Koninklijke Reesink N.V.

(a public company with limited liability (naamloze vennootschap) incorporated under the laws of the Netherlands, with its corporate seat in Apeldoorn, the Netherlands)

Fixed price offering of 46,986 ordinary shares in the form of depository receipts at an offer price of €63.85 per depository receipt

Koninklijke Reesink N.V. (the "**Company**") is offering 46,986 new ordinary shares with a nominal value of €4.00 each (the "**Ordinary Shares**") in the form of depository receipts (the "**Offer DRs**") at an offer price of €63.85 per Offer DR (the "**Offer Price**"). The offering of Offer DRs consists of a public offering in the Netherlands (the "**Offering**").

The Offering will take place from 12 November 2013 until 25 November 2013, 17:30 CET (the "**Offering Period**"), subject to acceleration or extension of the timetable for the Offering.

The Company's depository receipts of Ordinary Shares ("**DRs**") are traded on NYSE Alternext in Amsterdam ("**NYSE Alternext Amsterdam**"). Application will be made to list all Offer DRs under the symbol "ALRRE" with International Securities Identification Number ("**ISIN**") code NL0000379303 on NYSE Alternext Amsterdam. Subject to acceleration or extension of the timetable for the Offering, trading is expected to commence, and payment (in euros) for, and issue and delivery of, the Offer DRs ("**Settlement**") is expected to take place, on or about 28 November 2013 (the "**Settlement Date**"). The Offer DRs will be delivered in book-entry form through the facilities of the Centraal Instituut voor Giraal Effectenverkeer B.V. ("**Euroclear Nederland**").

INVESTING IN THE DRs INVOLVES RISKS. SEE "RISK FACTORS" BEGINNING ON PAGE 35 OF THIS PROSPECTUS FOR A DESCRIPTION OF THE MATERIAL RISKS THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE DRs.

In allocating the Offer DRs among investors it is intended to give priority to existing holders of DRs or Ordinary Shares (with the exception of Stichting Administratiekantoor van Aandelen Reesink (the "**STAAR**")) who were in the possession of DRs respectively Ordinary Shares on 18 June 2013 after the close of business on NYSE Alternext Amsterdam (the "**Record Date**") and to whom Offer DRs may lawfully, without additional filings or other procedures, be offered and sold. Qualified investors as defined in section 1:1 of the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*; the "**FMSA**") ("**Qualified Investors**") that have been offered the possibility to subscribe for DRs in the Company's private placement to Qualified Investors on 14 October 2013 (the "**Private Placement**") are not entitled to preferential allocation with respect to the Offer DRs. With regards to this preferential allocation, the Company intends to take into account the position of existing holders of DRs who held 5% or more in the capital of the Company on the Record Date to maintain their participation exemption (*deelnemingsvrijstelling*). This may result in a lower number of preferentially allocated Offer DRs available for other eligible existing holders of DRs or Ordinary Shares.

The Offering has been underwritten by Project Holland Deelnemingen B.V. ("**PHD**"). The Offering is only made in those jurisdictions in which, and only to those persons to whom, the Offering may be lawfully made. Potential investors in the Offer DRs should carefully read "Selling and Transfer Restrictions". The Offer DRs are not being offered within the United States. The Offer DRs are being offered in accordance with Regulation S under the United States Securities Act of 1933, as amended (the "**US Securities Act**").

This document constitutes a prospectus for the purposes of article 3 of Directive 2003/71/EC of the European Parliament and of the Council, and amendments thereto (including those resulting from Directive 2010/73/EU) (the "**Prospectus Directive**") and has been prepared in accordance with section 5:9 FMSA and the rules promulgated thereunder (the "**Prospectus**"). This Prospectus has been approved by and filed with the Netherlands Authority for the Financial Markets (Stichting Autoriteit Financiële Markten, the "**AFM**").

Sole Coordinator, Bookrunner, Settlement and Listing Agent

SNS Securities N.V.

Prospectus dated 12 November 2013

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SAMENVATTING

*Dit hoofdstuk bevat een Nederlandse vertaling van de Engelstalige samenvatting van dit prospectus gedateerd 12 november 2013 (het "**Prospectus**"). In geval van een mogelijke discrepantie in uitleg van begrippen prevaleert de Engelstalige samenvatting van dit Prospectus.*

Samenvattingen van prospectussen worden opgesteld op basis van informatievereisten uit bijlage XXII van de Prospectusverordening, zoals gewijzigd, die 'Elementen' worden genoemd. Deze Elementen zijn genummerd in afdelingen A – E (A.1 – E.7). Deze samenvatting bevat alle Elementen die in een samenvatting van een prospectus voor dit type effecten en uitgevende instelling dienen te worden opgenomen. Omdat sommige Elementen niet verplicht zijn, is het mogelijk dat de nummering van de Elementen niet volledig is. Ondanks dat een Element verplicht opgenomen dient te worden in de samenvatting gelet op het type effecten en de uitgevende instelling, is het mogelijk dat er geen relevante informatie kan worden gegeven met betrekking tot het Element. in dat geval is er een korte beschrijving van het Element opgenomen in de samenvatting met vermelding 'niet van toepassing'.		
Afdeling A – Inleiding en waarschuwingen		
A.1	Inleiding en waarschuwingen	Deze samenvatting moet worden gelezen als een inleiding op het Prospectus betreffende de uitgifte van 46.986 nieuwe gewone aandelen met een nominale waarde van €4,00 elk (de "**Gewone Aandelen**") in de vorm van certificaten van aandelen (de "**Aangeboden Certificaten**") tegen een uitgifteprijs van €63,85 per Aangeboden Certificaat (de "**Uitgifteprijs**") (de "**Aanbieding**"). De notering van deze Aangeboden Certificaten aan NYSE Alternext in Amsterdam zal worden aangevraagd. Elke beslissing om in Certificaten te beleggen moet gebaseerd zijn op bestudering van dit gehele Prospectus door de belegger. Wanneer een vordering met betrekking tot de informatie in dit prospectus bij een rechterlijke instantie aanhangig wordt gemaakt, kan de belegger als eisende partij volgens de nationale wetgeving van de lidstaten eventueel gehouden zijn de kosten voor de vertaling van dit Prospectus te dragen voordat de rechtsvordering wordt ingesteld. Wettelijk aansprakelijk zijn uitsluitend de personen die de samenvatting hebben ingediend, waaronder begrepen een vertaling daarvan, indien de samenvatting, wanneer deze wordt gelezen in samenhang met de andere delen van dit Prospectus, misleidend, onjuist of inconsistent is, of indien zij, wanneer gelezen in samenhang met de andere delen van dit Prospectus, niet de kerninformatie bevat die de belegger nodig heeft bij zijn beleggingsbeslissing om al dan niet te investeren in de Certificaten.
A.2	Toestemming van de Vennootschap voor het gebruik van het Prospectus voor de doorverkoop of definitieve plaatsing van effecten bij financiële tussenpersonen	Niet van toepassing; er zal geen doorverkoop of definitieve plaatsing van de Aangeboden Certificaten bij financiële tussenpersonen plaatsvinden.
Afdeling B – Uitgevende instelling en eventuele garant		
B.31-B.1	Statutaire en handelsnaam van de Vennootschap	Koninklijke Reesink N.V. (de "**Vennootschap**").
B.31-B.2	Vestigingsplaats, rechtsvorm, toepasselijk recht en land van oprichting	De Vennootschap is een naamloze vennootschap opgericht naar Nederlands recht en met vestigingsplaats in Nederland. De Vennootschap heeft haar statutaire zetel in Apeldoorn, Nederland.
B.31-B.3	Kerngegevens betreffende de aard van de bedrijfsvoering	De Vennootschap en haar groepsmaatschappijen (zijnde rechtspersonen als bedoeld in artikel 24b, Boek 2 van het Burgerlijk Wetboek ("**Groepsmaatschappijen**") en samen met de Vennootschap, de "**Groep**") beschouwen zichzelf als toonaangevende distributeurs van machines van vooraanstaande merken en sterke concepten in

