT signed a number of partnership agreements with leading institutions, which will lead to a considerable strengthening of the Company's position in a number of markets. This means that in addition to recording better results in the year under review, ICT Automatisering has also built a solid basis for a more prosperous future.

Growth

Although the turnaround is still a work in progress at some parts of the Company, ICT Automatisering has already entered the growth phase. The Supervisory Board is grateful to CEO Carlo D'Agnolo, who stepped down on November 17, 2013, for his contribution to turning around the Company during his 3 year term. Mr. Jos Blejie has been appointed CEO as per 1 December, 2013, and brings significant and longstanding software and consulting industry experience to the Company. His task will be to take ICT Automatisering to the next stage in its evolution and realise ICT's full potential for profitable growth, by anticipating and responding to the latest industry trends and developments.

In the year under review, the Supervisory Board endorsed Executive Board's view, that ICT has good future growth potential, both in terms of organic growth and through acquisitions and strategic partnerships.

Strategic opportunities

In its appraisal of the intended merger with Brandfort, other strategic combinations or the unsolicited merger proposal from interim agency DPA Group N.V., the Supervisory Board devoted considerable time and attention to discussing and weighing the specific interests of the various stakeholders in the company. In the case of DPA, the Supervisory Board shared the view taken by the Executive Board that the activities and strategies of the two companies differ substantially, with DPA's strategy directed purely towards secondment activities mostly in other non ICT expertise areas. The Board therefore found very little common ground for a merger. Therefore, few shared viewpoints were seen and it was believed the DPA proposal lacked strategic rationale and an organisational fit. The Board also felt that the unsolicited offer significantly underestimated and undervalued the potential of ICT Automatisering and its growth strategy. The Supervisory Board discussed this matter extensively, both within the Board and with the Executive Board. It was concluded that a merger with DPA Group N.V. would not be in the best interests of ICT and its stakeholders.

The Supervisory Board supported the acquisition of Brandfort as proposed by the Executive Board. ICT Automatisering and Brandfort are considered a good strategic fit. The combination of the two companies will create a broader basis for accelerated future growth. The added competencies will enable ICT Automatisering to serve new clients more effectively and connect more closely with existing clients, in line with current outsourcing trends. Moreover, the merger strengthens ICT's access to additional geographical markets and also facilitate strengthening the Company's existing position in key markets. Following a request thereto submitted before the end of the year 2013, ICT Automatisering N.V. convened an Extraordinary General Meeting for 11 February 2014. At this meeting an informal vote on the envisaged Brandfort transaction showed that a majority of the shareholders supported the proposed transaction.

Financial statements 2013

At its meeting held on 12 March 2014, the Supervisory Board discussed the 2013 financial statements drawn up by the Executive Board of ICT Automatisering, in accordance with the International Financial Reporting Standards (IFRS as adopted by the EU). The financial statements and the audit findings were also discussed with the external auditors at the meeting of the Audit committee on 3 March 2014 and the Supervisory Board on 12 March 2014. The financial statements have been audited by Deloitte Accountants B.V. which issued an unqualified audit opinion. You will find this auditor's report on page 114 of this Annual Report.

We will propose the following to the General Meeting on 21 May 2014:

- To adopt the financial statements for the year 2013;
- To adopt the proposal regarding dividends;
- To grant discharge to the Executive Board and the Supervisory Board for their management of the business and the supervision of the Executive Board respectively during the year under review.

Dividend 2013

On 21 May 2014 a proposal will be tabled at the General Meeting for a dividend distribution. The dividend and reserve policy stipulates a dividend of 40% of the net profit.

Dividend policy

In 2013 net result amounted to a net loss due to the impairment loss and exceptional costs related to investigations of strategic combinations. For dividend payment the net loss is corrected with the € 4.4 million impairment loss and exceptional costs. Therefore, to calculate the proposed dividend a net corrected profit of approximately € 3.3 million was used as a basis for the 40% payout. Per share of € 0.10 nominal a € 0.15 dividend in cash has been proposed by the Executive Board and supported by the Supervisory Board.

Topics discussed during Supervisory Board meetings

During the year under review, the Supervisory Board met twenty-one times in the presence of the Executive Board. The relatively intensive involvement of the Supervisory Board reflects the demanding nature of the past year. The Board discussed the continued implementation of ICT's strategy, as well as the operational developments and the measures taken to reduce indirect costs even further. The financial performance of the Company was also discussed extensively, as were various strategic combinations including the envisaged transaction with Brandfort and the unsolicited offer by DPA. Supervisory Board representatives also held constructive discussions on various issues with representatives from the works council. ICT Automatisering's employees have shown great interest in and commitment to the strategic development of the Company.

In 2013, the Supervisory Board had seven plenary meetings without the Executive Board or senior management in which the members thoroughly discussed the developments of the Company and the various projects. The Board devoted a good deal of time to the evaluation of the performance of the Executive Board and the succession of Mr. Carlo D'Agnolo by Mr. Jos Blejie as CEO. In the second half of the year, Mr. Jan Willem Wienbelt succeeded Mr. Anno Kamphuis as CFO. It can be concluded that the handover went smoothly, which enabled the Company to continue on the road to improvement in performance and further development.

During one of its meetings, the Supervisory Board evaluated the performance of the Board itself and its committees. It was concluded that the composition of the Supervisory Board is well-balanced. During the year, the relationship between the Supervisory Board and senior management, including the new CEO and CFO has been constructive and open. The Supervisory Board and its committees were provided with the information needed to fulfil their role. The members of the Supervisory Board also had several informal meetings with one another and also with the Executive Board and senior management. The Supervisory Board convened a General Meeting, held on 22 May 2013.

Composition of the Supervisory Board

The composition of the Supervisory Board remained the same in the year under review. At the General Meeting on 21 May 2014, Mr. Jan Sinoo´s term on the Board will expire. The Board will submit a proposal to the General Meeting to reappoint Mr. Jan Sinoo for a new 4-year term.

The Supervisory Board committees

Audit Committee

Mr. Deepak Luthra (Chairman) and Mr. Jan Sinoo are members of the Audit Committee. In 2013, the Audit Committee held four meetings in the presence of ICT's Chief Financial Officer, group controller and the external auditor attended three of these meetings. The Audit Committee also held a meeting with the external auditor without the Company´s executives being present. The Audit Committee meetings are generally held slightly ahead of the Supervisory Board meeting, where the Audit Committee Chairman reports on the principal issues discussed, on actions to be taken and the follow up on such actions, and makes recommendations on matters requiring a decision by the Supervisory Board.

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

- the 2013 interim (quarterly) financials and the 2014 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 annual goodwill impairment testing;
- the processes relating to the strategic combinations under consideration.

Remuneration and Appointments Committee

This committee consists of Mr. Jan Sinoo (Chairman) and Mr. Theo van der Raadt. The committee held three formal meetings in the year under review. Subjects discussed included the remuneration policy, the composition of the Executive Board and top management bodies, the performance and remuneration of the Executive Board and the HR policy of the Company. The committee held specific meetings to discuss the arrangements made with the departing CEO and the contract for the new CEO, in line with the remuneration policy adopted by the Annual General Meeting in 2012. Proposals were presented to and subsequently approved by the Supervisory Board. More information can be found in the 'Remuneration report' paragraph hereafter and on the website.

Composition of the Executive Board

Mr. Carlo D'Agnolo stepped down as CEO on 17 November 2013 and was succeeded by Mr. Jos Blejie on 1 December 2013. His permanent appointment as Statutory Director as well as the formal appointment of Mr. Jan Willem Wienbelt as member of the Executive Board and Statutory Director shall be notified to the Annual General Meeting on 21 May 2014.

Corporate governance

The Supervisory Board and the Executive Board share responsibility for ICT´s corporate governance structure. At least once every year, the Supervisory Board discusses corporate governance rules applicable to the Company and advises on possible changes. In the event of any substantial changes in the corporate governance structure and in the compliance of the Company with the Dutch Corporate Governance Code, these changes are put on the agenda of the General Meeting and discussed at a said meeting. A separate section on corporate governance is included on page 59 of this Annual Report. 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 Best Practice provision 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. Under this new legislation, Dutch companies are obliged to 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 meet these thresholds. ICT is a serious supporter of diversity, however and will do its utmost 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 General Meeting 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 92 of this report.

The Executive Board

The Supervisory Board has determined the compensation of the Executive Board in line with the remuneration policy drawn up by the Remuneration and Appointments Committee. Information on the actual remuneration of the Executive Board is included on page 92 of this report. The Supervisory Board periodically checks whether arrangements are in line with the market. This was most recently done before contractual agreements were made at the appointment of the new CEO.

In conclusion

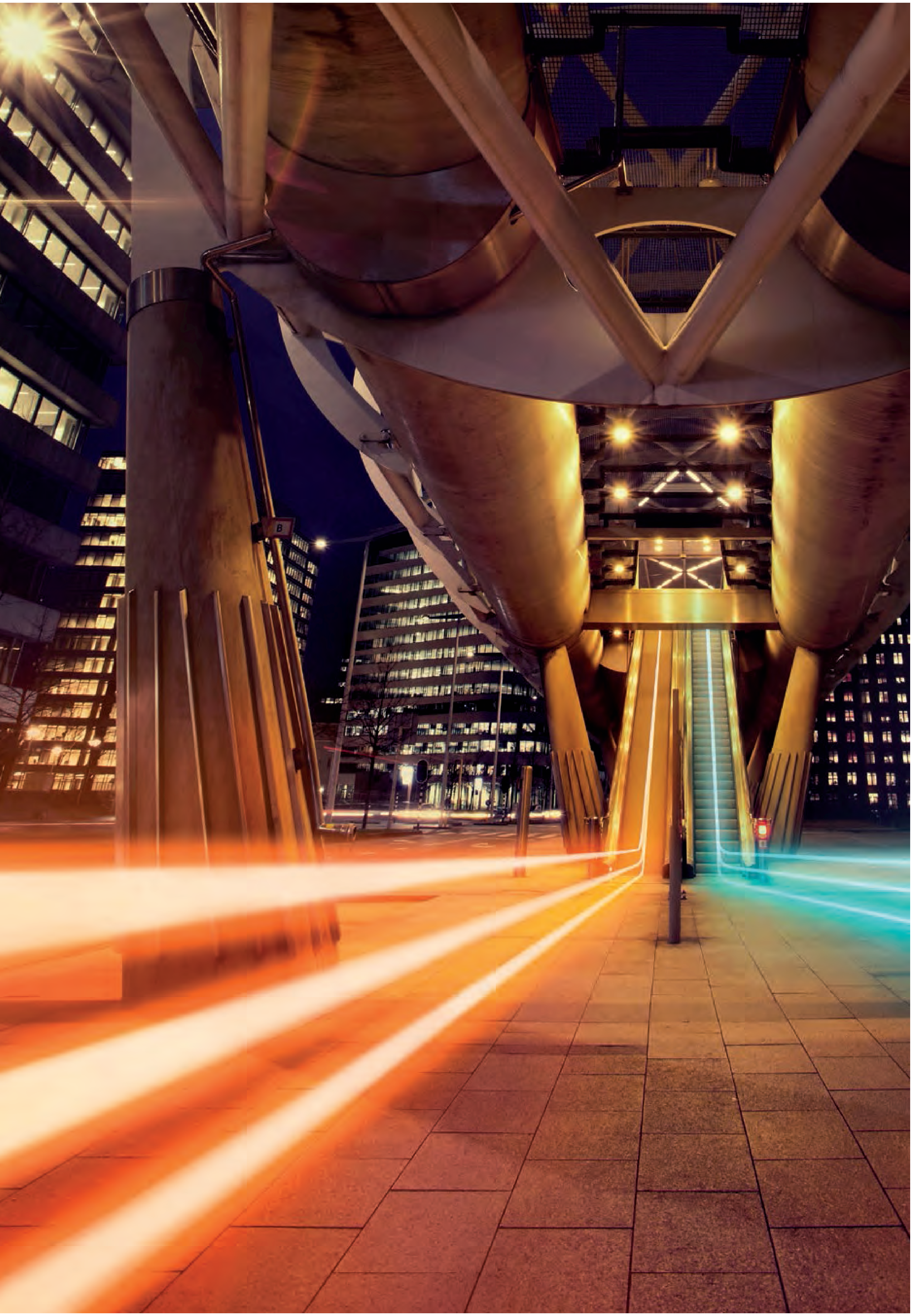
Given the leadership changes within the Company and the volatile markets outside, we would like to compliment senior management for showing decisiveness and commitment, and for steering the business towards a more robust business model and a targeted, self-confident approach.

ICT Automatisering´s improved performance in the year under review was only possible thanks to the collective efforts of the Company´s employees and management. The Supervisory Board wishes to express its appreciation for these efforts and to thank all employees for their willingness and commitment to provide an outstanding performance.

Barendrecht, 12 March 2014

The Supervisory Board

Th.J. van der Raadt (Chairman)
F.J. Fröschl
D. Luthra
J.A. Sinoo



Introduction

Following a period of more than two years in which economic conditions were challenging to say the least, the economy has been showing signs of recovery since the summer of last year. The recovery was long in coming and is expected to remain modest in the forthcoming years.

ICT Automatisering´s chosen strategy of focusing on Verticals led to a clear improvement in results in 2013, despite the fact that the market was still dominated by a reluctance to invest. In addition to the focus on Verticals, the steady reduction of indirect costs has also had a clear impact on results.

The improvement in operational results was due primarily to the improved utilisation rate of our professionals as a consequence of an increase in demand for ICT's services. In addition, the sale of the Neustadt activities and the reduction of indirect costs also resulted in improved profitability. Indirect costs as a percentage of revenue fell to 21%, from 24% in the 2012 period.

Financial developments

Revenue and gross margin

ICT's total revenue increased by 2.1% to € 79.5 million (2012: € 77.8 million). Revenue at ICT Netherlands grew by 6.2% to € 66.0 million (2012: € 62.1 million). Especially in the second half of 2013 ICT realized a substantial increase in revenue, due to the increased demand for ICT's services, and a consequent improved utilisation rate.

Revenue at the Automotive Vertical was down 1.7% at € 19.1 million, from € 19.5 million in 2012. Revenue at Automotive Germany amounted to € 13.5 million, a decrease of 5.7% compared to the previous year (€ 14.3 million. Revenue at Automotive Netherlands amounted to € 5.6 million, an increase of 9.5% compared to the previous year (€ 5.1 million).

The revenue of the Logistics Vertical increased by 10.1 % to € 9.3 million, from € 8.5 million in 2012, largely due to an increased demand from larger customers, leading to more assignments and the consequential higher productivity.

The Industrial Automation Vertical saw revenue grow by 9.0% to € 14.6 million, from € 13.4 million in 2012, due to an increased customer demand for projects, and as a result project related material purchases.

Revenue at the Machine & Systems Vertical (including Energy and Healthcare) was up 3.2% at € 28.2 million, from € 27.4 million in 2012, attributable to an increase in the number of projects. In addition the Vertical saw an increase in the number of direct employees and an improvement in productivity.

Revenue at the InTraffic joint venture increased by 3.3% to € 6.9 million in a stable market. Improve Quality Services had a disappointing year.

The economic situation has led to postponement or cancellation of training courses at (potential) clients. The revenue at Improve fell by 9.6% to € 3.2 million in 2013.

The external cost of sales, comprising mostly material, expenses and outsourced work, increased to € 9.4 million (2012: € 9.0 million) due to a change in the service mix.

Operating costs

Personnel expenses, at € 50.0 million in 2013, were down slightly from the € 50.2 million recorded in 2012. This was largely due to the lower average number of employees (minus 19 FTE) set off by the increase of 1.5% in salaries.

As in 2012, the Company incurred incidental costs in 2013. In 2012 these amounted in total to € 2.6 million representing a provision for onerous contracts, the loss on sale of the Neustadt activities and the costs of other restructuring measures. In 2013, the incidentals amounted to € 1.4 million of which approximately € 1.0 million concerned expenses related to investigations of strategic combinations and the other € 0.4 million was for the termination benefit of the former CEO who stepped down in November 2013.

The focus on the reduction of indirect costs, – primarily rental costs and personnel costs at support departments – is now paying off. In 2013, indirect costs – including depreciation on tangible assets – were € 16.9 million, down 12% from the € 19.3 million incurred in 2012. Including the depreciation charges on fixed assets, indirect expenses were 21% of revenue in 2013, down from nearly 24% in 2012.

Operating result

The operating result before exceptional items for the year 2013 increased substantially to € 4.9 million (2012: € 1.7 million). The improvement in results was due primarily to the improved utilisation rate of our staff as a result of an increase in demand for ICT's services. In addition, the sale of the Neustadt activities (Q4 2012) and the reduction of indirect costs also resulted in improved profitability.

The Verticals operating exclusively in the Netherlands (Machine & Systems, Industrial Automation and Logistics) reported positive and improved results compared to 2012. The Vertical Automotive was loss making during 2013 though substantially less than the preceding year (€ 0.6 million negative; 2012: € 2.1 negative). In the second half of 2013, the operating result of this Vertical was € 0.1 million positive (The Netherlands achieved a profit of € 0.3 million, while Germany reported a loss of € 0.2 million). Automotive Germany realised improved results compared with the previous year and the first half of 2013. The appointment of new management with a focus on business development, the departure of a number of professionals who could not be deployed on a structural basis, and also the ongoing reduction in the number of indirect employees all improved profitability in 2013.

The performance of InTraffic developed positively, though the results of Improve Quality Services declined. This was largely due to companies postponing training courses in the current economic climate.

The operating margin before exceptional items achieved by the Company was significantly higher at 6.2% in 2013, compared to 2.2% in 2012.

In 2013 ICT booked an impairment of € 3.4 million on the goodwill for the Improve Quality Services B.V. due to the developments of results over the previous years and the expectation that its profitability should improve although at a slower pace than previously felt feasible. In 2012 ICT booked another impairment on the goodwill for the Improve Quality Services B.V. acquisition this time of € 1.5 million for these same reasons. The Company noted its expectation in the beginning of 2013 that the profitability at this subsidiary would improve was justified though that this was at much lower level than originally felt feasible.

Taxes
ICT wrote down the loans to Germany as a result of losses in Germany amounting to € 2.4 million for tax purposes. This resulted in the consequential tax credits and income tax reimbursements but did result in the Company having to recognise a deferred tax liability for an amount of € 0.6 million.

Net loss and net loss per share
Net loss for the year amounted to € 1.1 million compared to a loss of € 5.3 million in 2012. This translates into a loss per outstanding weighted average ordinary share of € 0.13.
The number of outstanding ordinary shares on 31 December 2013 amounted to 8,747,544.

Balance sheet structure
Mainly as the result of the net loss for 2013 of € 1.1 million, the shareholders' equity decreased to € 30.3 million. The trade receivables and other receivables had decreased by approximately € 0.3 million as of year-end 2013 due to effective billing and debtor collection.

The balance sheet total decreased by € 0.6 million from € 47.8 million at year-end 2012 to € 47.2 million at year-end 2013. The solvency (shareholders' equity/total assets) dropped slightly from 65.9% at year-end 2012 to 64.2% at year-end 2013 but still continues to represent a very sound basis.