	van de Groep en haar belangrijkste activiteiten	Nederland, België en delen van Duitsland. De Groep is actief als distributeur van machines op het gebied van landbouw, tuinbouw, en landschappelijk onderhoud (inclusief onderhoud van golfbanen) en voor grondverzet. Sinds de overname van de interne logistiek en transport (*material handling*) en hydraulische componenten en systemen activiteiten van Pon Holdings B.V., bestaande uit alle uitgegeven en geplaatste aandelen in het aandelenkapitaal van: Pon Material Handling Europe B.V., Motrac Hydrauliek B.V., Q-Lion B.V. (leeg), Motrac Intern Transport B.V., Motrac Handling & Cleaning N.V./S.A, en Motrac Hydraulik GmbH en 75,04% van de uitgegeven en geplaatste aandelen in het aandelenkapitaal van Pelzer Fördertechnik GmbH (de "**Overname**"), beschouwt de Groep zichzelf ook als een toonaangevende distributeur in interne logistiek en transport machines. Daarnaast distribueert de Groep in mindere mate schoonmaakmachines. De Groep verkoopt machines geproduceerd door machineproducenten (*original equipment manufacturers*) aan eindgebruikers via onafhankelijke dealers, via dealers waarin de Groep een aandelenbelang houdt en rechtstreeks aan eindgebruikers. Gebaseerd op de pro forma gecombineerde omzet van de Groep over het eerste half jaar van 2013 (niet gecontroleerd door een accountant), welke de gevolgen van de Overname illustreert alsof deze had plaatsgevonden op 1 januari 2012, vertegenwoordigden de distributie van machines van Linde Material Handling GmbH en de aan haar gelieerde vennootschappen, CLAAS Kommanditgesellschaft auf Aktien MbH en de aan haar gelieerde vennootschappen, Kuhn S.A. en de aan haar gelieerde vennootschappen, Atlas Maschinen GmbH en de aan haar gelieerde vennootschappen, en Toro International Company en de aan haar gelieerde vennootschappen (samen de "**Belangrijkste Machineproducenten**") een substantieel deel van de totale omzet van de Groep. De Groep bevordert *cross-selling* tussen haar verschillende bedrijfsonderdelen, aangezien de markten waarin de Groep actief is aanpalend zijn. De Groep wil in het kader van haar strategie deze *cross-sellings*mogelijkheden uitbreiden om een belangrijke *full line* distributeur te worden van vooraanstaande merken en sterke concepten in de relevante markten. De reclame- en marketingactiviteiten van de Groep vinden plaats op nationaal, regionaal en lokaal niveau. De Groep heeft verhuurconcepten voor machines voor haar construction equipment en material handling equipment segmenten en is bezig haar verhuurconcepten uit te breiden naar haar green equipment segment. De Groep meent dat zij met haar sterke concepten een belangrijke positie in de Nederlandse staalmarkt inneemt. Daarnaast ziet zij zichzelf als een toonaangevende distributeur van persoonlijke beschermingsmiddelen in Nederland. De Groep meent dat zij sinds de Overname een aanzienlijke positie in de Nederlandse, Belgische en Duitse markten van hydraulische componenten en systemen inneemt, hetgeen betekent dat zij naast het leveren van deze componenten en systemen ook engineering voor hydraulische oplossingen levert. De Groep meent dat zij zich met haar staalactiviteiten onderscheidt door de staalproducten die zijn distribueert te bewerken en daaraan waarde toe te voegen met als doel om een integraal onderdeel van de productieprocessen van haar eindgebruikers uit te maken. De Groep distribueert haar industriële producten rechtstreeks aan eindgebruikers of, in het geval van de persoonlijke beschermingsmiddelen, ook via een uitgebreid netwerk van onafhankelijke technische groothandels. Naast de hierboven omschreven activiteiten verleent de Groep in alle segmenten een volledig scala aan (*after-sales*) diensten aan haar klanten. De pro forma gecombineerde jaaromzet van de Groep over 2012 en de pro forma gecombineerde omzet over het eerste halfjaar van 2013 (niet gecontroleerd door een accountant), welke de gevolgen van de Overname illustreert alsof deze had plaatsgevonden op 1 januari 2012, was circa €403 miljoen respectievelijk €222 miljoen. De jaaromzet van de Groep over 2012 was circa €185 miljoen (2011: € 173 miljoen; 2010: €189 miljoen) en over de eerste helft van 2013 €112 miljoen. De Groep is voornamelijk actief in Nederland, België en Duitsland. In 2012 werd circa €141 miljoen, ofwel 76% van de omzet van de Groep in Nederland gegenereerd (2011: €141 miljoen respectievelijk 81%; 2010: €160 miljoen respectievelijk 84%), €36 miljoen, ofwel 20% in België (2011: €25 miljoen respectievelijk 14%; 2010: €23 miljoen respectievelijk 12%) en €8 miljoen, ofwel 4% in Duitsland (2011: €7 miljoen

respectievelijk 4%; 2010: €6 miljoen respectievelijk 3%). De Vennootschap meent dat de positie van de Groep in België en Duitsland door de Overname is versterkt.

De bedrijfsactiviteiten van de Groep zijn onderverdeeld in twee functionele divisies:

- *Reesink Equipment* – In deze divisie treedt het desbetreffende groepsonderdeel op als distributeur van machines voor de land- en tuinbouw, landschappelijk onderhoud en het grondverzet. Sinds de Overname is de Reesink Equipment divisie ook distributeur van machines voor interne logistiek en transport. Daarnaast worden schoonmaakmachines gedistribueerd. De Groep betrekt nieuwe machines van machineproducenten. Wanneer de Groep zonder dealers opereert, betrekt zij gewoonlijk gebruikte machines van haar eindgebruikers en soms van derden. De Groep betrekt ook gebruikte machines wanneer door haar verhuurde machines worden ingeruild. De producten van de Groep worden voornamelijk geleverd aan agrariërs, tuinbouwers, loonwerkers, aannemers landschappelijk onderhoud, (exploitanten van) golfbanen, gemeentes, overheden, waterschappen, bosbeheerdiensten en een breed scala aan bedrijven welke een bepaalde vorm van opslag of andere logistieke faciliteiten exploiteren. De Groep richt zich vrijwel uitsluitend op de distributie van vooraanstaande merken en sterke concepten. Op basis van de jaaromzet van de Groep over 2012 werd circa €137 miljoen respectievelijk 74% van de omzet van de Groep gegenereerd in de Reesink Equipment divisie (2011: €111 miljoen respectievelijk 64%; 2010: €85 miljoen respectievelijk 45%) en over de eerste helft van 2013 €93 miljoen, respectievelijk 84%. Reesink Equipment bestaat uit drie verschillende segmenten:
    - *Reesink Green Equipment*: Kamps de Wild B.V., Reesink Technische Handel B.V., Stierman B.V., Packo Agri N.V., Packo & Heybroek N.V. en Jean Heybroek B.V. zijn distributeurs en Bruggeman Mechanisatie B.V. en Landtech Zuid B.V. zijn dealers van machines voor de land- en tuinbouw, en landschappelijkonderhoud. Jean Heybroek B.V. heeft daarnaast een klein aandeel in de markt van schoonmaakmachines. Reesink Green Equipment voert merken als Claas, Kuhn, Toro, Amazone, Kaweco en Rauch.
    - *Reesink Construction Equipment*: Ben Kemp Holding B.V. en haar dochtermaatschappijen Barend Kemp B.V., Kemp BVBA, Huur & Stuur B.V., Vacu-Rent B.V. en Kemp Hoogwerkers B.V. en Hans van Driel B.V. zijn distributeurs van machines voor grondverzet, overslag, en van industriële- en spoorwegmachines. Het Reesink Construction Equipment segment heeft het verhuurconcept "Huur & Stuur" waarmee klanten voor korte tijd machines kunnen huren. Reesink Construction Equipment voert merken als Atlas, Terex, IHI en Kato. Daarnaast distribueert het Reesink Construction Equipment segment producten voor ondergrondse infrastructuren van het merk Ditch Witch vanuit de locaties in De Meern (Nederland) en Hamme (België).
    - *Reesink Material Handling Equipment*: Dit nieuwe segment van de Groep is toegevoegd aan de Groep als gevolg van de Overname. Dit segment richt zich op het *installed base model* (dat wil zeggen machines waarvoor de Groep naast het distribueren ook diensten kan verlenen en onderdelen kan verstrekken). Motrac Intern Transport B.V., Motrac Handling & Cleaning N.V./S.A., en Pelzer Fördertechnik GmbH zijn distributeurs van machines voor interne logistiek en transport. De focus sectoren van Reesink Material Handling Equipment zijn distributiecentra voor *food* en *non-food*, vervoersbedrijven, de chemische industrie, koelhuizen, de voedselindustrie en afvalverwerking en recycling. Motrac Handling & Cleaning N.V./S.A. en Pelzer Fördertechnik GmbH zijn eveneens (opportunistisch) distributeurs van schoonmaakmachines. Het Reesink Material Handling Equipment segment voert merken als Linde en Tennant.
- *Reesink Industries* – Binnen de Reesink Industries divisie zijn Reesink Staal B.V. en Safety Centre International B.V. leveranciers van fabricaten van (bewerkt) staal, respectievelijk distributeur van persoonlijke beschermingsmiddelen voor de bouwsector, machineproducenten, producenten van systemen, technische groothandels en de agrarische sector. Sinds de Overname is de Groep ook actief op het gebied van (de engineering van) hydraulische componenten en systemen via Motrac Hydraulics (Motrac Hydrauliek B.V. voor Nederland en België en Motrac Hydraulik GmbH voor Duitsland). De Groep richt zich voornamelijk op het voeren

		van sterke concepten in de staalsector en op de distributie van vooraanstaande merken van persoonlijke beschermingsmiddelen en hydraulische componenten en systemen. Op basis van de jaaromzet van de Groep over 2012 werd circa €48 miljoen respectievelijk 26% van de omzet van de Groep gegenereerd in de Reesink Industries divisie (2011: €58 miljoen respectievelijk 33%; 2010: €57 miljoen respectievelijk 30%) en over de eerste helft van 2013 €18 miljoen, respectievelijk 17%. De Vennootschap treedt op als houdstermaatschappij en richt zich op het management van de Groep. De werkmaatschappijen van de Groep zijn grotendeels verantwoordelijk voor het ontwikkelen van hun eigen strategie, waarbij zij worden gestimuleerd en ondersteund door de Vennootschap. De Vennootschap is een beursgenoteerd bedrijf, genoteerd aan NYSE Alternext in Amsterdam. De ticker van de Vennootschap is "ALRRE". De Vennootschap had bij het sluiten van de beurs op 31 oktober 2013 een beurswaarde van circa €94 miljoen (bron: https://europeanequities.nyx.com/). De Groep meent dat zij over de volgende sterke punten beschikt: • de Groep is oplossingsgericht; • de Groep heeft ervaring met haar producten en markten en is een kennisorganisatie; • de Groep biedt een breed scala aan producten van bekende merken met groeipotentieel; • de Groep is in staat tot innovatie en is een marktpionier met betrekking tot dealerparticipatie, veranderingen in de staalketen en het investeren in aanpalende markten; • de Groep heeft een efficiënt onderdelendistributiesysteem (dat wil zeggen zij distribueert haar onderdelen binnen een paar uur en in elk geval binnen 24 uur) en levert efficiënte *after-sales* diensten • de Groep heeft goede relaties met principalen, financieringsinstellingen, houders van Certificaten, aandeelhouders en overige belanghebbenden; en • de verhouding vreemd vermogen/eigen vermogen van de Groep is gezond.
B.31-B.4	Belangrijkste tendensen die een impact hebben op de Group en de sectoren waarin zij werkzaam is	**Machines voor de agrarische sector** • Afname van het aantal, maar groei in de omvang van agrarische bedrijven; • Subsidies en investeringsmogelijkheden; • Groeiende vraag naar '*one-stop-shopping*'; • Voorkeuren van eindgebruikers; • Toenemende vraag van machineproducenten en eindgebruikers naar dekkingsgraad en dienstenniveaus; • Groeiende vraag naar financieringsmogelijkheden en mogelijkheden tot het huren van machines; en • Wijzigingen in regelgeving en initiatieven van intergouvernementele organisaties. **Machines voor gazononderhoud en landschappelijk onderhoud** • Wijzigingen in regelgeving en overheidssubsidies; • Groei in aantal maar terugloop in het gebruik van golfbanen; en • Afname van het aantal maar groei in omvang van klanten die gespecialiseerd zijn in het onderhoud van golfbanen. **Machines voor grondverzet** • Toenemend belang van 'groene technologie'; en • Meer mogelijkheden om machines te huren. **Machines voor interne logistiek en transport** • Wereldwijde vraag naar interne logistiek en transport neemt toe; • Europese vraag komt voornamelijk voort uit vervangingen; • Voortdurende wijzigingen binnen verschillende *handling* segmenten; • Toename van geautomatiseerde oplossingen; en • Toenemende globalisering en technische vooruitgang. **Staal** • Afhankelijkheid van de bouwsector; en • Problemen met financiering van onroerend goed is van invloed op de bouwsector. **Persoonlijke beschermingsmiddelen** • Meer wetgeving op het gebied van persoonlijke bescherming maar ook minder personeel maakt gebruik van persoonlijke beschermingsmiddelen en veiligheidskleding.