Cash flow and investments
The group cash (and cash equivalents) position was € 10.1 million at year-end 2013 compared to € 5.9 million 2012. The Company continues to focus on proper cash management. The cash flow from operations amounted to € 5.3 million positive in 2013 (2012: € 0.5 million negative). The increase is mainly the result of improved results and the income tax reimbursement.

Cash (out) flow from investment activities contain € 0.4 million of investments in computer equipment and other fixed assets (2012: € 0.6 million) and the payment of € 580,000 for the acquisition of the additional 15% of the shares in Improve Quality Services, taking the total interest to 90%.

ICT expects the capital expenditures for 2014 to be in line with 2013.

The net cash flow amounted to €4.3 million positive in 2013 (2012: € 2.2 million negative).

Proposal for appropriation of result
On 21 May 2014 a proposal will be tabled at the General Meeting for a dividend distribution. The dividend and reserve policy stipulates a dividend of 40% of the net profit.

In 2013 net result amounted to a net loss due to the impairment loss and exceptional costs related to investigations of strategic combinations. For the purposes to the determination of the dividend, the Executive Board has deemed it appropriate to adjust the net loss for the € 4.4 million of the impairment loss and exceptional costs. Therefore, to calculate the proposed dividend, an adjusted net profit of approximately € 3.3 million was used as a basis for the 40% payout. This represents a cash dividend of € 0.15 per share with a nominal value of € 0.10 based on the number of issued shares at year-end 2013.

Reporting
As per 1 January 2013, ICT's strategy is focused primarily on Verticals, with a secondary focus on a country and regional/office level. Prior to the year under review, ICT reported its results on the basis of two 'Operating Segments', namely ICT the Netherlands and ICT Germany. Effective from the financial year 2013, ICT reports on the basis of five (5) segments, i.e.: Industrial Automation, Machine & Systems (including Healthcare and Energy), Logistics, Automotive, and Improve Quality Services.

Capital expenditures
In 2013, outlays of € 0.4 million were made on investments in computer equipment and other fixed assets. Further details are provided in note 7 of the Consolidated Financial Statements of this Annual Report on page 81. The Company expects the capital expenditures for 2014 to be in line with 2013.

Financing facilities

The Company's credit facilities are described in note 4 of the Consolidated Financial Statements of this Annual Report on page 78.

R&D Investment

In general the Company does not undertake R&D for its own account, though it supports its customers in developing innovative solutions that in several circumstances qualify as R&D expenses for these customers. ICT strives to use specific elements of its acquired knowledge repetitively in other projects.

Personnel

The total number of employees at end 2013 was down 2.4% compared to end 2012. This was largely related to the lower number of indirect employees. For 2014 we expect to grow in FTE for professionals in line with our revenue development.

Outlook

In 2013, ICT's focus on Verticals and the continued reduction of indirect costs have had a positive impact on the performance and results of the company. The economic conditions improved slightly but remain challenging due to continued volatility.
On the other hand, the range of measures that management took in 2012 and 2013 will be felt fully in 2014. We therefore expect 2014 to show a continued improvement in the operating profit from ordinary operations compared to 2013.

Corporate development

In June 2013 DPA Group N.V. (DPA) announced that it had taken a 20.4% shareholding in the Company and proposed to combine its business with that of the Company. After further discussions with DPA and further assessment of the various strategic options ICT has ceased further discussions with DPA on its proposal.

On 18 November 2013, ICT announced it had reached agreement with Brandfort B.V. (Brandfort) on a proposed acquisition of Brandfort. On 18 December 2013 the Executive and Supervisory boards of ICT Automatisering received a letter from DPA requesting ICT to convene an Extraordinary General Meeting (EGM) with the proposed acquisition of Brandfort as a voting item on the agenda.

ICT announced on 5 February 2014 that the due diligence process had been completed and agreement had been reached on the definitive consideration.

The transaction will be structured as a partial exchange of shares in which ICT acquires all of the shares in Brandfort for newly issued ICT shares representing 9% of the outstanding shares post-closing; existing ICT shareholders will own 91% of the outstanding share capital of ICT. ICT will acquire a debt free company with € 1.3 million in cash on the balance sheet. In addition to the newly issued shares (representing a value of approximately € 4.1 million, applying an (indicative) share price of € 4.75 at year end 2013). ICT will pay an amount of € 1.3 million in cash to the shareholders of Brandfort. The contemplated transaction agreement will provide for an earn-out based on the gross profit to be realized by the Brandfort activities in 2014. The earn-out can accrue to a maximum of € 2.2 million. In 2013 Brandfort realized sales of € 16 million with a normalized EBIT margin of approximately 3%.

Financial and economic risk management and internal control

Risk attitude

In general, the Executive Board strives to limit risks to a minimum and not to enter into any substantial risks without being able to control and mitigate these risks.

General

The aim of ICT's long-term strategy is to guarantee the continuity of the Company and to create value for all stakeholders through growth in both revenues and profitability. When carrying out this strategy, ICT is confronted with various risks. It is the responsibility of the Executive Board to identify risks and to minimise those risks by taking appropriate measures. ICT gives a high priority to internal control. ICT constantly evaluates its internal controls and takes measures to further professionalise those controls.

Within the Company we recognise three areas of risks:

- Financial and market risks – these are described in note 4 to the consolidated financial statements on page 78;
- Internal control risks – these are described in this section;
- Strategic, operational and economic risks – these are also described in this section.

Internal control risks

ICT has implemented internal risk management and risk control systems with a view to minimising the Company's operating and financial risks and to 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 every level of the organisation.

Risk management is an integral part of the planning and control cycle. This system includes determining the strategy and the budget and is the responsibility of the Executive Board. The Executive Board discusses the strategy extensively with the Supervisory Board every year.

The Board then translates strategic objectives into business plans and budgets in cooperation with the directors of the Verticals and the subsidiaries. The business plan contains both a financial budget and a number of concrete business objectives per Vertical. These objectives are translated into Key Performance Indicators (KPIs), which are measured for progress consistently during the year. Important KPI's at ICT include the capacity utilisation rate, tariffs, numbers of direct and indirect FTE's and the efficiency of the processes. The Executive Board assesses the capacity utilisation rate every week. The Company also uses a staff evaluation and appraisal system.

ICT operates on the basis of policies and guidelines on how to undertake business and financial transactions, including instructions and procedures that are binding for staff. ICT provides for optimum monitoring and timely identification of risks and, if necessary, mitigation of any risks that arise, through a constant process of internal controls and measurements. This risk management system with its control mechanisms and mitigating measures is a periodically recurring item on the agenda of the Audit Committee and, by extension, the Supervisory Board. Additionally, as part of the annual independent external audit, the administrative organisation and internal controls are reviewed in terms of design, implementation and effective operation.

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, and the like. As a result of this, ICT the Netherlands and ICT Germany now work with the same system in an integrated environment. In 2013 ICT continued to improve procedures, as well as effectiveness and efficiency levels at ICT Germany. Another goal for 2014 is to continue to explore the issue of positive assurance statements on compliance and control levels that will be requested from our senior management.

ICT believes that it is necessary to discuss the Positive Assurance process fully with the persons involved so that they are fully clear on the measures to be taken that will enable them to sign off on the questionnaires. This will help provide the assurance that the Executive Board needs to make its own in control statement.

In addition to this ICT will start performing internal (both financial and operational) audits in 2014. ICT does not believe that, it would be justified, from a cost point of view, to establish a fully-fledged internal audit department (IAD). The quality manager, together with one or more persons from the financial department will conduct internal audits. We will flesh out and implement this approach in 2014.

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 2013 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 2013 financial year. 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 2014 the company will make further efforts to improve the proper usage of systems and compliance with procedures so that ICT Germany can achieve the same effectiveness and efficiency levels as ICT Netherlands.
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.

Performance risks

Quality management is another important pillar for the organisation. ICT is constantly working on improving the services that it provides to customers in whatever form. Providing services in accordance with the accepted standards is embedded in the organisation as a regular process. ICT has adopted the following standards:

- ISO 9001:2008; This is the internationally accepted standard for quality management systems. This standard specifies the requirements for a quality management system that can be used by an organisation to improve customer satisfaction, by satisfying the requirements of the customer and of laws and regulations.
- ISO 13485:2003; Specifies requirements for a quality management system when an organisation needs to demonstrate its ability to provide medical devices and related services that consistently meet customer requirements and the regulatory requirements applicable to medical devices and related services.
- CMMI; In simple terms, CMMI is a model for improving and appraising the process maturity of systems and software organisations. A maturity level is an evolutionary rung on the ladder to full process maturity. Therefore, an organisation that has been appraised at CMMI Level 2 is on the "Managed" rung of the process maturity ladder. Each maturity level of CMMI is divided into process areas. Process areas are sets of related practices a company is expected to perform to attain the required goals of each process area. Each process area contains two types of goals that must be fulfilled: specific goals and generic goals.
- VCA; VCA is a safety, health and environment checklist for contractors and is meant to increase safety for employees and reduce the number of accidents. VCA is In fact much more than a checklist. It is a versatile program that forms the basis on which service companies are tested and certified on their VCA management systems of service companies.

- NEN4400-1; This is supposed to make the hiring of external employees easier and more fraud resistant. NEN 4400-1 lays down requirements for the hiring that a company must meet. NEN 4400-1 set strict demands on staff and payroll.

Another major priority at ICT is the continuous improvement of the measurement of and reporting on the effectiveness and efficiency of measures taken. ICT regularly evaluates this via an audit by external parties (on the above mentioned standards) as well as through an internal audit process related to the effectiveness, suitability and correspondence with agreed norms. No critical findings have come to light in the various audits.

Strategic, operational and economic risks

ICT has identified the following strategic, operational and economic risks:

Strategic/market risk

The developments in the market in which ICT operates is developing rapidly. There is a risk that ICT may be insufficiently able to be innovative and/or respond appropriately on a timely basis. In order to avoid this, ICT seeks to maintain a leading position, in partnership with its customers, in improving its customers' performance. This enables ICT to develop appropriate solutions as effectively and efficiently as possible. An increasing number of customers are looking to enter into a fully-fledged partnership. Organisations depend on ICT systems to function optimally to support their business processes. Consequently, customers want a one-stop-shop solution and to have ICT offering in-depth knowledge of the vertical market in combination with a broad range of solutions. this makes it even more important for ICT to make clear choices regarding its strategic positioning.

Technological developments

Rapid technological progress, changing client requirements and evolving software standards are all features of today's 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.

Economic trends

General economic conditions affect the commercial success of ICT's clients. The mature market for ICT services in combination with less favourable economic circumstances, there is pressure on prices and margins. 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. ICT has attempted to limit the consequences of the lower demand for ICT services and projects by making efficient and flexible use of its own employees and by reducing the hiring of external staff or outsourcing to a minimum.

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. Employees are the Company's most important assets. 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. ICT's Human Resources (HR) policy aims therefore to create a working climate in which there is room for growth, development and new challenges. The retention and recruitment of skilled personnel is an important objective and will remain a key priority in the coming years together with recruiting talented employees.

Dependence on large clients

A relatively small number of clients account for a substantial proportion of ICT's revenue, reflecting the fact that large companies tend to operate in ICT's markets. In addition, as a supplier ICT needs to have a certain amount of scale to build up good relationships 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.

Project and assignment control

An important pillar for ICT is carrying out projects and assignments. The quality of the execution of these projects and assignments can have a significant impact on ICT's performance and results. In order to minimise the risks related to execution, an optimally functioning internal quality and control system is essential. When the direct and full impact of a risk on the result to be achieved can be assigned to ICT, ICT will of course assume this responsibility. ICT can bear this responsibility as it has management with the right breadth and depth of competencies and business and ICT knowledge. In order to ensure the continuity in the event of claims, ICT has a general and professional liability insurance.

Acquisitions

In the event ICT acquires companies, its ultimate objective is to integrate these companies into the ICT organisation. It is important that the integration process is successful in order to keep the undesired outflow of staff to a minimum.

Conclusion

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.

Based on the evaluations carried out, the Executive Board concludes that the risk management system as well as the control of the business processes and the internal control within ICT are sufficiently professional, appropriate and effective. The Executive Board is of the opinion that the risk management system with its control and measurements offers a sufficient degree of certainty regarding the reliability of the financial information and the management information generated by this system and is in accordance with the relevant laws and regulations.

Operating developments

ICT 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 has intensified its focus on integrating several client systems into one total solution. In addition, ICT is one of the leading players in the embedded software domain, whereby 'embedded' stands for software that has been incorporated in clients' products, solutions for the automotive market such as the integration and testing of the hardware and software of complex technical products. Our employees have been spread between offices in the Netherlands, Germany and Poland.

Developments within Verticals

ICT's Vertical, Industrial Automation, performed well thanks to increased customer demand. ICT acquired a number of new contracts, such as the Waterschap Rijn en IJssel, Plant One, CSi Industries and Hoogheemraadschap of Schieland and the Krimpenerwaard (HHSK) projects.

The Automotive Vertical develops, sells and implements products and services throughout the entire automotive supply chain. Core business is developing embedded software for automotive systems in the infotainment and telematics market. Applying new deals came from WABCO Automotive, LG Electronics, gConcepts.

Overall it has been a positive year for the Vertical Logistics, the investment in developing targeted propositions based on our new Supply Chain Platform paid off. At the same time investments in the team ensured that we are well equipped in all aspects of logistics, such as harbour logistics and warehouse logistics. And a higher number of assignments and deals for PostNL (Cloud solution) Zuivelhoeve, Zeelandia and Fedex.

The Vertical Machine & Systems is mostly active in the OEM market. While we are facing price pressure from OEMs, revenue went up thanks to an increase in the overall demand for secondment and the number of projects and services delivered. Fee structures have been adapted to fixed fees and retainers to increase transparency for both our customers and ICT. For ASML, ICT is now farming out the entire calibration arm, coming from being an outsourcing partner. ICT has made progress in connectivity services, a growth market in which we can deliver the full range of services.

We expanded our Healthcare operations last year through a long-term partnership with the PALGA foundation. We also demonstrated an international presence through the partnership with the Massachusetts General Hospital. The cooperation with our U.S. partner LogicNets will be key to the new Dutch and international contracts.

The Energy Vertical is a small incubator that serves the upcoming sustainability market. In collaboration with our partner GreenFlux we work on Smart Charging, which anticipates on the rising popularity of electric vehicles (EVs). And Smart Grids, where we launch new pilots such as Smart Grid in Balance (with GreenFlux) and PowerMatching City to the people in collaboration with partners Kema, TNO, Essent, Enexis and TU/e. Collaboration in these initiatives is vital for effective roll-outs.

Improve Quality Services

Improve Quality Services (Improve) is a specialised company dedicated to providing high-quality and innovative solutions in the fields of testing and quality management. Improve provides consultancy, interim services and professional training in these fields. Last year Improve celebrated its 15th anniversary. Effective 1 January 2013, ICT Automatisering holds 90% of the shares, while the remaining 10% is held by the founder and former owner. Both parties have the buy and put options respectively for the remaining 10% effective January 2015.

Since 2012 Improve has been focusing 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, while the company's agile testing and Quality Level Management services are growing rapidly.

InTraffic B.V.

InTraffic is dedicated to business in the Traffic & Transport sector. The InTraffic logo is in line with the theme of this year's annual report and says it all: IN MOTION.
InTraffic is a 50/50 joint venture between ICT Automatisering and the engineering firm Movares.

InTraffic works on 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 addresses the entire chain of transport modes (including rail, road, bus/metro/tram and water). InTraffic's core competencies in this respect are the innovation, development and maintenance of business critical and safety critical information systems.

ICT's sustainable focus

Corporate Social Responsibility (CSR) is important within ICT. Especially in the context of the Energy Efficiency Directive (EEA), which is due to come into force by April 25. We have adjusted our sustainability policy in line with the growing global need for sustainable solutions. We have also worked hard to achieve a CO2 awareness certificate. The crowning glory of this drive was gaining level 4 CO2 awareness certificate on the CO2 Performance ladder in 2012.

After defining measures and targets in a so-called reduction plan, ICT took significant steps to reduce various CO2 emissions. Some examples are green offices as a result of the use of green power, mobility measures such as promoting the use of electric cars – a number of ICT locations are equipped with electric charging stations – hybrid cars and the switch to A and B labelled lease cars.

The climate and climate change is and will remain important item on ICT management agenda related to sustainability and a corporate social responsibility. This is entirely logical as we believe sustainability – including climate change and CO2 reduction – is something that will affect us all in the future. ICT's Code of Conduct contains the following section on sustainability:

"Corporate social responsibility is a natural part of our organisation. ICT wishes to work with integrity and transparency to demonstrate the company's responsibility to all its stakeholders, including shareholders, customers, employees and its immediate environment."

ICT recruits and evaluates employees solely on the basis of their capabilities and qualifications for the job they need to carry out. Next to that we do all we can to create a positive work environment free of discrimination, bullying and/or intimidation in which all employees have equal access to information and opportunities. The Company aims to establish a multicultural environment based on open and honest lines of communication.

Corporate social responsibility is an integral part of the organizational fabric. ICT aims to operate honestly and transparently and to shoulder its responsibility with regard to the interests of shareholders, employees, the surroundings and the environment.

Our climate policy not only cuts CO2 emissions, it lowers costs for the Company. Examples of energy reduction measures include the use of energy-saving lamps, video conferencing, a flexible working environment and the creation of more awareness among our employees using energy sources such as heating and cooling devices. These measures have an indirect positive impact on our competitive position in the market. For instance the CO2 performance ladder certificate gives us a competitive advantage when we are competing for European tenders.

We are convinced that we have a responsibility not only to our employees but to all our stakeholders – including partners – and to the environment.

We take every opportunity we can to use any innovative developments to contribute to a sustainable society. Examples of this include smart grid developments of which we are one of the initiators where we contribute in the field of wastewater treatment plants. Another element of our sustainability drive are the various cloud solutions that we create for our customers. On the mobility front, we participate in pilot projects as well as fully-fledged projects such as electric transport solutions with GreenFlux or gConcepts. We have joined forces with these companies to develop an innovative telematics concept for electric city transport.

All these initiatives will significantly contribute to sustainable growth of our business.

Organisation and personnel

In 2013, 54% of our professionals attended one or more training courses. We organised the second edition of the ICT Developer Day, held several group trainings, internal workshops, and conducted internal knowledge sharing events on a regular basis. We formulated career paths and published a booklet about our BRAIN Academy. Due to our partnerships with Siemens, ABB, National Instruments and Microsoft (among others), 60 professionals were certified last year.

In 2013 there was little mobility at the labour market which abducted the growth in headcount in the first half year. However especially in the last quarter of 2013, we experienced more mobility and saw a growth of the number of applicants interested in ICT Automatisering. The technical traineeship programme which started already in 2012 is continued and delivered success in hiring BSc and MSc graduates with Dutch nationality as well as non-Dutch speaking candidates.

Personnel

At the end of 2013 the Company had 751 FTEs compared to 772 at year-end 2012. In Germany, FTEs stood at 141 at the start of the year and 118 at year-end 2013. This is essentially the impact of the divestment of redundant skills and reduction of indirect staff. In the Netherlands, the number of FTEs stayed at 617 FTEs with a growth a the number of direct staff and a reduction of indirect staff. Staff turnover was approximately 13.6%, including the divestment of redundant skills and the reduction of indirect staff, with the turnover in Germany higher than in The Netherlands. Absence due to illness went down to 2.0% (2.3% in 2012).