Hydrauliek

- Klanten vragen complete oplossingen;
- Strenge wetgeving; en
- Concentratie van de markt vindt plaats.

B.31-B.5 — Omschrijving van de Groep en de positie van de Vennootschap daarin

De Vennootschap is een houdstermaatschappij zonder een rechtstreekse materiële eigen bedrijfsvoering. De belangrijkste activa van de Vennootschap zijn de kapitaalbelangen die zij direct of indirect houdt in haar Groepsmaatschappijen. Daarnaast is de Vennootschap formeel nog eigenaar van de franchiseformule "Fixet" en verleent zij logistieke diensten voor Bata Nederland B.V.

B.31-B.6 — Personen die moeten melden dat zij een direct of indirect belang in het kapitaal van de Vennootschap hebben danwel bepaalde stemrechten

Krachtens de statuten van de Vennootschap, zoals van tijd tot tijd gewijzigd, (de "**Statuten**"), moeten aandeelhouders en houders van Certificaten met een substantiële deelneming (dat wil zeggen het houden van ten minste 3% van het kapitaal of stemrechten zoals omschreven in de Nederlandse Wet op het Financieel Toezicht) de Vennootschap daarvan in kennis stellen door middel van een formulier dat op de website van de Vennootschap beschikbaar is gesteld. De onderstaande tabel bevat een overzicht van de aandeelhouders en houders van Certificaten met een substantiële deelneming in de Vennootschap op 10 oktober 2013, zoals aan de Vennootschap doorgegeven.

Aandeelhouder of houder van Certificaten	Percentage aandelen	Percentage Certificaten
Beleggings- en Exploitatiemaatschappij De Engh B.V.		3.9%
Bibiana Beheer B.V.[1]		3.8%
Decico B.V.		5.6%
Delta Lloyd Deelnemingenfonds N.V.		12.0%
Pon Holdings B.V.		10.3%
Project Holland Deelnemingen B.V.		14.3%
Recopart B.V.	17,8%	2.4%
Stichting Administratiekantoor van Aandelen Reesink	78,2%	
Todlin N.V.		8.6%

1) De heer F.L.H. van Delft, lid van de raad van commissarissen van de Vennootschap (de "R**aad van Commissarissen**"), is houder van dit belang in Certificaten via Bibiana Beheer B.V. Toen de heer Van Delft tot lid van de Raad van Commissarissen werd benoemd, zijn de Vennootschap en de heer Van Delft overeengekomen dat hij tot 12 maanden na zijn aftreden als lid van de Raad van Commissarissen het via Bibiana Beheer B.V. gehouden belang niet zou verkopen. De heer Van Delft blijft indirect de houder van dit pakket Certificaten totdat voornoemde periode van 12 maanden is verstreken.

Afwijkende stemrechten van aandeelhouders

Er zijn geen belangrijke aandeelhouders met afwijkende stemrechten.

Directe en indirecte eigendom van of zeggenschap over de Vennootschap en de aard van die zeggenschap

Stichting Administratiekantoor van Aandelen Reesink ("**STAAR**") heeft een substantiële deelneming in de Vennootschap, maar STAAR is onderworpen aan een specifieke doelomschrijving in haar statuten en regels met betrekking tot stemrechten. Om die reden meent de Vennootschap dat zij niet direct of indirect in eigendom is van, of dat er overheersende zeggenschap over de Vennootschap bestaat bij, een andere onderneming of een buitenlandse overheid. Voor zover de Vennootschap bekend, bestaan er geen afspraken die, op enig moment in de toekomst, een wijziging in de zeggenschap tot gevolg zullen hebben.

B.31-B.7 — Geselecteerde historische financiële kerngegevens

Geconsolideerde winst- en verliesrekening *(x € 1,0 miljoen)*

	Eerste half jaar 2013 niet-gecontro-leerd	**Eerste half jaar 2012 niet-gecontro-leerd**	**Jaar eindigend 31 december 2012 gecontro-leerd**	**Jaar eindigend 31 december 2011 gecontro-leerd**	**Jaar eindigend 31 december 2010 gecontroleerd**
Netto omzet	111.5	110.5	185.2	173.4	189.7
Bruto bedrijfsopbrengsten	15.4	14.9	22.6	20.7	24.4
Als % van de netto omzet	13.8%	13.5%	12.2%	11.9%	12.9%
Netto bedrijfsopbrengsten	4.9	5.5	4.4	7.5	6.8
Bedrijfsresultaat excl. afschrijving (EBITDA*) excl. bijzondere posten	7.3	7.6	9.2	8.6	8.2
Bedrijfsresultaat (EBIT)	5.8	6.6	6.7	9.5	7.0
Resultaat uit gewone bedrijfsvoering vóór belastingen	5.1	6.4	0.2	9.0	7.9
Netto resultaat	3.6	3.9	-4.3	5.6	5.9

Netto inkomen per Gewoon Aandeel					
Basis (*in €*)	4.35	5.65	-6.22	8.22	8.66
Volledig verwaterd (*in €*)	4.25	5.65	-6.12	8.22	8.66

* EBITDA is gedefinieerd als bedrijfswinst van de groep voor afschrijvingen op onroerend goed, gebouwen en machines en voor afschrijvingen op immateriële vaste activa. EBITDA is als financieel kengetal niet gedefinieerd onder de algemeen in Nederland geaccepteerde waarderingsgrondslagen en is niet-gecontroleerd door een accountant.

Geconsolideerd kasstroomoverzicht *(x € 1.0 miljoen)*

	Eerste half jaar 2013 niet-gecontroleerd	**Eerste half jaar 2012 niet-gecontroleerd**	**Jaar eindigend 31 december 2012 gecontroleerd**	**Jaar eindigend 31 december 2012 gecontroleerd**	**Jaar eindigend 31 december 2010 gecontroleerd**
Netto kasstroom uit bedrijfs-activiteiten	15.6	5.1	8.6	2.8	-4.0
Netto kasstroom uit investerings-activiteiten	-5.1	-17.0	-18.1	-4.5	-7.3
Netto kasstroom uit financierings-activiteiten	-10.0	12.3	13.8	1.7	11.5
Toename/Afname netto kaspositie	**0.5**	**0.4**	**4.3**	**0.0**	**0.2**
Netto kaspositie per begin van het jaar	4.6	0.3	0.3	0.3	0.1
Netto kaspositie per einde van de periode	5.1	0.7	4.6	0.3	0.3
Toename/Afname netto kaspositie	**0.5**	**0.4**	**4.3**	**0.0**	**0.2**

Geconsolideerde balans *(x € 1.0 miljoen)*

	Eerste half jaar 2013 niet-gecontroleerd	**Eerste half jaar 2012 niet-gecontroleerd**	**Jaar 2012 gecontroleerd**	**Jaar 2011 gecontroleerd**	**Jaar 2010 gecontroleerd**
Vaste activa	71.3	76.3	67.7	67.1	59.5
Vlottende activa	100.9	97.0	95.4	82.9	82.8
Som der activa	**172.2**	**173.3**	**163.1**	**150.0**	**142.3**
Groepsvermogen	82.0	77.6	74.1	78.9	72.8
Voorzieningen	12.3	13.1	11.8	12.2	13.8
Langlopende verplichtingen	14.1	0.8	14.5	0.2	–
Kortlopende verplichtingen	63.8	81.8	62.7	58.7	55.7
Totaal vermogen en verplichtingen	**172.2**	**173.3**	**163.1**	**150.0**	**142.3**

B31-B.8 Geselecteerde pro forma financiële kerngegevens

Niet gecontroleerde gecombineerde pro forma winst- en verliesrekening in verband met de Overname voor het eerste half jaar 2013

Pro forma winst- en verliesrekening *(x €1.0 miljoen)*

	Groep - eerste half jaar 2013 niet-gecontroleerd	**Entiteiten uit Overname - eerste half jaar 2013 niet-gecontroleerd**	**Overname gerelateerde aanpassingen (excl. financiering) niet gecontroleerd**	**Overname gerelateerde financiering niet gecontroleerd**	**Totaal pro forma aanpassingen niet gecontroleerd**	**Pro forma gecombineerd eerste half jaar 2013 niet-gecontroleerd**
Netto omzet	111.5	110.4	–	–	110.4	221.9
Bruto bedrijfsopbrengsten	15.4	17.5	-0.2	–	17.3	32.7
Als % van de netto omzet	13.8%	15.9%	–	–	15.7%	14.7%

Netto bedrijfsopbrengsten	4.9	3.6	-0.1	–	3.5	8.4
Bedrijfsresultaat excl. afschrijving (EBITDA*) excl. bijzondere posten	7.3	7.5	0.0	–	7.5	14.8
Bedrijfsresultaat (EBIT)	5.8	3.5	-0.1	–	3.4	9.2
Resultaat uit gewone bedrijfsvoering vóór belastingen	5.1	3.1	-0.1	-0.7	2.3	7.4
Netto resultaat	3.6	2.4	-0.1	-0.5	1.8	5.4

* EBITDA is gedefinieerd als bedrijfswinst van de groep voor afschrijvingen op onroerend goed, gebouwen en machines en voor afschrijvingen op immateriële vaste activa. EBITDA is als financieel kengetal niet gedefinieerd onder de algemeen in Nederland geaccepteerde waarderingsgrondslagen en is niet-gecontroleerd door een accountant.

Niet gecontroleerde gecombineerde pro forma winst- en verliesrekening in verband met de Overname voor het jaar eindigend 31 december 2012

Pro forma winst- en verliesrekening *(x € 1.0 miljoen)*

	Groep - Jaar eindigend 31 december 2012 gecontroleerd	**Entiteiten uit Overname - jaar eindigend 31 december 2012 niet gecontroleerd ****	**Overname gerelateerde aanpassingen (excl. financiering) niet gecontroleerd**	**Overname gerelateerde financiering niet gecontroleerd**	**Totaal pro forma aanpassingen niet gecontroleerd**	–	**Pro forma ge-combineerd eerste half jaar 2013 niet-gecon-troleerd**
Netto omzet	185.2	217.6	–	–	217.6		402.8
Bruto bedrijfsopbrengsten	22.6	33.4	-0.3	–	33.1		55.7
Als % van de netto omzet	12.2%	15.3%	–		15.2%		13.8%
Netto bedrijfsopbrengsten	4.4	5.1	-0.1	–	5.0		9.4
Bedrijfsresultaat excl. afschrijving (EBITDA*) excl. bijzondere posten	9.2	13.4	0.0	–	13.4		22.6
Bedrijfsresultaat (EBIT)	6.7	5.0	-0.1	–	4.9		11.6
Resultaat uit gewone bedrijfsvoering vóór belastingen	0.2	4.0	-0.1	-1.7	2.2		2.4
Netto resultaat	-4.3	5.0	-0.1	-1.3	3.6		-0.7

* EBITDA is gedefinieerd als bedrijfswinst van de groep voor afschrijvingen op onroerend goed, gebouwen en machines en voor afschrijvingen op immateriële vaste activa. EBITDA is als financieel kengetal niet gedefinieerd onder de algemeen in Nederland geaccepteerde waarderingsgrondslagen en is niet-gecontroleerd door een accountant.

** Om te benadrukken dat de jaarrekening van de overgenomen entiteiten enkel is gecontroleerd voor consolidatiedoeleinden, uitgevoerd op basis van de materialiteit niveaus zoals toegepast door de accountant van Pon Holdings in verband met hun controle van de geconsolideerde jaarrekening van Pon Holdings, staat hier niet gecontroleerd vermeld.