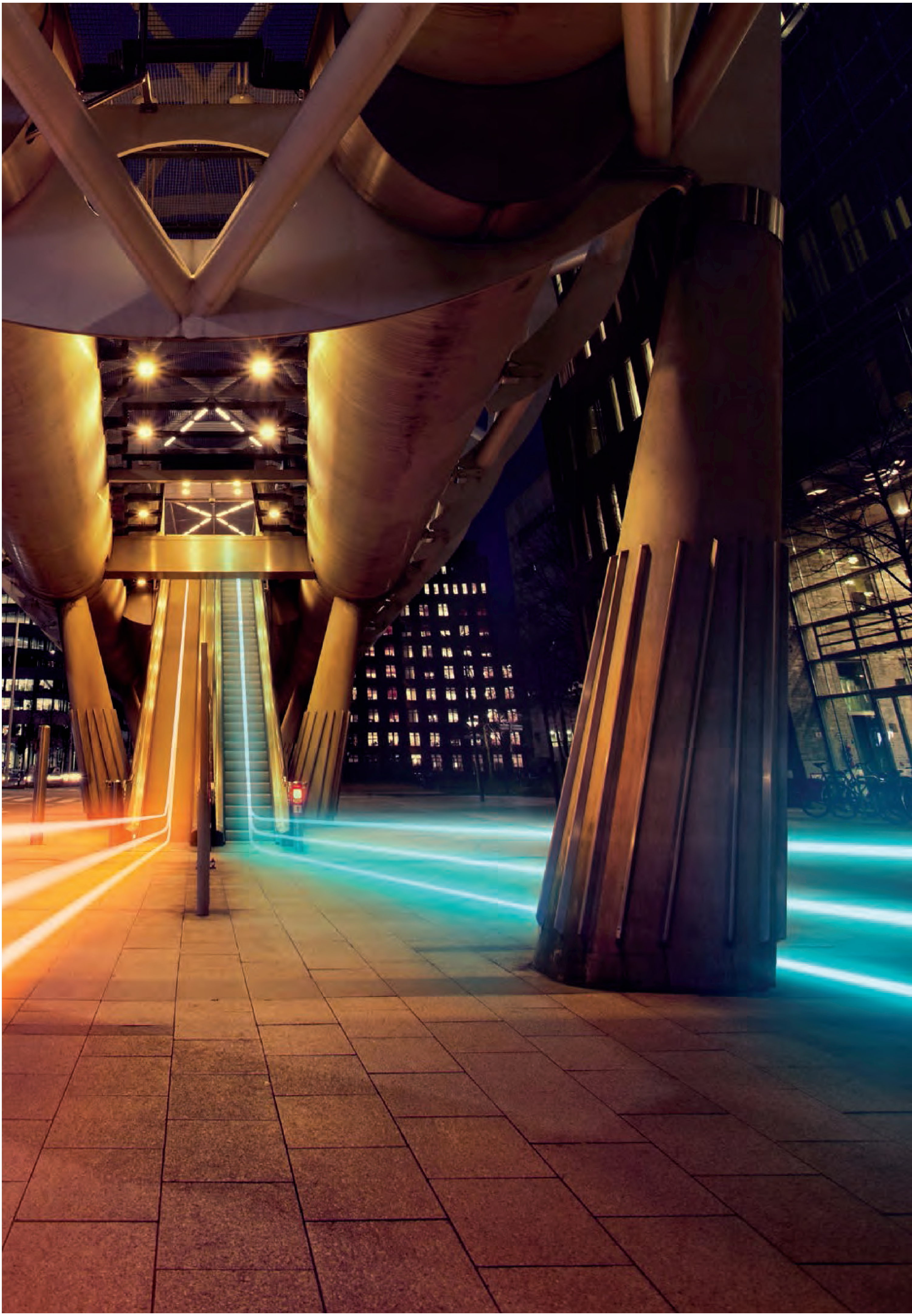
Director's responsibility statement

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 best 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, 12 March 2014

Executive Board

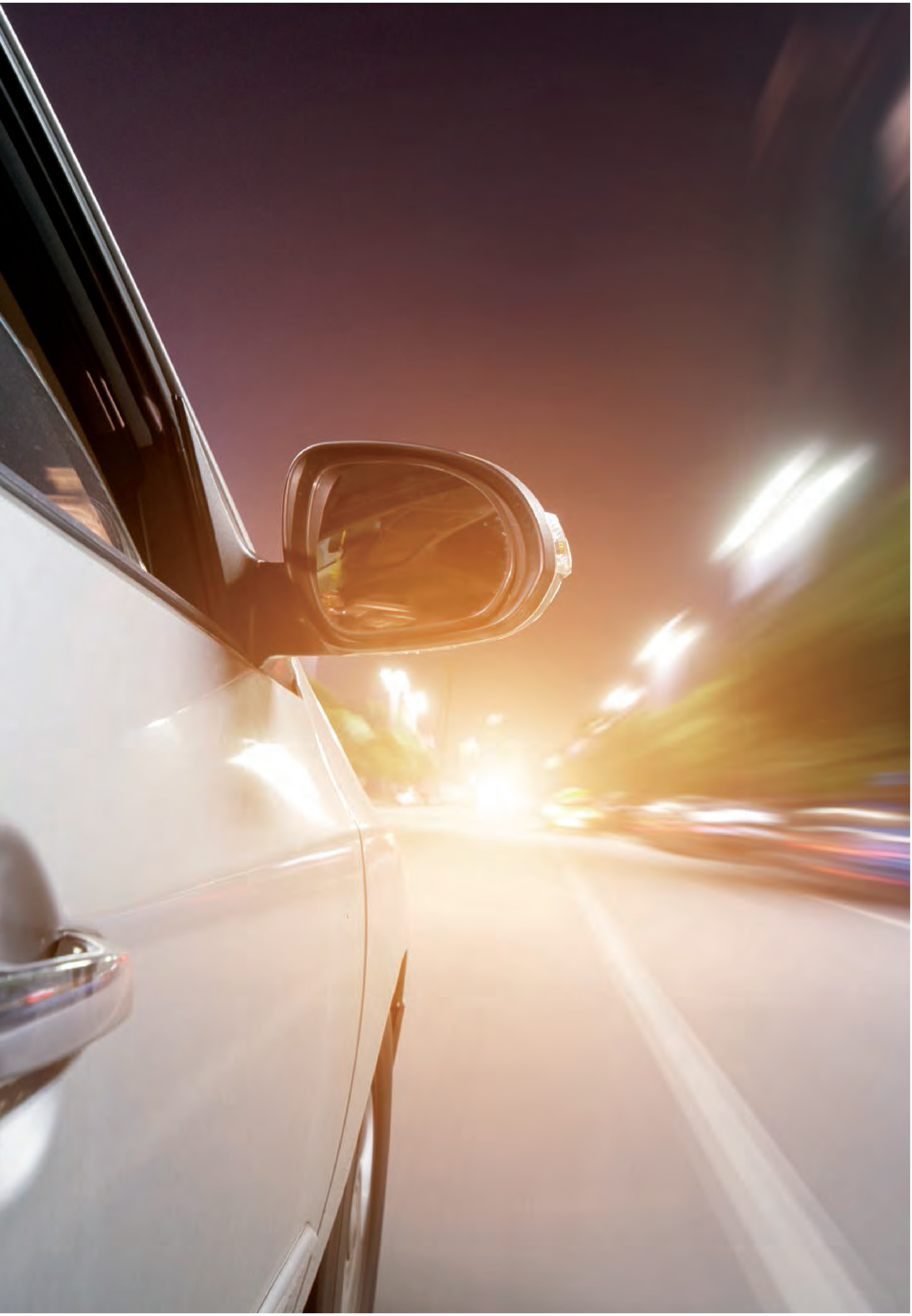
J.H. Blejie



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 organisation, 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 Verticals operate largely from the Netherlands.

We have 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 organisation 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.



Automotive solutions for a safer and energy-efficient environment

The Automotive Vertical is a ‘single source’ engineering solutions provider within ICT Automatisering, developing and implementing solutions for in-car use and for connecting the vehicle to its environment. The Vertical’s core business is developing embedded software in infotainment and telematics, HMI solutions as well as body and chassis electronics. The Automotive Vertical offers software engineering services, reaching from research to after-sales and long-term maintenance, as well as consultancy. It is the first Vertical to operate on an international level with activities in Germany, the Netherlands and Poland. Software for use in the vehicle has to meet very high standards in terms of safety and reliability, but also always be delivered on time to meet rigid production processes of the industry.

Hans-Hendrik Puvogel

General Manager Automotive

"We are a high-tech company but above all we are a people's company."

Looking back at 2013, Hans-Hendrik Puvogel, General Manager Automotive, says the year has been quite challenging. "In Germany, our mission was to achieve a turnaround. So in order to be able to grow profitably, we needed to fix numerous legacy issues and improve predictability and visibility in our operations. We see the very positive development in 2013 as a step forward and a starting point for future growth and profitability." Major trends of the past years have been 'mechatronisation' and 'telematics'. Mechatronisation implies that more and more components in a vehicle are controlled electronically. Vehicles get connected and become part of the "Internet of Things". Telematics enable new services like remote vehicle diagnostics, individualized driver analytics or parking transactions.

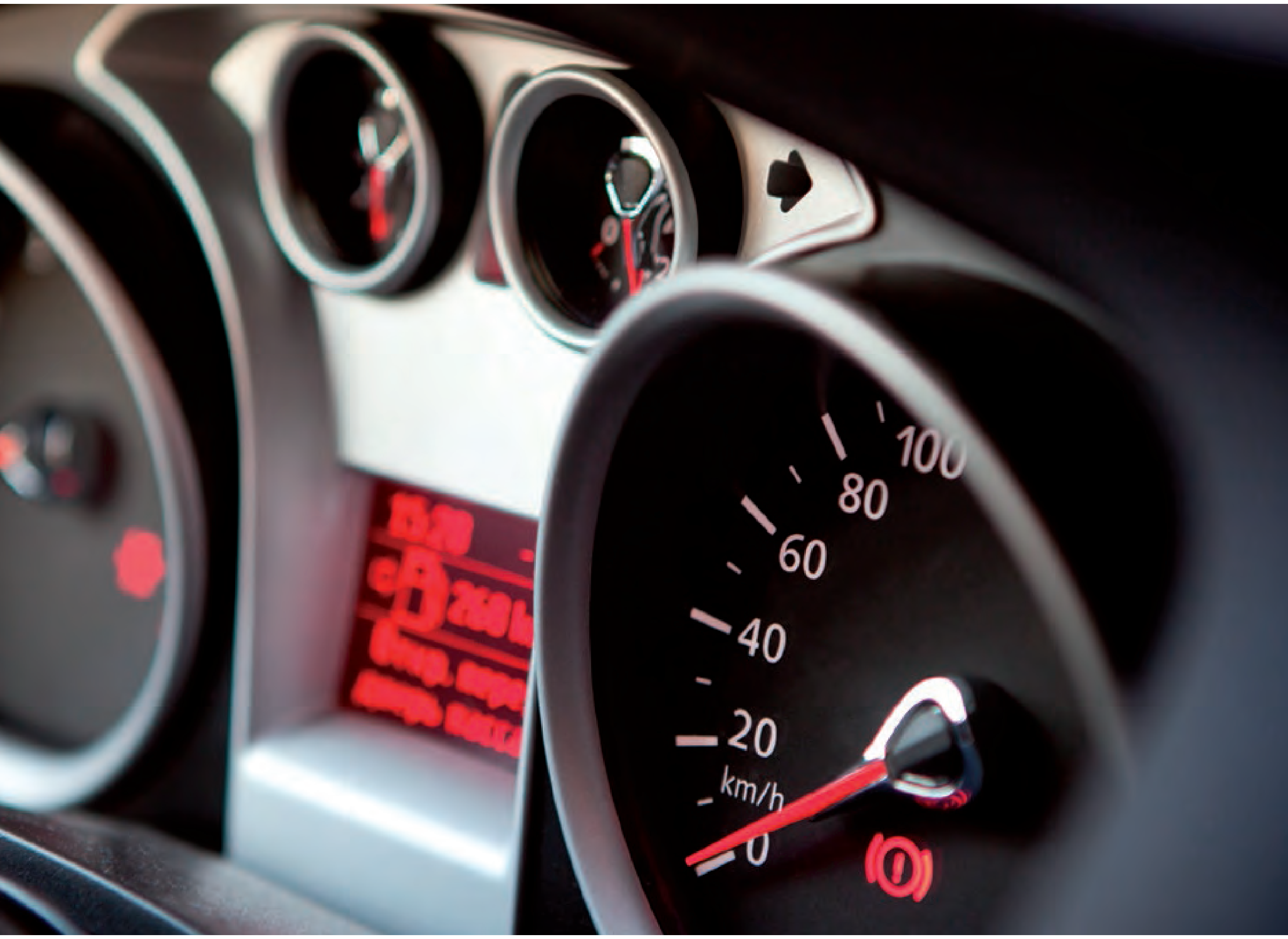
Operational excellence

"Operational excellence is key in our industry, so improving operations was a clear focus in 2013," Hans says. "Naturally, on the customer side we tried to do things better every day, and we did all we could to boost efficiency and improve productivity. We were also determined to upgrade skills of every single staff member, in order to meet the increasing demand from customers in terms of domain expertise. But we also raised awareness of accountability and demanded from employees to take ownership,

making each employee feel truly responsible for his job and achievements. When our people feel responsible, they will do a better job and enjoy doing it more."

Turnaround

Automotive was the first Vertical within ICT Automatisering to operate on a truly international level in Germany as well as in the Netherlands and Poland. "I'm extremely happy to see that although as a Vertical we are very young, our people have shown that they are willing to talk to each other and learn from one another. This is the most important fundamental of our business. We are a high-tech company, of course, but more than that we are a people company."



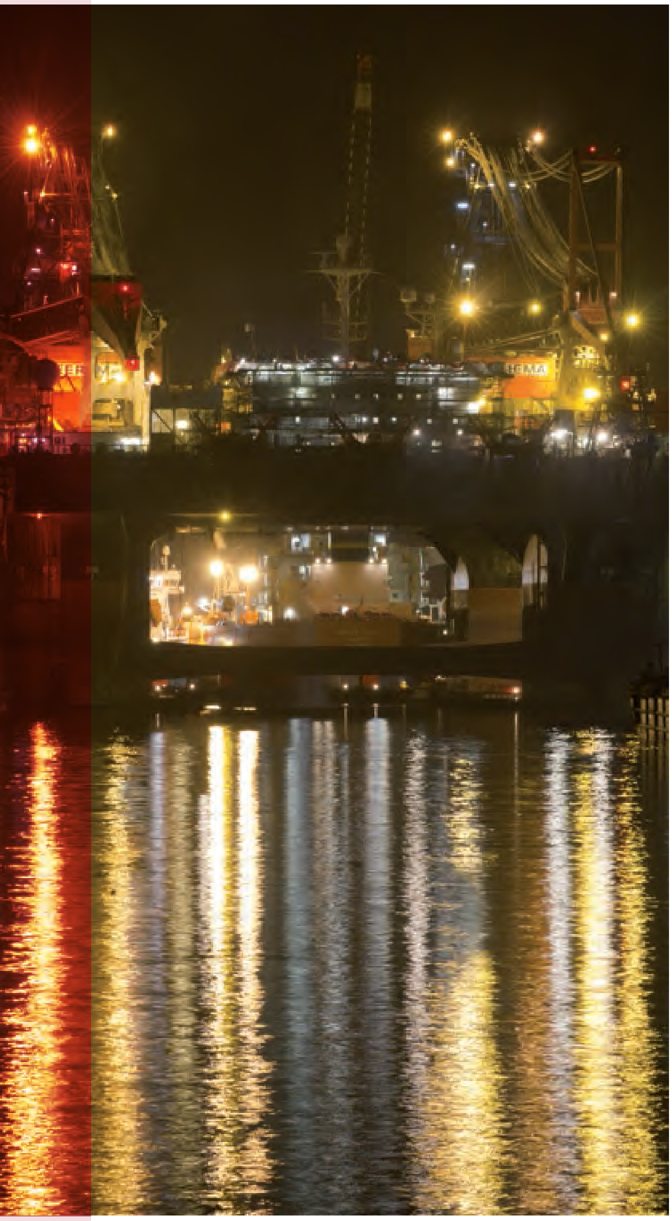
Innovative solutions optimising logistics processes

The Logistics Vertical is focusing on delivering integrated supply chain platform solutions to provide logistics companies with a fundamental solution. Clients are usually active in the field of harbour logistics, retail, wholesale, transport and distribution, and for all of them logistics is a cornerstone of their business model. The logistics industry is on the move 365 days per year, with goods and parcels being transported, stored and shipped around the clock. More and more, services need to be available online, using all sorts of devices varying in form-factors and platforms, with decisions and adjustments to be made in an instant at any moment in time. And consumers are becoming more demanding. They want to make an order quickly and easily, and have the ability to influence the delivery at any point in time and have a seamless reverse logistic process. All of these stages in the supply chain need connective software and the Logistics Vertical is delivering exactly that. The primary drivers in logistics are speed, timing and delivery reliability.

Huub van der Linden

Vertical leader Logistics

With transport from and to inland terminals on the rise, fine distribution becoming increasingly important and e-commerce becoming common practice, the SmartPortal application has become a very fruitful business. Huub van der Linden, Vertical Leader Logistics, says: “The first feature works as kind of an entry gate to the web for information on a specific topic.



It looks like a search engine and presents a large amount of information from a large number of sources in a standardised fashion. Users always know exactly who has access to which information, applications and databases.”

Integrate, optimise, visualise

Huub explains the three fundamental issues within the supply chain platform: “Integrate, optimise and visualise. Integrate means: combining ERP software with warehouse management systems (WMS) and make them collaborate instead of collide. Optimise means: making the physical processes in the warehouses as efficient as possible, making 100 percent sure that orders can be taken and executed. And finally visualise: that means setting up the portals and, through our SmartTrack solution (Proof-of-Delivery), managing the track & trace system. We are active in all three area’s and it goes without saying that to survive in this industry, whether you’re weathering tough times or working in fiercely competitive but prosperous markets, there’s only one quality level possible and that is top quality.”

“There’s only one quality level possible and that is top quality.”

From complexity to simplicity

Huub says that as soon as it became clear that the physical world would continue to digitalise (with 3D printing being the next stage in the future), ICT Automatisering made absolutely sure it would continue to explore the market by founding a Vertical. “We are specialised in making different systems and workflows collaborate, converting complexity into simplicity at a lower cost, all of which results in greater efficiency,” he notes. “E-commerce starts with a portal visited by a client. This needs to be designed and maintained. Then there are all kinds of warehouse management systems to process the order, plus software to ensure payment of the order before shipping. Then the order actually needs to be picked up in the warehouse. It needs to be shipped and when sent back, it needs to be checked and repackaged. All that complexity demands a simple and efficient solution. We can deliver that.”

An exercise in excellence

One example is port company ECT, for whom we are an important partner in delivering control systems. “That entails huge responsibility,” Huub says. “Because if the system doesn’t work, containers won’t be shipped. It’s as simple as that.” One example of true excellence is the work Logistics has done and is still doing for mail and parcel delivery company PostNL. “They decided to fully migrate their entire IT environment to the cloud and chose ICT Automatisering to migrate a considerable part of it. Through our Cloud Managed Services, we will also oversee accessibility of it in the future. I feel this truly shows our ability to change from a technology-driven company to a solution-driven business.” The fact that ICT added Fedex, Iron Mountain and Zuivelhoeve to its list of clients, is a proof of that. The partnership with Motorola also says a lot: in addition to delivering hardware, Logistics is also supporting Motorola’s mobile development platform RhoMobile.

The human element

Automation naturally means human beings are increasingly being excluded from the process. “Still,” Huub says, “an order needs to be picked. And packed. And delivered to the door. So there always will be people involved, above all in the decision-making process. When someone makes a decision, he or she needs the right, accurate, up to date information. And when he or she decides, it needs to be registered. In every corner of the logistics environment. This is what we do. Provide the right information to decision-makers and register their decision. So that organisations can turn successes into standard procedures and also learn when mistakes are made. That’s what entrepreneurship is all about.”

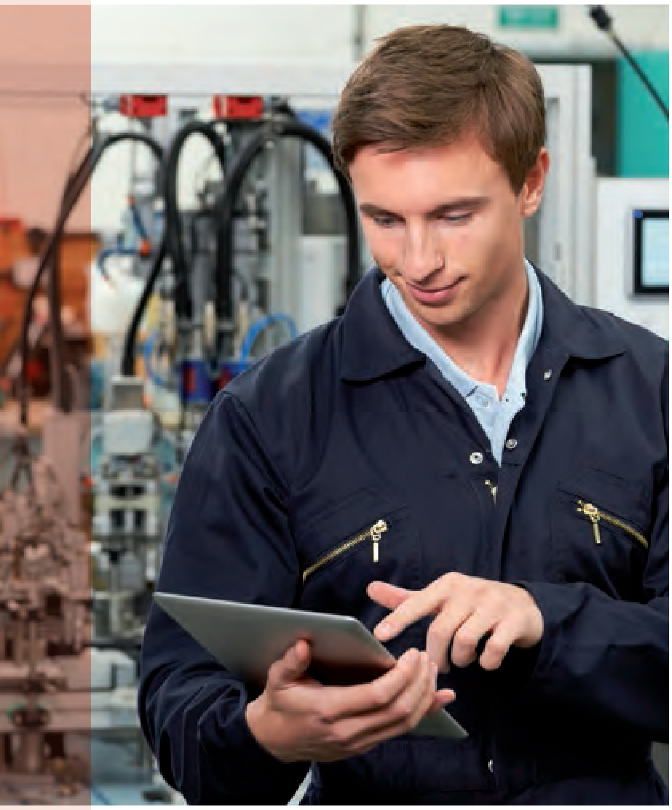
Reliable and flexible solutions

The Machine & Systems Vertical consists of a team of professionals with extensive experience in embedded software engineering and machine construction. ICT delivers specific software and hardware expertise, solutions for engineering machines, operating and control systems and complete line management systems for discrete production lines. Over the last year, increased competition and pressure on fees created a challenging environment. By continuing to offer existing products and services that deliver true added value, and simultaneously expanding into new markets created by new trends like connectivity and cloud computing, the Vertical helps ICT Automatisering to become more resilient, underpinned by strong and sound fundamentals. The primary driver in the M&S Vertical is continuously increasing our added value.

Aart Wegink

Sales Director

"Markets are changing quickly," Sales Director Aart Wegink says. "Pressure on fees is huge, while competition from low-wage countries is increasing. So what we are doing is maintaining and continuing to improve our level of quality and making sure that at the end of the day we manage to end up higher in the value chain." Of course it is a major challenge when you realise that while fees are going down, wages are rising, Region Manager Rob Hogeweg admits. "Therefore," he notes, "we are changing our fee structure, working more with fixed fees and retainers, and increasing transparency for both sides. For one of the largest Dutch high-tech companies, we are farming in an important software part. In connectivity services, we are entering a growth market in which we are trying to step away from ad-hoc niche projects towards delivering the full range of services instead."



Quality is key

Providing secondment services will continue to be an important part of our business. "So," Rob stresses, "it's more like we are placing a new pillar next to the original one. In other words, we're not giving up on what we do well, as we have gained so much knowledge in this market. When we send in our Machine & Systems professionals, our clients know, or recognize, that we have trained them thoroughly, and not just in a technical way. We also teach them about the working culture, about values. That makes us stand out compared to others." Then again, Aart adds, "we need to be focused. Clients expect more and demand more. We are truly in a high-tech industry."

Connected world

Elaborating on the added value of Machine & Systems, Aart says: "We are living in a world that is getting more and more connected. All devices communicate with one another. These are the days of big data and the "Internet of Things". An increasing amount of devices have sensors which are monitoring the health of the device. It's about gathering, storing and processing this information from the devices into the cloud and create new services. One of these services which will enter the market very soon is Predictive Maintenance which enables the device manufacturer to repair the device before it fails. The service model will change from a repair to an uptime guarantee. "In a world of connected devices, "Rob adds, "the combined knowledge of hardware, software running on the hardware and cloud technology is key, and that is where we come in. We have extensively knowledge of embedded devices and are Microsoft Azure partner for cloud technology."

"We are appl'ing the devices."

Processes rather than numbers

The user interface is becoming increasingly more important, Aart continues, which he calls "The Apple effect". In these times it is not acceptable anymore that a machine has a basic user interface. We are appl'ing devices, spicing them up and making them user-friendly and adding connective features. We equipped machines with displays which show an interactive User Interface rather than a series of numbers. New machines also can be maintained and updated far more easily, on site or by remote. The devices themselves inform us when they need repair or maintenance, proactively."

Machine Control Platform, hardware based on standard building blocks with soft-PLC control

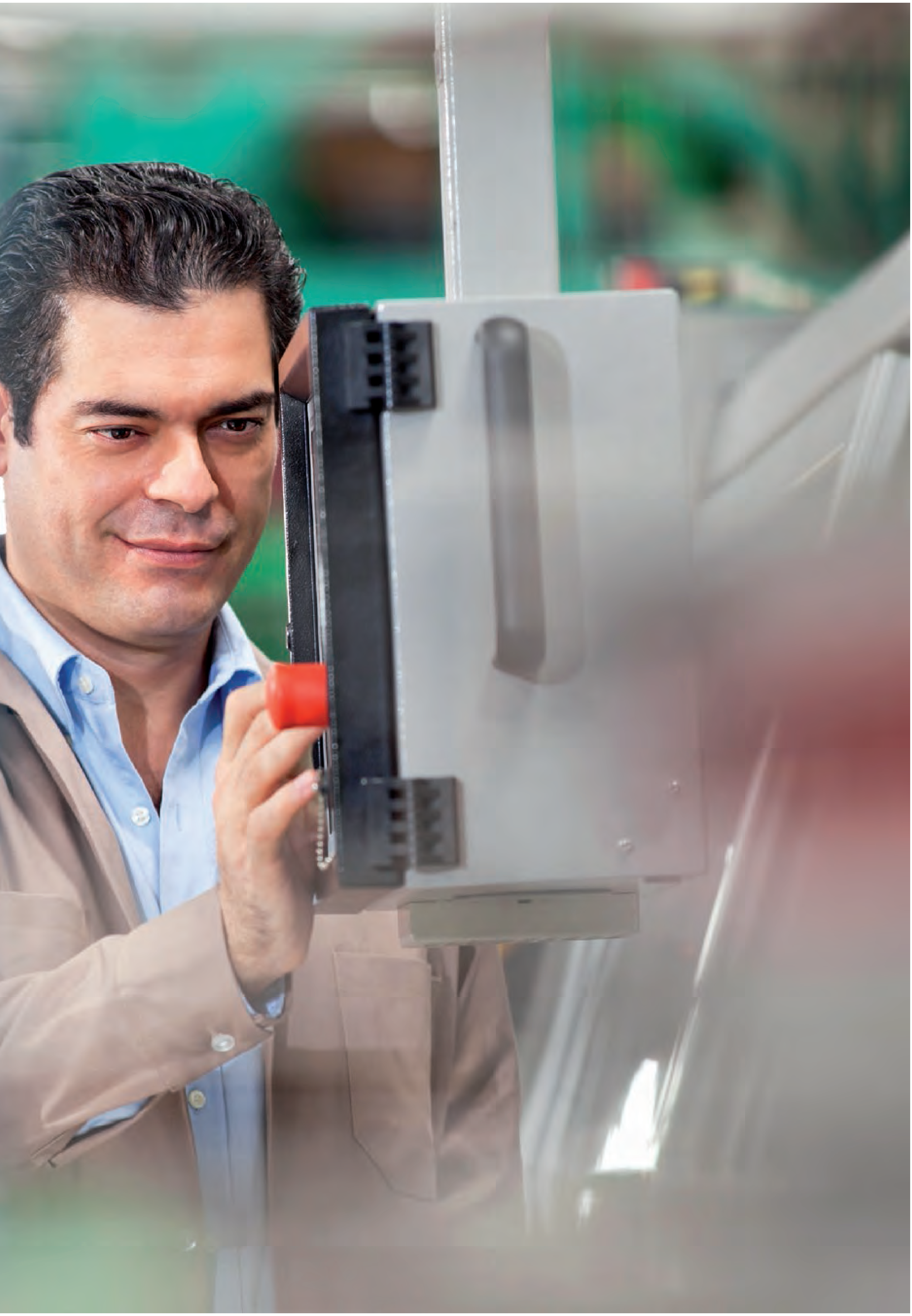
Control of machines is becoming increasingly complex. In early days a machine could be operated with a simple on/off switch, however nowadays the machine is equipped with much more possibilities. Next to that there is a strong customer demand for machines to be more accurate, more reliable and operate real-time. ICT's Machine Control Platform (MCP) solution offers machine builders the possibility of reducing costs and improving functionality which enables them to differentiate from competition.

The right skills, the right people

Aart stresses that the knowledge of embedded software ICT Automatisering has gained over the years, creates tremendous value when combined with new insights on connectivity and cloud computing. What's more, thanks to our heritage in secondments we also have the right people, either for temporary or for true outsourcing. So basically, we have it all. We are working hard to be in front of the change, which is necessary since some of the new technologies like Cloud are emerging rapidly. It is essential that we offer our customers technologies that matter."

Predictable outlook

Rob also sees other challenges. "ICT is innovating rapidly to develop new services for our customers, but in parallel we are ensuring that we preserve our roots, The Embedded Software knowledge. Change always brings resistance, and this is even more true when an existing business has been approved to be successful as ours was. You need to explain very clearly, for starters to your own workforce, why we need to move from a traditional business to a pioneering one. In order to keep existing customers on board, we need to reload our story, and focus on the word predictability. That is what our Machine and Systems Vertical does. We help our clients to get a more precise and predictable grip on the performance of their machinery. And we help ICT Automatisering to do a more predictable business."



Unique integrated solutions for optimum productivity and efficiency

The Industrial Automation Vertical provides hardware and software suppliers and manufacturers with integrated packages of services and solutions in the feed, food & beverages (FFB), chemical and water markets, including machine adaptations and system migrations. The Vertical designs and builds complete systems, or parts of such systems, to improve and optimise system safety, productivity, sustainability and efficiency. As the Vertical is expanding by servicing end-users directly, its client scope is also broadening. In the chemical sector, it is still primarily a provider of secondment services, while in infrastructure/water and food it is becoming a strong niche player in the delivery of a full range of measurement and ERP solutions. The team delivers sewer management solutions in the water business, while in infrastructure it provides communication systems for unmanned bridges and locks. Through the Waterproof product, it delivers water level management solutions, giving staff in control rooms the same insights as consumers who visit a rain radar website. The primary driver within the Industrial Automation Vertical is: connectivity.

Jacques Rombouts
Vertical Leader Industrial Automation

"We're connecting the entire chain."

Jacques says: "Back in the old days every manufacturing facility used to have its own technical services team. The more this was outsourced, the faster business was growing for players like ICT Automatisering. Companies are focusing on minimising fixed costs looking to make these costs variable, in line with revenues. Now, the challenge is finding the right personnel. Given that these are highly scarce, we educate them ourselves, especially for the design specific software like PLC, SCADA and MES."

Jacques feels that the strength of the Industrial Automation Vertical lies in combining increased focus with a broad vision. "Some players in our market are specialised in visualising processes, others are more into programming of PLC while we do both: working top-down within our Vertical and connecting the entire chain. For example in food, we connect ERP systems and industrial automation infrastructure.
In production facilities, we use cloud solutions to enable managers to oversee all their sites via tablet PCs. And I don´t mean just hiccups or power outages. We enable them to check up on their KPIs throughout the day!"

Walking the walk in CSR

"Another business trend is walking the walk in terms of sustainability," Jacques says. "Plants need to handle raw materials in the most efficient and sustainable manner, as their stakeholders want them to be frontrunners in Smart Manufacturing. To give an example: back in the old days a sugar factory could simply dump residual waste flow into the river. Later on, it was stored and processed as a whole. Now, we measure quantities and filter residual waste, and then sell it at a profit."

The end of the paper tiger

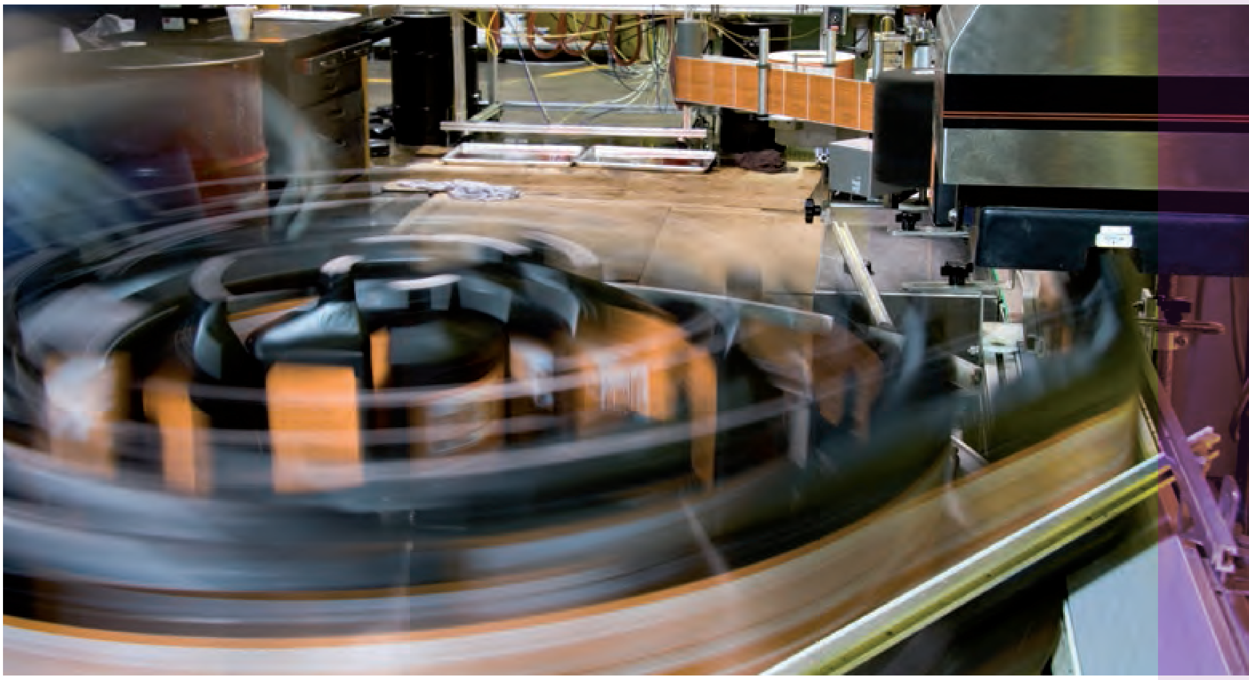
Jacques insists that Industrial Automation proves that the Verticals strategy really does work. "At the beginning, PMCs were just a piece of paper. But now we are starting to see that specialising in combination with customer dedication really is paying off. We can identify growth niches in the very earliest stages and choose whether we want to enter those markets or not. For example, in the food sector we saw that export volumes in dairy were about to skyrocket, which in turn led to a surge in their demand for combination of IT and automation. Thanks to the fact the two core features of our products are quality control and traceability, we can address new needs in the market quickly and perfectly.
"As the Vertical enables ICT Automatisering to deepen its penetration of the big data market, we are enabling clients to assess every greater masses of data and convert them into the right information at the right time, accessible via the web or the cloud.

Greenfields

Playing a part in preserving the industrial sector in the Netherlands and Europe, is one of the main reasons why Jacques simply loves his job. “A lot of the secondary sector has moved to Asia, but what is still here will probably stay here”, he predicts. “We have some new factories here, or greenfields as we use to call them. They need help getting settled, while existing facilities need to be updated and upgraded to meet the demands of today and tomorrow.”

At the heart of the process

For 2014, Jacques expects the Vertical to increase its focus on promising market segments, such as the dairy industry, which is under increased scrutiny amid higher food safety awareness, and with traceability and food safety becoming even more key than before. “Connecting complex supply chains through simple solutions, is what we do best,” he says. “Combining process automation and ERP software to boost efficiency at lower costs, which brings us repeatable business and huge expansion opportunities, all of which will boost solid and sustainable growth for the future.” Smart Manufacturing will become the main trend for 2014, Jacques reckons. “This means that besides innovating, we need to focus on being creative in implementing, as the number of existing IT programs seems endless while manufacturers have very similar needs: to serve their customers the best product at a fair price. What we need to do is obtain, or maintain, a crucial position in that process, putting us right at the heart of it.”



Intelligent technology as the basis for sustainable energy solutions

The energy sector is facing major challenges. As producers of green power gain market share, supply and demand in the industry will become less predictable. Increasing use of electrically powered cars, air-conditioning facilities and heat pumps will lead to an increased demand for electrical power. Apart from these higher volumes, peak levels will also become more extreme. The energy networks presently in place do not have enough capacity to satisfy this demand. In addition, sustainable sources of energy such as solar panels, wind turbines and micro cogeneration units are gaining increasing acceptance. Intelligent networks ('Smart Grids') will be essential to effectively manage these far-reaching changes in the energy sector and to facilitate a sustainable and reliable exploitation of energy sources. The primary driver at Energy is intelligence.

Marten van der Laan
Business Consultant Energy

foto: Hans Roggen

"If energy is not green, we're not making true progress."

Marten van der Laan, Business Consultant Energy, says: "Power plants that were built in the past will at some point no longer be profitable. The power production may only be in demand if the sun is not shining and there's no wind. This means that power plants will need to produce power much more flexibly. This requires a new business model and other ways of financing, addressing volatility with low and high volumes at different times of the day and night, and on-demand servicing." Part of the national power supply will be generated locally, by households, Aart Wegink, Sales Director at ICT Automatisering, adds. "As the supply of energy will always have its limitations, we need to find smart solutions. And if we manage to raise supply, we need to make sure it's green, or else we are not really making progress. At the same time, all energy supplies need to be reliable, and affordable. So there you have it: a quite challenging balancing act in an industry that is changing as we speak."