Niet gecontroleerde pro forma balans per 30 juni 2013

Pro forma balans *(x € 1.0 million)*

	Groep - eerste half jaar 2013 niet-gecontroleerd	**Entiteiten uit Overname - eerste half jaar 2013 niet-gecontroleerd**	**Overname gerelateerde aanpassingen (excl. financiering) niet gecontroleerd**	**Overname gerelateerde financiering niet gecontroleerd**	**Totaal pro forma aanpassingen niet gecontroleerd**		**Pro forma gecombineerd eerste half jaar 2013 niet-gecontroleerd**
Vaste activa	71.3	26.4	-16.8	19.9	29.5		100.8
Vlottende activa	100.9	55.4	-46.1	43.6	52.9		153.8
Som der activa	**172.2**	**81.8**	**-62.9**	**63.5**	**82.4**		**254.6**

Groepsvermogen	82.0	48.1	-52.1	25.4	21.4		103.4
Achtergestelde lening	–	–	–	10.3	10.3		10.3
Voorzieningen	12.3	1.6	1.7	–	3.3		15.6
Langlopende verplichtingen	14.1	10.0	-9.4	10.3	10.9		25.1
Kortlopende verplichtingen	63.8	22.1	-3.1	17.5	36.5		100.2
Totaal vermogen en verplichtingen	**172.2**	**81.8**	**-62.9**	**63.5**	**82.4**		**254.6**

B.31-B.9	Winstprognose	Niet van toepassing; de Vennootschap heeft geen winstprognose afgegeven.
B.31-B.10	Historische voorbehouden in verklaring van accountant	Niet van toepassing; er zijn geen voorbehouden gemaakt.
B.31-D4	*Zie D4 hieronder*	
B.32	Naam en zetel van de uitgevende instelling van de Certificaten	Stichting Administratiekantoor van Aandelen Reesink heeft haar statutaire zetel en is gevestigd te Apeldoorn, Nederland.
	Wetgeving en rechtsvorm van de uitgevende instelling van de Certificaten	STAAR is een naar Nederlands recht opgerichte en in Nederland gevestigde stichting.
	Afdeling C – Effecten	
C.13-C.1	Soort en klasse, ISIN-code van de Gewone Aandelen	De Gewone Aandelen zijn gewone aandelen in het kapitaal van de Vennootschap.
C.13-C.2	Valuta van de Gewone Aandelen	De Gewone Aandelen worden uitgegeven in euro’s.
C.13-C.3	Aantal Gewone Aandelen en nominale waarde	Op de datum van dit Prospectus zijn in totaal 1.200.573 Gewone Aandelen uitgegeven en geplaatst met een nominale waarde van €4,00 per Gewoon Aandeel.
C.13-C.4	Rechten verbonden aan de Gewone Aandelen	**Voorkeursrechten** Houders van Gewone Aandelen hebben bij uitgifte van Gewone Aandelen een voorkeursrecht naar evenredigheid van het totale aantal door hen gehouden Gewone Aandelen. Houders van Gewone Aandelen hebben geen voorkeursrecht indien cumulatieve preferente aandelen A in het aandelenkapitaal van de Vennootschap worden uitgegeven met een nominale waarde van €4,00 elk (“**Cumulatieve Preferente Aandelen A**”) en cumulatieve preferente aandelen B in het aandelenkapitaal van de Vennootschap met een nominale waarde van €4,00 elk (“**Cumulatieve Preferente Aandelen B**”) (Cumulatieve Preferente Aandelen A en Cumulatieve Preferente Aandelen B worden samen aangeduid als de “**Preferente Aandelen**” en Gewone Aandelen en Preferente Aandelen worden samen aangeduid als de “**Aandelen**”). De algemene vergadering van aandeelhouders van de Vennootschap (de “**Algemene Vergadering**”) kan besluiten de voorkeursrechten te beperken of uit te sluiten, voor welk besluit een meerderheid van tenminste twee derde van de uitgebrachte stemmen vereist is indien minder dan de helft van het geplaatste kapitaal in de Algemene Vergadering aanwezig is. Indien de helft van het geplaatste kapitaal of meer vertegenwoordigd is, kan het besluit worden genomen met een gewone meerderheid van de uitgebrachte stemmen. De voorkeursrechten die de houders van Gewone Aandelen toekomen in verband met de uitgifte van Gewone Aandelen in het aandelenkapitaal van de Vennootschap en het toekennen van rechten om zich in te schrijven zijn voor de Aanbieding uitgesloten. **Dividend en Overige Uitkeringen** De Vennootschap kan aan de aandeelhouders en andere gerechtigden tot voor uitkering vatbare winst slechts uitkeringen doen voor zover haar eigen vermogen groter is dan het bedrag van het gestorte en opgevraagde deel van het kapitaal vermeerderd met de reserves die krachtens Nederlandse wetgeving of de Statuten moeten worden aangehouden. Winstuitkeringen vinden plaats nadat de Algemene