Stay focused

To achieve truly sustainable results, the ICT Energy Vertical needs to stay focused, serving two specific niche markets. Firstly we have the Smart Charging market, which is respondingto the rising popularity of electric vehicles (EVs) and where we work in close collaboration with Green Flux. Secondly there are Smart Grids, where we have gained a huge amount of know-how working on the PowerMatching project. We're set to launch new pilots soon and we are preparing for effective roll-outs in the near future." Marten adds that collaboration is very important here. "You need to team up with specialists with in-depth knowledge. As the popularity of EVs is set to surge even further, both full electric and plug-in, demand for power will be extreme at certain moments, especially when people come home, both in the home and outside depending on where cars are being charged. "It is possible that we will have regular outages, unless we come up with intelligent solutions. Smart Charging is the only way to ensure that networks can handle these new loads. Not only in streets but also in office environments and public places like parking areas."

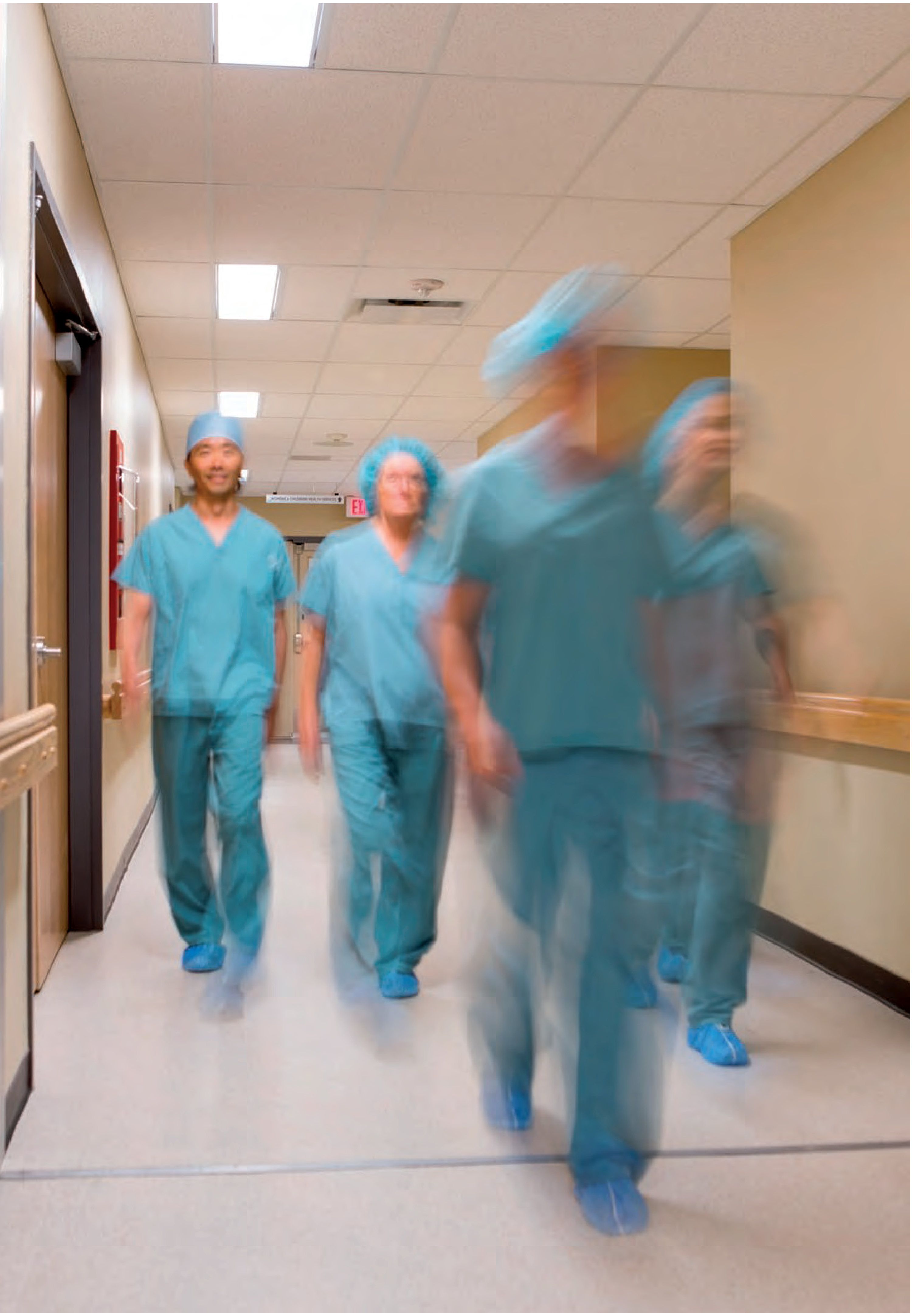
Marten stresses that the Energy Vertical must play a role in making energy flexibility a reality. "We have network capacity on the one side, which is still limited, but growing due to micro cogeneration. On the other side, we have extremely volatile demand. We need to find matches made in heaven here. This is about intelligence, about storing power when supply is huge and releasing it when demand rises. We could provide the solutions to this world of deficits and surpluses and make sure the costs of energy and network utilisation are optimal."

Smart Energy Services

ICT Automatisering's Smart Energy Service platform helps to monitor, control and balance energy production. The cloud-based infrastructure hosts several smart services like energy feedback, community services, in-home optimisation, energy management and demand response. A second, even more down-to-earth workflow is to spread demand for power over a broader period of time. "Via a digital timer," Aart explains, "we could charge vehicles at times during the night. Technology is not the problem here, people are. Consumers want to charge their own vehicles. They need to let that demand go. There are various ways to change this habit, for instance by offering gold and platinum subscription models. People need to make real choices, because capacity is limited. Together with Enexis and Greenflux, we are working on solutions to this problem. We need to charge in a smart way, or there won't be any charging at all."

The System Integrator

"For 2014," Marten summarises," we expect Smart Grids to move on from field tests to roll-outs. To respond to this, we have partnered with a consortium to develop a test-framework, which will start up in the course of the year. Moreover, energy communities will become more popular and we expect to realise the first commercial services, based on the Smart Energy Service Platform – for this market – very soon. Our Vertical will play the vital role of system integrator in the automation of the energy networks and incorporation of sustainable energy sources in the energy system. Our solutions are true solutions: they address real challenges and solve real problems. This makes our Vertical truly relevant, both in business and in society."



An efficient healthcare process through optimum control of IT processes

ICT Automatisering's Healthcare Vertical has been a successful provider of secondment services to clients in the health industry for many year. Without giving up secondments as a profitable business, the team has also started to acquire an increasing number of projects and services that offer more predictable results and above all added value. The Vertical now provides tailored software solutions, integration services, training and advice for suppliers of medical systems, healthcare institutions, diagnostics centres, clinics and academic organisations. New business will also be won in collaboration with InterSystems, the leading US-based data manager serving an extensive network of healthcare organisations with connected applications. The unit now manages mountains of data and translates them into efficient and smooth-running workflows for the generally expensive equipment in the industry. The primary driver in the Healthcare Vertical is "Better Care by optimising datamanagement and workflows in hospital departments.

Jan-Willem Doosje

Business Consultant Healthcare

Climbing the value chain

Business Development Manager Jan-Willem Doosje calls it "the most beautiful story within ICT Automatisering". Healthcare may be not yet be the largest Vertical within the Company, but the growth opportunities, the chances to expand globally as well as relevance within society, are huge. Once again, in line with other Verticals, Healthcare is expanding by setting limitations, in where to go and where not to go, and focusing on two specialties: Radiotherapy and pathology. "The big change came three years ago," Jan-Willem says. "We wanted to climb higher in the value chain by winning business beyond secondments. We saw that the health industry offers endless opportunities to stand out and grow. Hospitals work with so many different types of software and systems, and they all need to communicate with one another. Of course, this is a vitally important business, because it's is about people's health. And that is where we come in, connecting systems and infrastructures, making sure things work and data can be provided at any time."

Radiotherapy

Sales Director Aart Wegink adds that this idea gained even more pace when ICT Automatisering teamed up with InterSystems, which gives both companies a crucial increase in scale, both technically and geographically. A second significant breakthrough was when ICT extended efforts and services to the Radiation Oncology domain within the international foundation "Integrating the Healthcare Enterprise (IHE)". ICT has been active within IHE since the founding of the foundation in the Netherlands in 2004.

A third milestone was the strategic partnership with Massachusetts General Hospital in Boston, which radically expanded ICT's foothold in radiotherapy-related medical data exchange. Both the IHE seat and the Massachusetts win, made us very visible and helped us to win new clients and achieve our ambitious target to win two new hospitals every year."

Local global player

Jan-Willem seconds this: "The IHE contribution is helping us to become a global player in local and regional markets. We are now one of the parties that are helping to define standards in the radiotherapy industry that suppliers need to take into account. The knowledge we are gaining in the radiotherapy domain adds value for our customers and creates new business opportunities for us! We are becoming an authority in this niche market and it is a huge market. Radiology as a whole has thousands of parties offering all kinds of IT and automation solutions, but radiotherapy is much more complex. In the Netherlands, there are 23 institutes working on the treatment of cancer, while there are 2,000 in the US! And there are only a few suppliers, as machines and devices are extremely expensive and knowledge is very specialised."

"We're a true workflow optimiser bringing efficiency to utmost levels."

Aart adds that just one software license costs 200,000 to 300,000 dollars per year. "And one proton machine," he says, "costs 50 million dollars, and on top of that you need the building, licenses, maintenance and all the rest. Naturally this means we want to be on board throughout the process, delivering advice, selling the software, implementing it and updating it when needed. Massachusetts Hospital was an important assignment that we are extremely proud of. It helped us to build up a track record in a huge market. While in the past we used to deliver to suppliers, like Philips and Nucletron, we are working more and more for end-users in this sector."

Pathology

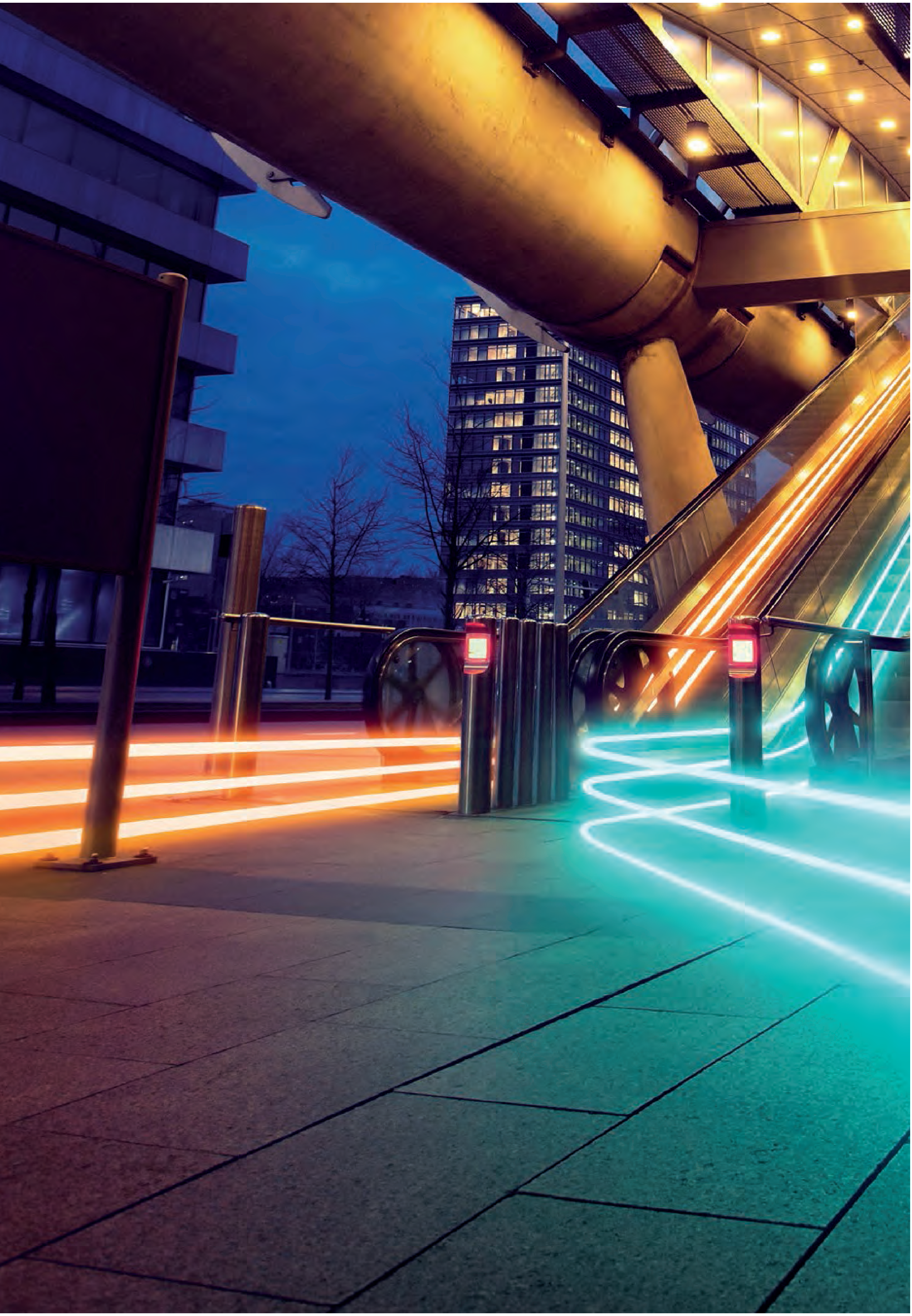
In the Healthcare Vertical's second niche market where it works with the PALGA Foundation, ICT helps Dutch pathologists to improve their structured reporting (synoptic reporting). " A while back," Jan-Willem says, "PALGA developed a system of central archiving for all reports generated by all pathology departments in the Netherlands. Part of the PALGA national solution is the PALGA Protocol Module (PPM). This system needed to be updated so it could support all Pathologists in the Netherlands more flexibly, to support the new protocols that are needed for good patient care, for example for the Dutch national colon screening. It was in urgent need of more user-friendliness and connectivity, through a model-based software solution." The Healthcare Vertical last year won the tender to address this need.

Delivering all protocols

Together with LogicNets, ICT's strategic partner in the US, ICT Automatisering delivered a web-based platform an expert system that makes it incredibly easy to record the clinical data of pathologists. "We demonstrated our Expert System in September 2013 at a congress attended by 80 pathologists," Aart says, "and we will start rolling out as from April 2014. Our next step will be working on delivering all protocols for the pathology sector, due to be managed by PALGA. This means we get admission to all the hospitals in the country, which feels like being allowed to go backstage after a great pop concert."

The Workflow Optimiser

Jan-Willem explains that where pathologists used to need eight minutes to fill in a protocol, this has been cut to 2.5 minutes thanks to the software delivered by ICT Automatisering. He stresses that by combining knowledge obtained in both niche markets, ICT Automatisering is becoming a true workflow optimiser taking efficiency to the very highest level. Combined with the traditional business of secondments, the Healthcare Vertical can deliver both the tools and the people. "The great thing of working for the Healthcare Vertical" he concludes, "is the fact that it generates so much goodwill because of its extreme social relevance. Also, targets are very clear and anything but modest." In the year ahead, the Vertical will continue extending services in radiation oncology and pathology. "We have a good track record in these niche domains," Aarts claims. "Our strength should be to repeat and improve the solutions built in these domains."



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. ICT's view on the provisions of the Dutch Corporate Governance Code, hereinafter referred to as the Code, is also outlined below. 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 2013, 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 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 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. These measures have 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 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:

a. the achievement of the Company objectives;
b. the strategy and risks associated with the Company's activities;
c. the setup and operation of internal risk management and related control systems;
d. the financial reporting process;
e. 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 Company's strategic, 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 have been published on the Company's website.

In accordance with the provisions of the law, members of the Supervisory Board are appointed by the General Meeting based on nominations by the Supervisory Board. The nominations are drawn up by the Supervisory Board once the General Meeting 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 business chamber of the Amsterdam Court of Appeal. In addition, the entire Supervisory Board shall resign in the event the General Meeting approves a motion of no confidence in 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

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

- the adoption of the financial statements, including the appropriation of profit;
- 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 treasury shares;
- the appointment of the external accountant;
- 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 has authorised the Company to issue preference shares to 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 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 Stichting has an independent board.

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. The remuneration policy of ICT 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 fulltime company secretary. 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 investment by members of the Supervisory Board or members of the Executive Board. Members of these Boards are already subject to general legislation and regulations and monitoring private investments is considered to be unnecessarily bureaucratic.

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 analysts 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 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 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 may resolve to issue shares. The General Meeting 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, may decide that the company will acquire treasury 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 11;
- the information required by virtue of article 10 of the Decree pertaining to the takeover guidelines: see this chapter and also page 106;
- the main features of internal risk management and control systems in connection with the group's financial reporting: see chapter 'Financial and Economic Risk Management and Internal Control';
- the description of the performance of the General Meeting 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.

Consolidated Financial Statements 2013

- 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 2013		2012	
Assets					
Non-current assets:					
Property, plant and equipment	7	1,162		1,396	
Goodwill	8	13,061		16,441	
			14,223		17,837
Current assets					
Trade and other receivables	10	22,493		22,822	
Income tax receivable		391		1,305	
Cash and cash equivalents	11	10,136		5,877	
			33,020		30,004
Total assets			**47,243**		47,841
Equity and liabilities					
Shareholders' equity	12				
Share capital		875		875	
Share premium		8,411		8,411	
Issued options		22		155	
Revaluation Reserve		-		1,398	
Retained earnings		21,989		25,654	
Result for the year		(1,095)		(5,327)	
Attributable to shareholders of ICT Automatisering N.V.		30,202		31,166	
Non-controlling interest		127		380	
			30,329		31,546
Non-current liabilities					
Deferred tax liabilities	9	602		-	
Provisions	14	-		648	
Share purchase liability	15	384		-	
Other non-current liabilities	16	-		125	
			986		773
Current liabilities	17				
Trade payables		1,493		1,877	
Other taxes and social security liabilities		5,946		5,047	
Other current liabilities		8,489		8,598	
			15,928		15,522
Total equity and liabilities			**47,243**		47,841

Consolidated statement of total comprehensive income

(x € 1,000)	Note	2013 Excluding exceptional Items*	2013 Exceptional items*	2013 Total	2012 Excluding exceptional Items*	2012 Exceptional items*	2012 Total
Net revenue	18	79,488	-	**79,488**	77,829	-	77,829
Cost of Materials and subcontractors		9,385	-	9,385	8,967	-	8,967
Employee benefit expenses	19	49,632	400	50,032	50,021	179	50,200
Depreciation and amortization	7	601	-	601	727	312	1,039
Impairment charges	8	-	3,380	3,380	-	3,500	3,500
Other operating expenses	25	14,974	980	15,954	16,402	2,148	18,550
Total operating expenses		74,592	4,760	79,352	76,117	6,139	82,256
Operating (loss) profit		4,896	(4,760)	**136**	1,712	(6,139)	(4,427)
Financial expenses	26	(11)	-	(11)	-	-	-
Financial income	26	-	-	-	61	477	538
Profit before taxation		4,885	(4,760)	125	1,773	(5,662)	(3,889)
Income tax expense	27	1,547	(345)	1,202	1,755	(441)	1,314
Net profit (loss)		3,338	(4,415)	**(1,077)**	18	(5,221)	(5,203)
Other comprehensive income (net of tax)		-	-	-	-	-	-
Total comprehensive income		3,338	(4,415)	**(1,077)**	18	(5,221)	(5,203)
Total comprehensive income attributable to:							
- Shareholders of ICT Automatisering N.V.				**(1,095)**			(5,327)
- Non-controlling interests				**18**			124
Earnings per share:							
Basic earnings per share (in €)	28			(0.13)			(0.61)
Diluted earnings per share (in €)	28			(0.13)			(0.61)
Dividend per share (in €)**				**0.15**			-

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

** Based on number of issued shares at year end 2013

There are no non-recyclable other comprehensive income items.