		Vergadering de jaarrekening heeft goedgekeurd waaruit blijkt dat bedoelde uitkeringen zijn toegestaan. Op grond van de Statuten, kan de raad van bestuur van de Vennootschap (de "**Directie**") onder goedkeuring van de Raad van Commissarissen besluiten welk deel van de winst zal worden gereserveerd. De na reservering door de Directie resterende winst moet allereerst op de Preferente Aandelen worden uitgekeerd voordat de eventueel nog voor uitkering resterende vatbare winst wordt uitgekeerd aan de overige aandeelhouders. Als de winst uit enig financieel jaar niet voldoende is om een dividend uit te keren op de Preferente Aandelen mogen er in volgende jaren alleen uitkeringen worden gedaan als het tekort is hersteld. De overblijvende winst na reservering en uitkering van dividend op de Preferente Aandelen staat ter beschikking van de Algemene Vergadering. De Algemene Vergadering kan, mits op voorstel van de Directie en na goedkeuring van dat voorstel door de Raad van Commissarissen, besluiten dat dividenduitkeringen geheel of gedeeltelijk in de vorm van Gewone Aandelen zullen plaatsvinden. De Algemene Vergadering kan, op voorstel van de Directie een tussentijdse winstuitkering doen, met inachtneming van de Nederlandse wetgeving en de Statuten. De vordering van een houder van Aandelen tot uitkering van dividend vervalt door een tijdsverloop van vijf jaren na de dag van betaalbaarstelling. **Statutenwijziging. Ontbinding en Vereffening** De Algemene Vergadering kan, op voorstel van de Directie en met goedkeuring van de Raad van Commissarissen, met een gewone meerderheid van stemmen besluiten de Statuten te wijzigen of de Vennootschap te ontbinden. Indien de Directie geen voorstel daartoe heeft gedaan, kan de Algemene Vergadering besluiten de Vennootschap te ontbinden met een twee-derde meerderheid van de uitgebrachte stemmen in een Algemene Vergadering waarin tenminste drie-vierde van het geplaatste aandelenkapitaal vertegenwoordigd is. Ingeval de Vennootschap wordt ontbonden, geschiedt de vereffening volgens de wettelijke bepalingen. Tijdens de vereffening blijven de bepalingen van de Statuten voor zover mogelijk volledig van kracht. Hetgeen na de voldoening der schuldeisers van het vermogen der Vennootschap is overgebleven, wordt, indien mogelijk, als volgt uitgekeerd: (i) allereerst wordt aan de gerechtigde houders van Preferente Aandelen het gestorte nominaal bedrag van hun bezit aan die aandelen of zoveel minder als het beschikbare saldo toelaat uitgekeerd; (ii) vervolgens wordt van het daarna resterende bedrag uitgekeerd aan de houders van Preferente Aandelen ter hoogte van hetgeen zij over de periode tussen de uitgifte van die Preferente Aandelen en de terugbetaling van het nominale bedrag van die Preferente Aandelen minder aan cumulatief voorkeursdividend hebben genoten dan het met die houders vóór de uitgifte overeengekomen percentage over het gestorte nominaal bedrag hunner Preferente Aandelen, of zoveel minder als het beschikbare saldo toelaat; en (iii) voor zover daarna nog een bedrag resteert zal dit bedrag worden uitgekeerd aan de houders van Gewone Aandelen, naar evenredigheid van hun nominaal bezit aan die Aandelen. **Stemrechten** Elke houder van Aandelen heeft het recht de Algemene Vergadering bij te wonen, daarin het woord te voeren en zijn stem uit te brengen naar evenredigheid van zijn aandelenbezit, hetzij persoonlijk, hetzij bij volmacht, mits hij of zij voorafgaand aan de vergadering de presentielijst heeft getekend. Elke houder van Aandelen mag één stem uitbrengen per gehouden Aandeel. Besluiten van de Algemene Vergadering worden genomen met een gewone meerderheid van de uitgebrachte stemmen, tenzij de Nederlandse wet of de Statuten uitdrukkelijk en dwingend een grotere meerderheid voorschrijven. **Kapitaalvermindering** De Algemene Vergadering kan besluiten het uitstaande aandelenkapitaal van de Vennootschap te verminderen door Aandelen in te trekken of door de nominale waarde van Aandelen middels een statutenwijziging te verlagen. Op grond van Nederlands recht dient het besluit tot vermindering van het uitstaande aandelenkapitaal de desbetreffende Aandelen nauwkeurig aan te duiden en regels vast te stellen voor de uitvoering van het besluit. Het besluit om Aandelen in te trekken kan uitsluitend betrekking hebben op Aandelen die door de Vennootschap worden gehouden of op Aandelen waarvoor de Vennootschap Certificaten houdt. Voor een besluit tot vermindering van het uitstaande aandelenkapitaal vereist het Nederlands

		recht ten minste een tweederde meerderheid van de uitgebrachte stemmen in de Algemene Vergadering indien minder dan de helft van het uitgegeven aandelenkapitaal in die Algemene Vergadering vertegenwoordigd is. Voor een besluit tot vermindering van het uitgegeven aandelenkapitaal is daarnaast de voorafgaande gelijktijdige goedkeuring van elke groep aandeelhouders van dezelfde soort waarvan de rechten worden aangetast, vereist.
C.13-C.5	Beperking van de overdraagbaarheid van de Gewone Aandelen	Er zijn geen beperkingen op de vrije overdraagbaarheid van de Gewone Aandelen op basis van de Statuten. Voor de overdracht van Gewone Aandelen of van een beperkt recht daarop is een daartoe opgestelde akte van levering vereist.
C.13-C.6	Notering en toelating tot de handel van de Gewone Aandelen	Niet van toepassing; de Gewone Aandelen zijn niet aan de beurs genoteerd of toegelaten tot de handel.
C.13-C.7	Dividendbeleid van de Gewone Aandelen	Rekening houdend met de groeidoelstellingen van de Vennootschap en de daarvoor benodigde financiële middelen, is het dividendbeleid van de Vennootschap dat zij in beginsel tussen 40-55% van het aan de aandeelhouders ter beschikking staande resultaat uitkeert. Deze uitkering is gebaseerd op een eigen vermogen van ten minste 40% van het balanstotaal van de Groep. Onder bepaalde omstandigheden kan de Vennootschap bereid zijn een hoger percentage uit te keren. Tot op heden heeft de Vennootschap alleen dividend in contanten uitgekeerd, maar mogelijk kunnen aandeelhouders bij toekomstige uitkeringen ook kiezen voor stock dividend.
C.14-C.1	Soort en klasse, ISIN-code van de Certificaten	De Certificaten vertegenwoordigen elk een financieel belang in één door STAAR gehouden gewoon Aandeel. De Certificaten worden verhandeld op NYSE Alternext in Amsterdam. Notering van de Aangeboden Certificaten onder het symbool "ALRRE" zal worden aangevraagd. ISIN-code: NL0000379303.
C.14-C.2	Valuta van de Certificaten	De Certificaten worden uitgegeven in euro's.
C.14-C.4	Aan de Certificaten verbonden rechten	STAAR verzamelt de netto dividenden en overige op de Gewone Aandelen betaalbare uitkeringen die zij als aandeelhouder ontvangt. Na ontvangst betaalt STAAR deze dividenden en uitkeringen zonder enige aftrek uit aan de houders van Certificaten. Ingeval een voorkeursrecht bestaat in verband met de uitgifte van nieuwe Gewone Aandelen, verleent STAAR de houders van Certificaten een gelijksoortig voorkeursrecht met betrekking tot de Certificaten.
C.14-C.5	Beperking van de overdraag-baarheid van de Certificaten	De Statuten bevatten geen beperkingen van de vrije overdraagbaarheid van Certificaten. Er kunnen echter specifieke regels of beperkingen van toepassing zijn op het aanbieden van de Aangeboden Certificaten aan personen die aanwezig of woonachtig zijn in, of personen die ingezetene zijn van of die gevestigd zijn in andere landen dan Nederland, en voor de levering van Aangeboden Certificaten naar rechtsgebieden buiten Nederland kunnen specifieke regels of beperkingen gelden.
C.14	Rechten van de aandeelhouders ten opzichte van de rechten van houders van Certificaten	Houders van Certificaten hebben dezelfde rechten als de aandeelhouders, met uitzondering van stemrechten. Het stemrecht op de Certificaten wordt uitgeoefend door STAAR tenzij aan de houders van Certificaten een volmacht is verleend. STAAR neemt zowel de belangen van de houders van Certificaten als de belangen van de Vennootschap in acht, waarbij de principes van continuïteit en identiteitsbehoud van de Vennootschap bij de stemming mede in aanmerking worden genomen. Houders van Certificaten zijn niet gerechtigd tot het geven van bindende adviezen aan STAAR met betrekking tot de uitoefening van stemrechten op de Gewone Aandelen waarvoor hun Certificaten zijn uitgegeven. Houders van Certificaten kunnen een volmacht verkrijgen die uitsluitend voor een specifieke Algemene Vergadering kan worden verleend door STAAR en welke zal vervallen bij het sluiten van die Algemene Vergadering. Na een volmacht te hebben verkregen, kunnen de houders van Certificaten het verworven stemrecht naar eigen inzicht uitoefenen. In een beperkt aantal gevallen kan STAAR een volmacht beperken, uitsluiten of afwijzen, welke gevallen staan vermeld in artikel 2.4 van de statuten van STAAR. Indien wordt voorgesteld de aan de Gewone Aandelen verbonden rechten te wijzigen, doet STAAR mededeling van dit voornemen daartoe, wanneer mogelijk 14 dagen voorafgaand aan de Algemene Vergadering, zonder daarbij te hoeven aangeven hoe