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 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	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	(5,327)	(5,327)	124	(5,203)
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**
1 January 2013	875	8,411	155	1,398	25,654	(5,327)	31,166	380	31,546
Net loss 2013	-	-	-	-	-	(1,095)	(1,095)	18	(1,077)
Other comprehensive income 2013	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	(1,095)	(1,095)	18	(1,077)
Dividends paid	-	-	-	-	-	-	-	(107)	(107)
Purchase 15% Improve	-	-	-	-	164	-	164	(164)	-
Release revaluation reserve	-	-	-	(1,398)	1,398	-	-	-	-
Exercised options	-	-	(133)	-	100	-	(33)	-	(33)
Allocation of the 2012 loss to the retained earnings	-	-	-	-	(5,327)	5,327	-	-	-
Balance at 31 December 2013	**875**	**8,411**	**22**	**-**	**21,989**	**(1,095)**	**30,202**	**127**	**30,329**

Consolidated statement of cash flows

According to the direct method

(x € 1,000)		2013		2012
Cash flow from operating activities				
Receipts from customers	96,623		92,815	
Payments to suppliers and employees	(91,746)		(91,540)	
		4,877		1,275
Interest received (paid)	(12)		61	
Income tax received (paid)	454		(1,810)	
		442		(1,749)
Net cash flow from operating activities		**5,319**		**(474)**
Investment activities				
Purchases of property, plant and equipment	(373)		(586)	
Divestment of Neustadt operations	-		(200)	
Purchase Improve	**(580)**		-	
Net cash flow from investment activities		**(953)**		**(786)**
Cash flow from financing activities				
Dividend paid to non-controlling interest	(107)		(164)	
Dividend paid to shareholders of ICT Automatisering N.V.	**-**		(787)	
Net cash flow from financing activities		**(107)**		**(951)**
Net cash flow		**4,259**		**(2,211)**
Cash at bank and in hand at 1 January	5,877		8,088	
Cash at bank and in hand at 31 December	10,136		5,877	
Increase / (decrease) cash and cash equivalents		**4,259**		**(2,211)**

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: +31 (0)88 908 2000
Telefax: +31 (0)88 908 2500

The consolidated financial statements of ICT Automatisering N.V. in Barendrecht for the year ended 31 December 2013 were authorized for issue by the Executive Board on 12 March 2014 and will be submitted for adoption to the General Meeting on 21 May 2014.

ICT Automatisering (ICT) provides high-quality technological solutions in the information and communication technology domain, particularly in these application areas (Verticals): Automotive, Logistics, Machine & Systems, Industrial Automation, Energy & Utilities and Healthcare. The Company is active in the Netherlands and in Germany. The solutions which ICT offers clients involve the secondment of experienced and highly educated staff, realizing system solutions on project basis and offering services to maintain ICT systems. Through participations, ICT is also active in Traffic & Transport and Testing.

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 2013.

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 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 2013. 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

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of ICT, except the following set out below:

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 2012 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 analysis, InTraffic will classify as a joint venture. As a result the Company's share in the gross assets and liabilities of the joint venture will be presented in one single line 'investments in joint ventures' resulting in a decrease of the balance sheet total (i.e. not proportionally consolidated). The Company's share in revenues and expenses will be presented in one single line item in the consolidated statement of comprehensive income. 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.

2.3 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 value 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 recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred by the Company is recognized at fair value at the acquisition date. Subsequent change to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized 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 recognized 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 recognized 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.

2.4 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. Since 2013 the change in segments as described in note 18 has also resulted in a change in the Company's cash generating units. The cash generating unit ICT Automatisering Nederland B.V. has been split into the cash generating units Industrial Automation, Logistics, Machine & Systems and Automotive Netherlands as of January 1, 2013. The cash generating unit ICT Software Engineering GmbH has been renamed in Automotive Germany. In connection with the change in segments the 2012 comparative disclosure has been adjusted to reflect the 2013 presentations.

2.5 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 recognized in the consolidated statement of total comprehensive income. Foreign exchange gains and losses are presented in the consolidated statement of total comprehensive income 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 recognized in other comprehensive income.

2.6 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 recognized 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 derecognized. All other repairs and maintenance are charged to the consolidated statement of total comprehensive income 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 2.8).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within 'Other operating expenses' in the consolidated statement of total comprehensive income.

2.7 Intangible assets

Goodwill

Since 2013 the change in segments as described in note 18 has led to a change in cash generating units ("CGUs"). The CGU ICT Automatisering Nederland B.V. as per December 31, 2012 has been divided into the CGUs Industrial Automation, Logistics, Machine & Systems and Automotive Netherlands as of January 1, 2013. The cash generating unit ICT Software Engineering GmbH has been renamed in Automotive Germany.

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 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 recognized immediately as an expense and is not subsequently reversed.

2.8 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 recognized 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.

2.9 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 recognized at fair value plus transaction costs and are subsequently carried at amortised cost using the effective interest method. Loans and receivables are derecognized 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.

2.10 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 recognized in the consolidated statement of total comprehensive income.

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 recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the consolidated statement of total comprehensive income.

2.11 Trade and other receivables

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

2.12 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.

2.13 Share capital

Equity instruments that 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.

2.14 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.

2.15 Share purchase liability

The share purchase liability represents the liability to acquire the remaining 10% (2012: 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 consolidated statement of total comprehensive income, under financial income or financial expenses.

2.16 Current and deferred income tax

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

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

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.

2.17 Employee benefits

Pension obligations

Until 2012 the Company operated various pension schemes. The schemes were generally funded through payments to insurance companies or trustee-administered funds. Until 2012 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 recognized 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 recognized 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 amortized 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 recognized as employee benefit expense when they are due. Prepaid contributions are recognized 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 disclosed in note 13.

With effect from 1 January 2013 all pension of the Company are qualified as defined contribution plans. For these plans the Company has no other obligations than to pay a contribution into a separate entity. The group 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.

2.18 Provisions

Provisions are recognized 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 recognized 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 recognizes 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.

2.19 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 consolidated statement of total comprehensive income 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.

2.20 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 recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.21 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 recognizes 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 recognized 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 recognized 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 recognized as an expense immediately.

When the outcome of a project cannot be estimated reliably, project revenue is recognized only to the extent of project costs incurred that are likely to be recoverable. Warranty and project losses are recognized 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 recognized profits (less recognized losses) exceed progress billings; a project represents a liability where the opposite is the case.

2.22 Operating expenses

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

2.23 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.

2.24 Interest income

Interest income is recognized 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 recognized using the original effective interest rate.

2.25 Dividend income

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

2.26 Dividend distribution

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

2.27 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. The free cash flow projections and key assumptions are subject to risks and uncertainties that could cause future results to differ materially from current expectations. Our productivity, FTE and tariff growth rates are primarily driven by market demand which could be impacted by a deterioration in macro-economic conditions or lower demand from our clients. Additionally, the assumptions four the discount rate are based on those for comparable companies and are subject to market conditions. Changes in these measures could have an impact on the value in use of the CGUs. Refer to note 8 for information on goodwill impairment test and assumptions used.

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.

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 lower than 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 11% 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 low 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 (2012: € 2 million) and was unused per year-end 2013 and 2012. The committed facility matures mid 2015. The risk of liabilities not being payable from liquid assets in the short term is considered minor, because the current assets are approximately twice as high as the current liabilities. During 2013 the Company complied with its bank covenants requirements concerning 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:

Financial liabilities	31 December 2013		
(x € 1,000)	Less than 3 months	3 months to 1 year	2-5 years
Trade payables	1,493	-	-
Other taxes and social security liabilities	-	5,946	-
Other liabilities	-	6,257	-
Accruals and deferred income	-	2,232	-
Total	**1,493**	**14,435**	-

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**	-

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 Company strives to retain sound solvency and liquidity levels.

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.

2013

Overview of exceptional items (pre-tax)

(x € 1,000)	**2013**
Termination benefit former CEO	(400)
Goodwill impairment	(3,380)
Costs of investigations into potential strategic combinations	(980)
Total	**(4,760)**

Impact of exceptional items on taxes

(x € 1,000)	**2013**
Current profit tax	(345)
Deferred taxes	-
Total	**(345)**

Termination benefit former CEO

The former Chief Executive Officer (CEO) of ICT Automatisering, stepped down as CEO of ICT per 17 November 2013. The exceptional item concerns the costs related to the termination benefit.

Goodwill impairment

The goodwill related to Improve has been impaired (€ 3.4 million), as a consequence of continuing weak market developments and their effects on forecasted results. For details on the impairment analysis, refer to note 8.

2012

Overview of exceptional items (pre-tax)

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

Impact of exceptional items on taxes

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

6 Interest in joint venture

Joint venture in InTraffic

ICT Automatisering N.V. has a 50% interest in InTraffic, an entity set up in 2003 and 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 2013, as proportionally consolidated in the Company's consolidated financial statements, is as follows.

(x € 1,000)		2013		2012
Fixed assets	227		254	
Current assets	2,447		2,567	
		2,674		2,821
Current liabilities		(959)		(1,226)
Shareholders’ equity		1,715		1,595
Revenue		6,874		6,705
Costs		6,574		6,510
Net profit after taxation		277		157

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 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
Net book value as at 1 January 2013	**1,077**	**319**	**1,396**
Movements in cost			
Investments	226	147	373
Disposals	(1,465)	(517)	(1,982)
Total movements in cost	(1,239)	(370)	(1,609)
Movements in depreciation			
Disposals	1,455	521	1,976
Depreciation	(424)	(177)	(601)
Total movements in depreciation	1,031	344	1,375
Net book value as at 31 December 2013	**869**	**293**	**1,162**
Total cost as at 31 December 2013	3,189	1,793	4,982
Total accumulated depreciation and impairments	(2,320)	(1,500)	(3,820)
Net book value as at 31 December 2013	**869**	**293**	**1,162**

8 Goodwill

The movements in goodwill can be summarised as follows:

(x € 1,000)	2013	2012
Total cost as at 1 January	30,091	30,368
Total accumulated impairment at 1 January	(13,650)	(10,150)
Net book value as at 1 January	16,441	20,218
Movements:		
Acquisitions	-	-
Impairment charges	(3,380)	(3,500)
Disposals	-	(277)
Total movements	(3,380)	(3,777)
Total cost as at 31 December	30,091	30,091
Total accumulated impairment as at 31 December	(17,030)	(13,650)
Net book value as at 31 December	13,061	16,441

Since 2013 the change in operating segments as described in note 18 has led to a change in CGUs. CGU ICT Automatisering Nederland B.V. has been divided into Industrial Automation, Logistics, Machine & Systems and Automotive Netherlands. The prior year CGU ICT Software Engineering GmbH has been renamed in Automotive Germany.
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 goodwill allocated as at 31 December 2013:

(x € 1,000)	2013	2012
Automotive Netherlands	885	885
Automotive Germany	980	980
Industrial Automation	7,807	7,807
Improve	3,389	6,769
Total	13,061	16,441

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 2014 as first year. Cash flows beyond 2018 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 post-tax discount rate used amounts to 12.5% (2012: 12.3%) for the CGU's Automotive Netherlands, Automotive Germany and Industrial Automation and for the CGU Improve to 13.8% (2012: 12.3%).

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-year forecast period) per CGU used for the value-in-use calculations are as follows:

	Automotive Netherlands	Automotive Germany	Industrial Automation	Improve
Management forecast period (5 years)				
Productivity rate	69.8%	65.0%	68.9%	68.0%
FTE growth rate	2.1%	1.7%	2.6%	2.9%
Tariff growth rate	0.8%	1.9%	1.8%	2.4%
Extrapolated period				
Growth rate	1%	1%	1%	1%

Impairment analysis results

The carrying value and headroom per CGU (after goodwill impairment) can be summarised as follows:

(x € 1 million)	Carrying value	Value in use	Headroom
Automotive Netherlands	1.3	2.7	1.4
Automotive Germany	3.3	3.5	0.2
Industrial Automation	8.9	12.2	3.3
Improve	3.8	3.8	-

The impairment analysis in 2013 resulted in an impairment for 1 CGU, Improve (€ 3,380 thousand). This impairment was primarily driven by deterioration in results and outlook for this CGU.

Sensitivity analysis

The impairment analysis for the goodwill allocated to Automotive Netherlands, Automotive Germany and Industrial Automation shows headroom between the CGUs recoverable amount and its carrying amount according to the table mentioned above. The goodwill allocated to Improve has been impaired to its recoverable amount and therefore any negative change in assumptions would lead to an additional impairment. A reasonably possible change in assumptions would have resulted in a headroom of nil for the CGUs mentioned below:

	% point change		
	Automotive Netherlands	Automotive Germany	Industrial Automation
Management forecast period (5 years)			
Productivity rate	-2.5	-0.1	-2.3
FTE growth rate	-3.3	-0.2	-2.9
Tariff growth rate	-0.9	-0.1	-0.9
Discount rate	12.8	0.5	4.1
Extrapolated period			
Growth rate	-75.0	-1.0	-8.2

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		Total
(x € 1,000)	Carry-forward losses	Pension position	Trade and other receivables	Loan to subsidiaries	
Balance as at 1 January 2012	717	166	(16)	-	867
Movements 2012:					
Charged to the income statement:					
Gain / (loss)	(717)	(166)	16	-	(867)
Balance as at 31 December 2012	-	-	-	-	-
Movements 2013:					
Charged to the balance sheet:					
Loan to subsidiaries	-	-	-	(602)	(602)
Charged to the income statement:					
Gain / (loss)	-	-	-	-	-
Balance as at 31 December 2013	-	-	-	(602)	(602)

Deferred income tax assets are recognized for carry-forward losses for ICT Germany 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 € 3.1 million (2012: € 2.7 million) in respect of losses amounting to approximately € 10.4 million (2012: € 9.0 million) that can be carried forward against future taxable income. The unrecognized losses do not expire.

10 Trade and other receivables

(x € 1,000)	**2013**	2012
Trade receivables (gross)	**14,213**	13,597
Less: provision for doubtful receivables	**(29)**	(858)
Trade receivables (net)	**14,184**	12,739
Revenue to be invoiced	**6,558**	8,424
Other receivables	**1,054**	1,346
Prepayments and accrued income	**697**	313
	22,493	22,822

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. Revenues to be invoiced also include fixed price projects (net of any current warranty and project related accruals).

The movement of the provision for doubtful receivables is as follows:

(x € 1,000)	**2013**	2012
Balance as at 1 January	**858**	858
Provisions	**-**	180
Written off against the provision	**(829)**	(180)
Balance as at 31 December	**29**	858

The provision for doubtful receivables primarily relates to customers who are in default and customers who are currently experiencing liquidity difficulties. The addition and release of provisions have been included in 'other operating expenses' in the consolidated statement of total comprehensive income.

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
2013						
- Trade receivables	14,184	11,322	305	1,266	911	380
- Revenue to be invoiced	6,558	6,558	-	-	-	-
- Other receivables	1,054	1,054	-	-	-	-
Total	21,796	18,934	305	1,266	911	380
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

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 2012	8,747,544	875	-	8,411	9,286
- Shares issued	-	-	-	-	-
At 31 December 2012	8,747,544	875	-	8,411	9,286
- Shares issued	-	-	-	-	-
At 31 December 2013	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 (2012: 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 2013 the Company did not have any own treasury shares in portfolio (2012: nil). No treasury shares were redeemed at year-end 2013 and 2012.

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 was based on accrued pension benefits. The retirement benefits that the participants receive under this plan was 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 had 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. Consequently, only the post-employment benefits expenses have been disclosed below. Therefore, other disclosures as presented in the 2012 financial statements have not been presented.

Per 1 January 2013 the employees hired up to 1 January 2008 participate in a defined contribution plan on the basis of average pay scheme 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 on a average pay scheme system.

Per 1 January 2013 the employees hired since 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 on an agreed-upon scale.

The post-employment benefits expenses recognized in the consolidated statement of total comprehensive income are as follows:

(x € 1,000)		**2013**		2012
Pension costs of defined benefit plans				
Pension costs	-		1,315	
Release pension liability	-		(663)	
Employee Contributions	-		(651)	
		-		1
Pension costs of defined contribution plans				
Pension costs	2,296		590	
Employee Contributions	(773)		(117)	
		1,523		473
Pension costs		1,523		474

14 Provisions

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

(x € 1,000)	2013 Onerous contracts	2013 Restructuring	2013 Total	2012 Onerous contracts	2012 Restructuring	2012 Total
Balance as at 1 January	1,408	842	2,250	-	-	-
Additions	-	495	495	1,408	842	2,250
Used during year	(688)	(842)	(1,530)	-	-	-
Balance as at 31 December	**720**	**495**	**1,215**	1,408	842	2,250
Of which:						
Non-current	-	-	-	648	-	648
Current	720	495	1,215	760	842	1,602
Total balance	**720**	**495**	**1,215**	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 and benefits related to the provisions are recognized under the 'Other operating expenses'. The remaining term of the onerous lease contract is 12 months (year-end of 2012: 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 finalized during 2013. The employees concerned were informed about these restructurings before the year-end of 2012.
The additions in 2013 to the restructuring provision concerns the termination benefit of the former Chief Executive Officer (CEO) of ICT Automatisering, who stepped down as CEO per 17 November 2013 and redundancy of a number of employees at year-end of 2013, finalizing in the beginning of 2014.
The current portion of this provision is recognized under the 'Accruals and deferred income'.

15 Share purchase liability

Share purchase liability

Although the initial contract stipulated that all remaining 25% of Improve shares should be acquired on 1 January 2013, the contract was amended in order to allow the acquisition of the remaining shares.
On 1 January 2013, 15% instead of the remaining 25% of Improve has been acquired for the purchase price of € 580,000. The remaining 10% of the shares can be acquired on 1 January 2015 by means of an option right.
Year-end 2013 the fair value of the remaining 10% is estimated at € 384,000.

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 of the remaining 10% of the shares is dependent on the estimated profit of Improve in 2014. In the determination of the fair value also observable market information is considered.

Year-end 2013 re-measuring the fair value of the liability concerning the share purchase of the remaining 10% leads to the same amount as at year-end 2012. Year-end 2012 the fair value of the share purchase liability for the remaining 25% of Improve was re-measured to € 964,000. The gain of € 477,000 on this fair value re-measurement is recognized within financial income in 2012.

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 consolidated statement of total comprehensive income to recognise the operating lease expenses on a straight-line basis. The non-current remaining amount of the advance payment is nil (2012: € 125,000), the current remaining amount is € 125,000 (2012: € 200,000).

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 2013 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 2013**	31 December 2012
Trade payables	1,493	1,877
Other taxes and social security liabilities	5,946	5,047
Pensions	101	-
Other liabilities	6,156	6,988
Accruals and deferred income	2,232	1,610
Total	15,928	15,522

The other liabilities include outstanding costs to be paid to suppliers and employees.

Per 31 December 2012 the other liabilities also contained the current portion of the liability for acquiring the last 25% shares of Improve on 1 January 2013 for the amount of € 964,000. Per 31 December 2013 the amended contract in order to allow the acquisition of the remaining 10% shares per 1 January 2015 is recognized in other non-current liabilities for an amount of € 384,000.

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. Since 2013 the Executive Board reviews the business from a Vertical perspective.

Change in segment definition

In 2012 and before, 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 in particular.

In connection with the change in segments the 2012 comparative disclosure has been adjusted to reflect the 2013 presentations.

Since January 1, 2013 the Company's activities have been divided into 5 segments, Automotive, Logistics, Industrial Automation, Machine & Systems (including Healthcare and Energy) and the subsidiary Improve.

The segmentation of the Verticals and the other companies is as follows, where "Other" in the table consists of ICT Automatisering N.V., InTraffic and Inter-segment eliminations.

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

2013

(x € 1,000)	Automotive	Logistics	Industrial Automation	Machine & Systems	Improve	Other	Consolidated
Revenue:							
From clients	19,149	9,319	14,592	26,396	3,158	6,874	79,488
Inter-segment	-	-	-	1,833	-	(1,833)	-
Total revenue	19,149	9,319	14,592	28,229	3,158	5,041	79,488
Operating expenses directly attributable to the operating segments	14,470	6,557	10,940	19,751	2,140	3,848	57,706
Segment Gross profit	4,679	2,762	3,652	8,478	1,018	1,193	21,782
Allocated amortization and depreciation	201	55	80	177	7	81	601
Allocated operating expenses	5,089	1,693	2,686	5,222	798	797	16,285
Operating (loss) profit (excl. exceptional items)	(611)	1,014	886	3,079	213	315	4,896
Financial expenses							(11)
Financial income							-
Profit before taxation (excl. exceptional items)							4,885
Exceptional items*							(4,760)
Profit before taxation (incl. exceptional items)							125
Income tax expense							1,202
Net Profit (loss)							(1,077)
Segment Assets							
- allocated	-	-	-	-	5,218	-	5,218
- not allocated	-	-	-	-	-	-	42,025
	-	-	-	-	5,218	-	47,243
Segment Liabilities							
- allocated	-	-	-	-	555	-	555
- not allocated	-	-	-	-	-	-	16,359
	-	-	-	-	555	-	16,914
Other notes							
Investments in non-current assets							
- allocated	-	-	-	-	10	-	10
- not allocated	-	-	-	-	-	-	363
	-	-	-	-	10	-	373
Average number of employees	189	83	128	282	27	50	759

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

There are no separate balance sheets available for the Verticals Automotive, Logistics, Industrial Automation and Machine & Systems and therefore this information has not been reflected above.

2012 (Adjusted)

(x € 1,000)	Automotive	Logistics	Industrial Automation	Machine & Systems	Improve	Other	Consolidated
Revenue:							
From clients	20,220	8,466	13,383	25,561	3,494	6,705	77,829
Inter-segment	652	-	-	1,806	-	(2,458)	-
Total revenue	20,872	8,466	13,383	27,367	3,494	4,247	77,829
Operating expenses directly attributable to the operating segments	16,752	6,452	9,568	19,041	2,240	2,806	56,859
Segment Gross profit	4,120	2,014	3,815	8,326	1,254	1,441	20,970
Allocated amortization and depreciation	252	68	98	228	7	74	727
Allocated operating expenses	5,933	1,748	2,686	5,854	822	1,488	18,531
Operating (loss) profit (excl. exceptional items)	(2,065)	198	1,031	2,244	425	(121)	1,712
Financial expenses							-
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							
- allocated	-	-	-	-	8,757	-	8,757
- not allocated	-	-	-	-	-	-	39,084
	-	-	-	-	8,757	-	47,841
Segment Liabilities							
- allocated	-	-	-	-	468	-	468
- not allocated	-	-	-	-	-	-	15,827
	-	-	-	-	468	-	16,295
Other notes							
Investments in non-current assets							
- allocated	-	-	-	-	7	-	7
- not allocated	-	-	-	-	-	-	579
	-	-	-	-	7	-	586
Average number of employees	213	85	126	277	27	50	778

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

There are no separate balance sheets available for the Verticals Automotive, Logistics, Industrial Automation, Machine & Systems and Other and therefore this information has not been reflected above.

19 Employee benefit expenses

Employee costs can be broken down as follows:

(x € 1,000)	2013 Excluding exceptional Items*	2013 Exceptional items*	2013 Total	2012 Excluding exceptional Items*	2012 Exceptional items*	2012 Total
Salaries	41,636	400	42,036	42,464	842	43,306
Social security charges	6,473	-	6,473	6,420	-	6,420
Pension expenses	1,523	-	1,523	1,137	(663)	474
	49,632	400	50,032	50,021	179	50,200

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

In 2013, the exceptional items concern the termination benefits of the former CEO. In 2012, the exceptional items concern the restructuring in Germany and the Netherlands for the amount of € 842,000 and the pension liability release for the amount of € 663,000 as a consequence of the curtailment and the settlement of the defined benefit pension plan.

The average number of staff employed by ICT Automatisering N.V. and its group companies in 2013, in full time equivalents was 759 (2012: 778). Of these employees, 146 were employed outside the Netherlands (2012: 161).

20 Options held by the former Executive Board and employees

Share based payments

The outstanding options at year-end 2013 and 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.

2013

	Exercise price in €	Outstanding options at 31-12-2012	New granted options	Lapsed unexercised options	Exercised options in 2013	Outstanding and exercisable options at 31-12-2013	Maximum remaining execution time (in years)
Former members of the Executive Board							
Option tranches							
13-Mar-08	9.20	40,000	-	40,000	-	-	-
12-Mar-09	2.43	40,000	-	-	20,000	20,000	0.2
30-Aug-10	4.15	20,000	-	-	-	20,000	1.7
		100,000	-	40,000	20,000	40,000	
Employees' options							
Option tranches							
02-Jan-08	10.55 *)	25,000	-	25,000	-	-	-
Total options		125,000	-	65,000	20,000	40,000	

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

The 20,000 exercised options in 2013 had an exercise price of € 2.43. The share price on which the option is exercised amounted to € 4.10 per share.

2012

	Exercise price in €		Outstanding options at 31-12-2011	New granted options	Lapsed unexercised options	Exercised options in 2012	Outstanding and exercisable options at 31-12-2012	Maximum remaining execution time (in years)
Former members of the Executive Board								
Option tranches								
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	
Employees' options								
Option tranches								
02-Jan-08	10.55	*)	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.

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 and the Executive Board in 2013 and 2012 is as follows:

2013

	Short-term benefits					
	Salary	Bonus	Termination benefit	Share-based compensation	Other and long-term benefits	Total
Members of the Supervisory Board						
Th. J. van der Raadt (chairman)	35,000	-	-	-	-	35,000
F.J. Fröschl	25,000	-	-	-	-	25,000
D. Luthra	31,000	-	-	-	-	31,000
J.A. Sinoo	31,000	-	-	-	-	31,000
	122,000	-	-	-	-	122,000
(Former) members of the Executive Board						
J. H. Blejie *)	30,000	-	-	-	-	30,000
C.A.G. D'Agnolo **)	330,000	100,000	400,000	-	-	830,000
	360,000	100,000	400,000	-	-	860,000
Total	482,000	100,000	400,000	-	-	982,000

*) Mr. Blejie became a member of the Executive Board on 1 December 2013.

**) Mr. D'Agnolo stepped down as CEO per 17 November 2013

The employee benefits expenses 2013 include the recognition of the Dutch crisis tax of 16% for remunerations above € 150,000. The total amounts to € 17,000.

The bonus paid to the former CEO is based on the targets set in a Balanced Scorecard and Long Term Incentive and achieved in 2013.

2012

	Short-term benefits					
	Salary	Bonus	Termination benefit	Share-based compensation	Other and long-term benefits	Total
(Former) members of the Supervisory Board						
Th. J. van der Raadt (chairman)	35,000	-	-	-	-	35,000
F.J. Fröschl	25,000	-	-	-	-	25,000
B. F. Kostwinder*)	14,000	-	-	-	-	14,000
D. Luthra*)	19,000	-	-	-	-	19,000
J.A. Sinoo	31,000	-	-	-	-	31,000
	124,000	-	-	-	-	124,000
(Former) members of the Executive Board						
C.A.G. D'Agnolo	360,000	15,000	-	-	-	375,000
	360,000	15,000	-	-	-	375,000
Total	484,000	15,000	-	-	-	499,000

*) Mr. Luthra was appointed as a member of the Supervisory Board at the General Shareholders Meeting of 2012 where Mr. Kostwinder officially resigned.

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.

The bonus paid to the former CEO is based on targets set in a Balanced Scorecard that were met in 2012.

Key Management

Key management includes the directors (executive and non-executive) and the members of the Supervisory Board of ICT Automatisering N.V., ICT Automatisering Netherlands B.V. and ICT Software Engineering GmbH. The compensation paid or payable to key management for employee services is shown below:

(x € 1,000)	**2013**	2012
Salaries and other short-term employee benefits	1,051	1,043
Bonus	274	125
Termination benefits	400	-
Post-employment benefits	35	48
Other long-term benefits	-	-
Share-based payments	-	-
Total	1,760	1,216

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

The shares held at the year-end by members of the Executive Board can be specified as follows:

	Number held at 31.12.2013	Number held at 31.12.2012
(Former) member of the Executive Board		
J. Blejie *)	-	n/a
C.A.G. D' Agnolo **)	**)	17,700

*) Mr. Blejie became a member of the Executive Board on 1 December 2013.

**) Mr. D'Agnolo stepped down on 17 November 2013. Post stepping down, the former members of the Board no longer have to meet the notification requirement of the Securities Transactions Supervision Act.

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

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

Executive Board

Mr. Blejie, a member of the Board since December 2013, does not have options in ICT Automatisering N.V. In 2013, just as in 2012, Mr. C.A.G. D'Agnolo did not have options in ICT Automatisering N.V.

Supervisory Board

The members of the Supervisory Board did not have options in 2013 and 2012.

24 Loans to members of the Executive Board and Supervisory Board

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

25 Other operating expenses

The other operating expenses can be broken down as follows:

			2013			2012
(x € 1,000)	Excluding exceptional Items*	Exceptional items*	**Total**	Excluding exceptional Items*	Exceptional items*	Total
Car cost and travel cost	6,506	-	6,506	6,810	-	6,810
Accommodation	2,128	-	2,128	2,570	1,823	4,393
Other costs	6,340	980	7,320	7,022	325	7,347
	14,974	980	15,954	16,402	2,148	18,550

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

In 2013 the exceptional items concern costs of investigations into potential strategic combinations. In 2012 the exceptional items concern the expenses related to onerous contracts (€ 1,823 thousand) and the payment to ATS for the divestment of Neustadt operations (€ 325 thousand).

26 Financial income and expenses

In 2013 the financial expenses comprises the paid bank costs. In 2012 the financial income comprises received bank interest and the fair value movement for the Share purchase liability.

27 Income tax expenses

The tax burden can be broken down as follows:

(x € 1,000)	2013	2012
Result before taxation	125	(3,889)
Specification of the tax amount:		
Profit tax based on prevailing rate, in the Netherlands 25.0% (2012: 25.0%)	31	(972)
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	(70)	(138)
Effect of rates differences in foreign regimes	(79)	(268)
Non-deductible impairment loss tax	845	1,057
Unrecognized carry-forward tax losses	475	1,635
Total tax charge	1,202	1,314
Effective tax burden	962%	(34%)

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

(x € 1,000)	2013	2012
Current profit tax	1,202	447
Movement in deferred taxes	-	867
Total tax charge	1,202	1,314

The weighted average statutory tax-rates is 25.6% (2012: 26.8%).

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:

	2013	2012
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	€ 877	€ 4,008
Weighted average number of outstanding ordinary shares for calculating the effect of dilution	8,747,544	8,747,544
Net loss attributable to shareholders	(€ 1,095,000)	(€ 5,327,000)

	2013	2012
Profit / (loss) per ordinary share in €	(0.13)	(0.61)
Profit / (loss) per ordinary share in € bearing in mind any effect of dilution	(0.13)	(0.61)

The total dilution effect amounts to € 877 in total (per share – € 0.0001) 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 (2013: € 3.74 and 2012: € 2.91). Year-end 2013, 20,000 options with an exercise price of € 2.43 were in the money. Year-end 2012, 40,000 options with an exercise price of € 2.43 were in the money.

29 Auditor's fees

	2013			2012		
	Deloitte Accountants B.V.	**Deloitte Network**	**Total**	Deloitte Accountants B.V.	Deloitte Network	Total
Audit of the financial statements	95,000	30,000	125,000	65,000	30,000	95,000
Other audit procedures	-	15,000	15,000	55,160	11,255	66,415
Tax services	-	2,500	2,500	-	6,000	6,000
Other non-audit services	-	-	-	4,000	26,553	30,553
	95,000	47,500	142,500	124,160	73,808	197,968

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 (2012: € 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 (2012: € 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 (2012: € 0.8 million). These guarantees were provided in connection with current rental and client commitments.

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)	**2013**	2012
No later than 1 year	**1,580**	1,500
Later than 1 year and no later than 5 years	**2,710**	5,500
Later than 5 years	**820**	960
Total	**5,110**	7,960

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)	**2013**	2012*)
No later than 1 year	**3,640**	3,600
Later than 1 year and no later than 5 years	**4,680**	4,600
Later than 5 years	**-**	-
Total	**8,320**	8,200

*) The amount for 2012 has been adjusted.

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 entity

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%
Rijnmond Distribution Services B.V.	Rotterdam	100%
Improve Quality Service B.V.	Waalre	90%
ICT Poland Sp. z o.o.	Gdansk	100%

During 2013 ICT Software Engineering Südwest GmbH, ICT Infotainment GmbH, ICT Software Engineering Nord GmbH have been merged into ICT Software Engineering GmbH (Germany).

Joint venture companies

InTraffic B.V.	Utrecht	50%

Other related parties

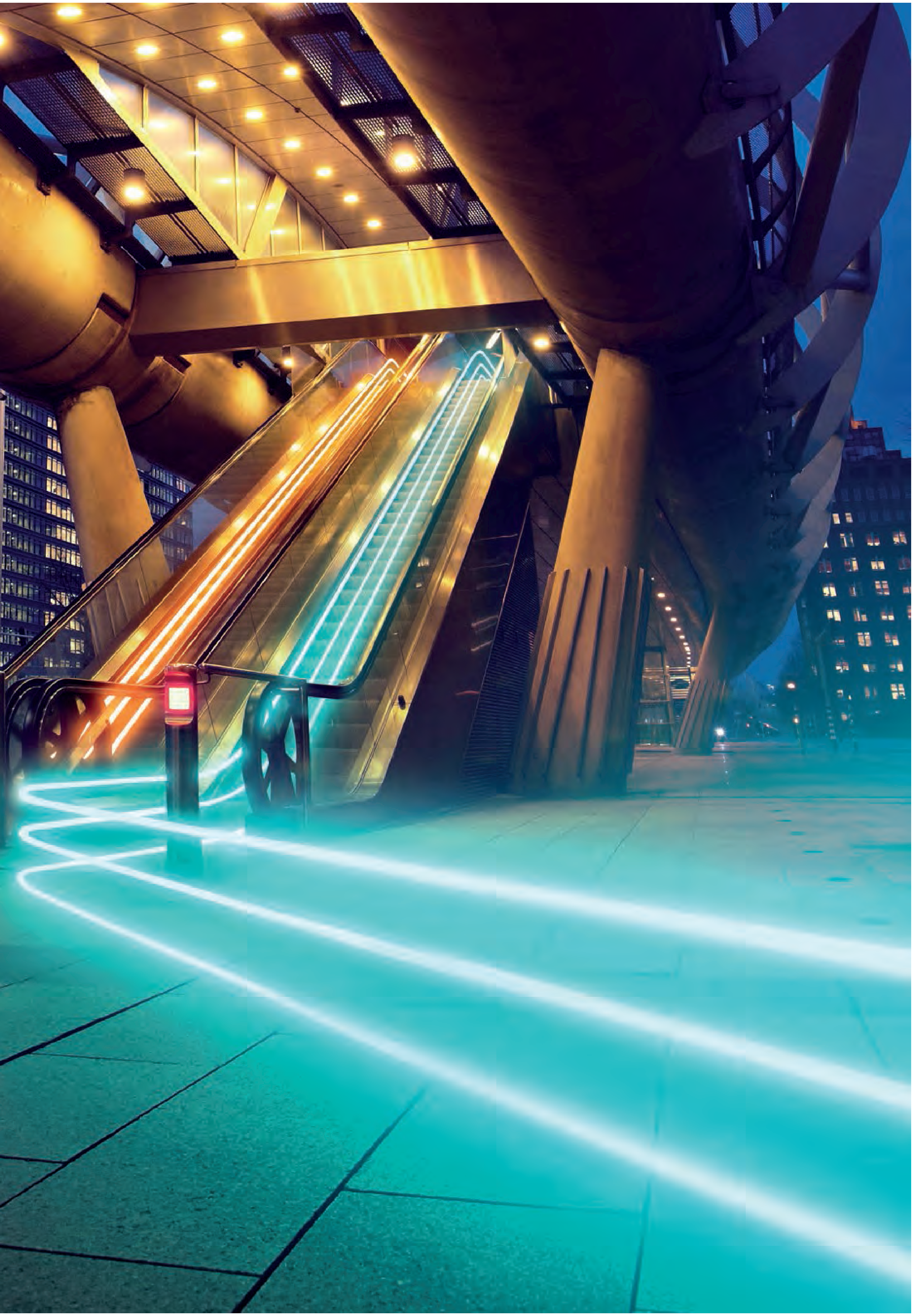
Stichting Administratiekantoor ICT
Stichting Personeelsoptieplan ICT

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	**2013**	2012
Sales to related parties	1,833	1,806
Purchases from related parties	-	-
Receivables from related parties	197	399
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 management of the group refer to notes 21, 22 and 23.



Company Financial Statements 2013

Company balance sheet as at 31 December

(before profit appropriation)

(x € 1,000)	note		2013		2012
Assets					
Non-current assets					
Property, plant and equipment	2	770		827	
Goodwill	3	12,081		15,461	
Financial assets	4	28,937		25,975	
			41,788		42,263
Current assets					
Receivables	5	1,236		3,022	
Cash and cash equivalents		1,433		-	
			2,669		3,022
			44,457		45,285
Equity and liabilities					
Shareholders' equity	6				
Issued share capital		875		875	
Share premium		8,411		8,411	
Revaluation Reserve		-		1,398	
Retained earnings		22,011		25,809	
Profit (loss) for the year		(1,095)		(5,327)	
			30,202		31,166
Provisions	7		-		648
Non-current liabilities	8		986		125
Current liabilities	9		13,269		13,346
			44,457		45,285

Company income statement

(x € 1,000)	note	2013	2012
Share of profit of investments after tax	4	3,040	(2,418)
Other income and expense after tax		(4,135)	(2,909)
Loss of the year	6	(1,095)	(5,327)

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.

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 recognized 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.

1.4 Comparative Financial Statements

The amounts due from the Company's German subsidiary are deemed to be of a long-term nature and are as such classified as part of the financial assets. For this reason the 2012 comparative figures have been adjusted. This has resulted in a reclassification from group companies to financial assets of € 4,551 thousand, receivables of minus € 9,840 thousand and provisions of minus € 5,289 thousand.

2 Property, plant and equipment

The following overview shows movements in the assets included under this balance item during 2013 and 2012:

(x € 1,000)	Computer equipment	Other fixed assets	Total
Total cost as at 1 January 2012	2,490	730	3,220
Total accumulated depreciation and impairments	(1,867)	(628)	(2,495)
Net book value as at 1 January 2012	**623**	**102**	**725**
Movements in cost			
Investments	307	91	398
Disposals	(27)	(40)	(67)
Total movements in cost	280	51	331
Movements in depreciation			
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**
Total cost as at 31 December 2012	2,770	781	3,551
Total accumulated depreciation and impairments	(2,078)	(646)	(2,724)
Net book value as at 31 December 2012	692	135	827
Net book value as at 1 January 2013	**692**	**135**	**827**
Movements in cost			
Investments	202	76	278
Disposals	(1,392)	(503)	(1,895)
Total movements in cost	(1,190)	(427)	(1,617)
Movements in depreciation			
Disposals	1,392	503	1,895
Depreciation	(286)	(49)	(335)
Total movements in depreciation	1,106	454	1,560
Net book value as at 31 December 2013	**608**	**162**	**770**
Total cost as at 31 December 2013	1,580	354	1,934
Total accumulated depreciation and impairments	(972)	(192)	(1,164)
Net book value as at 31 December 2013	**608**	**162**	**770**

3 Goodwill

The movement in goodwill is as follows:

(x € 1,000)	2013	2012
At 1 January		
Cost	16,961	16,961
Accumulated impairment	(1,500)	-
Net book value	15,461	16,961
Movements in book value		
Impairment	(3,380)	(1,500)
	(3,380)	(1,500)
At 31 December		
Cost	16,961	16,961
Accumulated impairment	(4,880)	(1,500)
Net book value	12,081	15,461

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

For the annual impairment test, this goodwill is allocated to the relevant cash-generating units.

(x € 1,000)	2013	2012 (Restated)
Industrial Automation	7,807	7,807
Automotive Netherlands	885	885
Improve	3,389	6,769
	12,081	15,461

4 Financial assets

Movement in the net asset value is as follows:

(x € 1,000)	2013	2012
Movement in financial assets for participation with a negative amount		
Balance in participation as at 1 January	(5,289)	764
Share of loss in participating interests	(1,584)	(6,053)
Share in negative net asset value	(6,873)	(5,289)
Loans as at 1 January	9,840	6,191
Additions to loans	233	3,649
	3,200	4,551
Movement in other participations		
Balance as at 1 January	21,424	18,628
Change caused by merger within concern	-	1,709
Share of profit in participating interests	4,624	3,635
Dividend received	(475)	(2,548)
Purchase	164	-
	25,737	21,424
Balance as at 31 December	**28,937**	25,975

5 Receivables

The composition of the receivables is as follows:

(x € 1,000)	2013	2012
Trade receivables	-	18
Group companies	322	1,121
Tax	232	1,303
Other receivables	280	384
Prepayments and accrued income	402	196
Balance as at 31 December	**1,236**	3,022

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)	Ordinary shares	Cumulative preference shares	Share premium	Revaluation reserve	Retained earnings	Loss for the year	Total
At 1 January 2012	875	-	8,411	1,398	34,917	(8,321)	37,280
Loss 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
Loss for the year	-	-	-	-	-	(1,095)	(1,095)
Purchase 15% Improve	-	-	-	-	164	-	164
Exercised options	-	-	-	-	(33)	-	(33)
Release revaluation reserve	-	-	-	(1,398)	1,398	-	-
Appropriation of the result of preceding year	-	-	-	-	(5,327)	5,327	-
At 31 December 2013	**875**	**-**	**8,411**	**-**	**22,011**	**(1,095)**	**30,202**

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 (2012: 8,747,544).

No own shares were redeemed at year-end 2013 and 2012.

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. As a result of the Impairment of the CGU Improve the revaluation reserve has been released to retained earnings.

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. H.R. Okkens, Mr. R. ter Haar, Mr. J.C.M. Schönfeld, and Mr. P.F. Plaizier. The Stichting is independent.

7 Provisions

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

(x € 1,000)	2013 Onerous contracts	2013 Restructuring	2013 Total	2012 Onerous contracts	2012 Restructuring	2012 Total
Balance as at 1 January	1,408	690	2,098	-	-	-
Additions	-	400	400	1,408	690	2,098
Used during year	(688)	(690)	(1,378)	-	-	-
Balance as at 31 December	**720**	**400**	**1,120**	1,408	690	2,098
Of which:						
Non-current	-	-	-	648	-	648
Current	720	400	1,120	760	690	1,450
Total balance	**720**	**400**	**1,120**	1,408	690	2,098

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 12 months (2012: 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 finalized during 2013. The employees concerned were informed about these restructurings before the year-end of 2012. The additions to the restructuring provision in 2013 concerns the termination benefit of the former Chief Executive Officer (CEO) of ICT Automatisering, who stepped down as CEO per 17 November 2013. The current portion of this provision is recognized under the 'Accruals and deferred income'.

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 non-current remaining amount of the advance payment is nil (2012: € 125,000), the current remaining amount is € 125,000 (2012: € 200,000).

Share purchase liability

Although the initial contract stipulated that all remaining 25% of Improve shares should be acquired on 1 January 2013, the contract was amended in order to allow the acquisition of the remaining shares. On 1 January 2013, 15% instead of the remaining 25% of Improve has been acquired for the purchase price of € 580,000. The remaining 10% of the shares can be acquired on 1 January 2015 by means of an option right. Year-end 2013 the fair value of the remaining 10% is estimated at € 384,000.

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 of the remaining 10% of the shares is dependent on the estimated profit of Improve in 2014. In the determination of the fair value also observable market information is considered.

Year-end 2013 re-measuring the fair value of the liability concerning the share purchase of the remaining 10% leads to the same amount as at year-end 2012. Year-end 2012 the fair value of the share purchase liability for the remaining 25% of Improve was re-measured to € 964,000. The gain of € 477,000 on this fair value re-measurement is recognized within financial income in 2012.

9 Current liabilities

The current liabilities can be broken down as follows:

(x € 1,000)	2013	2012
Trade payables	77	697
Group companies	10,966	9,496
Taxes and social insurance premiums	144	136
Other liabilities	962	2,101
Accruals and deferred income	1,120	916
	13,269	13,346

The other liabilities include outstanding costs to be paid to suppliers and employees.

Per 31 December 2012 the other liabilities also contained the current portion of the liability for acquiring the last 25% shares of Improve on 1 January 2013 for the amount of € 964,000. Per 31 December 2013 the amended contract in order to allow the acquisition of the remaining 10% shares per 1 January 2015 is recognized in non-current liabilities.

The accruals and deferred income include the current remaining amount of the advance payments, the short-term part of the expected payment by virtue of a long-term lease and the restructuring provision.

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 (2012: € 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)	2013	2012
No later than 1 year	59	115
Later than 1 year and no later than 5 years	59	460
Later than 5 years	-	-
Total	**118**	575

Article 403 Statement Book 2 of the Netherlands Civil Code

ICT Automatisering N.V. is liable for legal acts for ICT Automatisering B.V. since 1 January 2012 by means of filing a 2:403 statement at the Chamber of Commerce.

Subordination Declaration

ICT Automatisering N.V. has the obligation to provide ICT Software Engineering GmbH with liquidity to fulfil payment obligations to creditors and has a subordination to claims to ICT Software Engineering GmbH if required.

12 Auditor's fees

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

13 Employees

(x € 1,000)	**2013**	2012
Salaries and wages	836	955
Social security contributions	63	68
Pension contributions	36	73
Total	**935**	1,096

The average number of staff employed by ICT Automatisering N.V., in full time equivalents was 6 (2012: 8). Of these employees, none were employed outside the Netherlands.

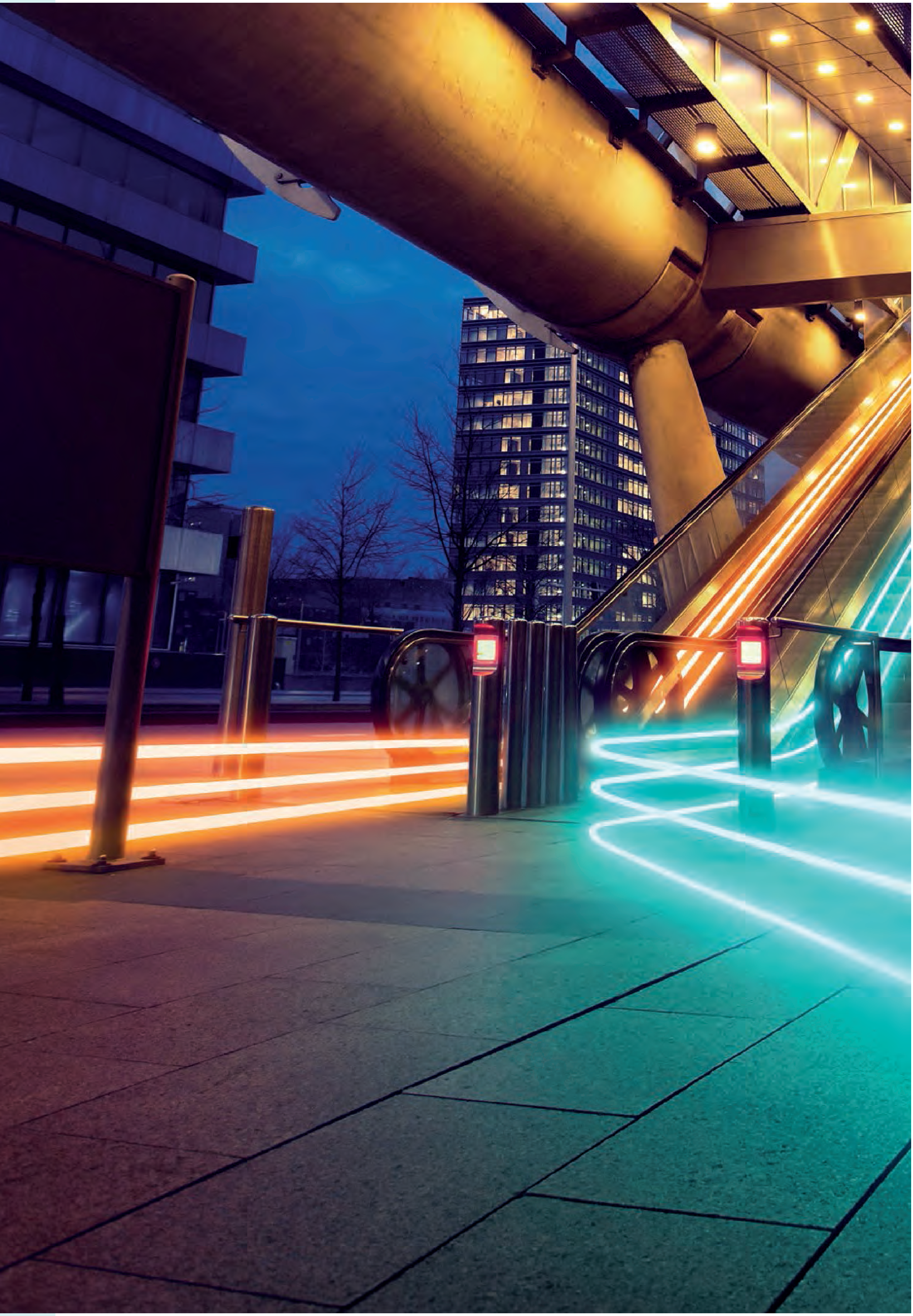
14 Remuneration of the Executive Board and the Supervisory Board

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

Barendrecht, 12 March 2014

Executive Board
J.H. Blejie

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

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 General Meeting. Any profit not added to reserves is at the free disposal of the 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 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 21 May 2014 a proposal will be tabled at the General Meeting for a dividend distribution. The dividend and reserve policy stipulates a dividend of 40% of the net profit.
In 2013 the net result represented a net loss primarily due to the impairment loss and the exceptional costs related to investigations into potential strategic combinations. For the purposes of the determination of the dividend, the Executive and the Supervisory Boards have deemed it appropriate to adjust the net loss for the € 4.4 million of impairment loss and exceptional costs. Therefore, to the proposed cash dividend is based on an adjusted net profit of approximately € 3.3 million for the 40% payout. This represents a cash dividend of € 0.15 per share with a nominal value of € 0.10 based on the number of issued shares at year end 2013.

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, Mr. J.C.M. Schönfeld, Mr. P.F. Plaizier 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

Proposed Brandfort transaction

On 2 December 2013, ICT Automatisering N.V. ("ICT") announced that it had reached conditional agreement with the shareholders of Brandfort B.V. ("Brandfort") on the acquisition of Brandfort by ICT. On 5 February 2014, ICT announced that the due diligence process had been completed and agreement had been reached on the definitive consideration.

The transaction will be structured as a partial exchange of shares in which ICT acquires all of the shares in Brandfort for newly issued ICT shares representing 9% of the outstanding shares post-closing; existing ICT shareholders will own 91% of the outstanding share capital of ICT. ICT will acquire a debt free company with € 1.3 million in cash on the balance sheet. In addition to the newly issued shares (comprising a value of approximately € 4.1 million, applying a (indicative) share price of € 4.75 at year end 2013). ICT will pay an amount of € 1.3 million in cash to the shareholders of Brandfort. The contemplated transaction agreement will provide for an earn-out based on the gross profit to be realized by the Brandfort activities in 2014. The earn-out can accrue to a maximum of € 2.2 million. In 2013 Brandfort realized sales of EUR 16 million with a normalized EBIT margin of approximately 3%.

The transaction will provide both ICT and Brandfort access to a significant number of new clients and an even stronger relationship with the existing clients. Both ICT and Brandfort will gain access to additional geographical markets, as well as strengthen their position in key markets. The Combination will create a company with over 950 technical and highly educated employees and more than EUR 95 million in revenues. Combining the companies will lead to sales and cost synergies. Sales synergies will be achieved by cross-selling, increased utilization and a more distinctive market position and industry visibility, while cost synergies will be realized by increasing efficiency.

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 2013 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, 2013, the consolidated statements of total comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of the significant accounting policies and other explanatory information presented on pages 63 up to and including 97 of this report. The company financial statements comprise the company balance sheet as per December 31, 2013 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 99 up to and including 109 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, 2013 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, 2013 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 12 up to and including 62 of this report, 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 12, 2014
Deloitte Accountants B.V.

Signed on the original: B.C.J. Dielissen

Five-year financial summary

	2013	2012	2011 restated [4]	2010 restated [4]	2009
Results (× € 1,000)					
Revenue	**79,488**	77,829	80,230	84,536	79,090
Operating profit excluding exceptional items	**4,896**	1,712	4,005	3,979	(2,367)
Net profit 3)	**(1,095)**	(5,327)	(8,321)	6,996	(1,696)
Depreciation on tangible fixed assets	**601**	1,039	785	828	902
Impairment charges	**3,380**	3,500	10,150	-	-
Cash flow (net profit plus depreciation less impairment loss 3)	**2,886**	(788)	2,614	7,262	(794)
Dividend	**-**	-	787	2,537	-
Assets (x € 1,000)					
Tangible fixed assets	**1,162**	1,396	1,576	1,950	2,267
Intangible fixed assets	**13,061**	16,441	20,218	30,368	24,883
Deferred tax	**-**	-	883	822	-
Current assets	**33,020**	30,004	30,751	38,267	32,043
Long term liabilities	**986**	773	2,445	2,336	966
Current liabilities	**15,928**	15,522	13,283	20,542	17,360
Shareholders 'equity	**30,329**	31,546	37,700	48,529	41,389
Total assets	**47,243**	47,841	53,428	71,407	59,715
Employees					
Average number of FTEs for year	**759**	778	790	868	940
Revenue per employee (* € 1,000)	**105**	100	102	97	84
Operating profit per employee (* € 1,000)	**6**	2	5	5	(3)
Ratios					
Operating profit/revenues	**6.2%**	2.2%.	5.0%	4.7%	(3.0%)
Net profit/revenue 3)	**(1.4%)**	(6.8%)	(10.4%)	8.3%	(2.1%)
Net profit/average shareholders' equity 3)	**(3.5%)**	(15.4%)	(19.3%)	15.6%	(3.9%)
Current assets /current liabilities	**2.07**	1.93	2.32	1.86	1.85
Solvency (Shareholders' equity/total liabilities)	**0.64**	0.66	0.71	0.68	0.69
Per share of € 0.10 (nominal in euro)					
Net profit [3]	**(0.13)**	(0.61)	(0.95)	0.80	(0.19)
Cash flow (net profit plus depreciation and impairment) [1) 3)]	**0.33**	-0.09	0.30	0.83	(0.09)
Dividend [2]	**0.15**	-	0.09	0.29	-
Shareholders' equity [2]	**3.47**	3.61	4.31	5.55	4.73
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	8,747,544

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) In annual report 2012 is 2011 is restated for the pension liability (and the related deferred taxes) and 2011 and 2010 for the accounting of Improve

Our locations

The Netherlands

ICT Automatisering N.V.

Kopenhagen 9, 2993 LL, Barendrecht (Head office)
Voltastraat 4, 4622 RP, Bergen op Zoom
Munsterstraat 7, 7418 EV, Deventer
Avelingen West 70, 4202 MV, Gorinchem
Rozenburglaan 1, 9727 DL, Groningen
Horsterweg 18g, 6199 AC, Maastricht Airport
Science Park Eindhoven 5006, 5692 EA, Son
Seattleweg 11, 3195 ND, Rotterdam (Rijnmond Distributie Services B.V.)

InTraffic B.V.

Iepenhoeve 11, 3438 MR, Nieuwegein

Improve Quality Services B.V.

Laan van Diepenvoorde 1, 5582 LA, Waalre

Germany

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Pfizerstraße 1, 76139, Karlsruhe
St. Michael Straße 3, 85055, Ingolstadt
Hanss-Klemm-Straße 5, 71034, Böblingen
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Scala Photography, Nuenen
Shutterstock

Printing
Drukkerij Snep, Eindhoven

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