		STAAR zal stemmen. Op grond van het Nederlands recht hebben houders van Certificaten het recht de Algemene Vergadering bij te wonen en daarin het woord te voeren, de jaarrekening in te zien en kosteloos een afschrift van de jaarrekening te ontvangen. Daarnaast heeft STAAR het recht houders van Certificaten over een bepaalde kwestie te raadplegen wanneer zij dit gepast acht.
C.14	Plaatsingsgarantie voor de Aanbieding	Project Holland Deelnemingen B.V. ("**PHD**") heeft een plaatsingsgarantie voor de Aanbieding afgegeven.
		Afdeling D – Risico's
D.4-D.2	Belangrijkste risico's die kenmerkend zijn voor de Groep	**Risico's betreffende het Bedrijf en de Bedrijfsvoering van de Groep en de Sectoren waarin de Groep actief is** • De Groep is van mening dat haar succes en resultaten afhangen van de distributie van machines van vooraanstaande merken en sterke concepten. De Groep is in hoge mate afhankelijk van de producten van en haar relatie met de Belangrijke Machineproducenten. Als de producten van de Belangrijke Machineproducenten niet langer voldoen aan de eisen van de klanten van de Groep, kan dit aanzienlijke negatieve gevolgen hebben voor het bedrijf, de financiële positie, de resultaten en de vooruitzichten van de Groep. • De Belangrijke Machineproducenten kunnen hun distributieovereenkomsten met de Groep opzeggen, de voorwaarden van die overeenkomsten wijzigen, of de overeenkomsten niet verlengen. Deze veranderingen kunnen aanzienlijke negatieve gevolgen hebben voor het bedrijf, de financiële positie, de resultaten en de vooruitzichten van de Groep. • De industrieën waarin de Groep actief is zijn cyclisch van aard en staan derhalve onder invloed van diverse economische factoren, wat aanzienlijke negatieve gevolgen kan hebben voor het bedrijf, de financiële positie en de resultaten van de Groep. • Wijzigingen in algemene economische omstandigheden of bedrijfsmatige omstandigheden kunnen aanzienlijke negatieve gevolgen hebben voor het bedrijf, de financiële positie, de resultaten en de vooruitzichten van de Groep. De Groep zal waarschijnlijk negatieve gevolgen blijven ondervinden van de huidige neergaande economische tendens. • De door recente gebeurtenissen in de financiële sector ontstane onzekerheden, waaronder begrepen de strengere voorwaarden voor kredietverstrekking en de weerslag op de hypotheekmarkt, kunnen aanzienlijke negatieve gevolgen hebben voor het bedrijf, de financiële positie, de resultaten en de vooruitzichten van de Groep. • De prestaties van de Groep zijn afhankelijk van weersomstandigheden en andere omstandigheden zoals ziektes bij dieren en gewassen en voedselveiligheids-incidenten binnen de geografische markten waarin de Groep haar bedrijf uitoefent, maar ook daarbuiten. Een sterke toename in de intensiteit van weercycli en voornoemde omstandigheden kunnen aanzienlijke negatieve gevolgen hebben voor het bedrijf, de financiële positie en de resultaten van de Groep. • Bepaalde Belangrijke Machineproducenten kunnen andere distributeurs van machines in aanpalende markten contracteren of de aan de Groep toegewezen geografische gebieden waarin zij verantwoordelijk is voor verkoop en dienstverlening verkleinen of die van concurrenten vergroten, wat in elk afzonderlijk geval aanzienlijke negatieve gevolgen kan hebben voor het bedrijf, de financiële positie en de resultaten van de Groep. • De Groep zou geen nieuwe geografische gebieden of locaties toegewezen kunnen krijgen van bestaande of nieuwe machineproducenten, wat zijn weerslag kan hebben op de groeimogelijkheden en de algemene bedrijfsvoering van de Groep. • De omzet en reputatie van de Groep en haar relatie met klanten kan schade ondervinden van mindere prestaties van de Groep of andere partijen in de toeleveringsketen, wat aanzienlijke negatieve gevolgen kan hebben voor het bedrijf, de financiële positie en de resultaten van de Groep. • De relatie van elke distributeur van de Groep met de Belangrijke Machineproducenten brengt met zich dat de distributeur geen machines van concurrerende merken distribueert binnen een bepaald geografisch gebied, wat zijn weerslag kan hebben op de mogelijkheden van de Groep om organisch te groeien binnen een bepaalde regio en de bedrijfsvoering en groeimogelijkheden van de Groep kan beperken.

		• Het bedrijf, de financiële positie en de resultaten van de Groep kunnen negatief worden beïnvloed door parallelle invoer door derden van machines die door de Groep worden gedistribueerd. • Het bedrijf, de financiële positie en de resultaten van de Groep kunnen negatief worden beïnvloed door een te klein of te groot aanbod van machines. • Prijswijzigingen van grondstoffen en landbouwproducten kunnen aanzienlijke negatieve gevolgen hebben voor het bedrijf, de financiële positie en de resultaten van de Groep. • Het feit dat de Groep gelieerd is aan THR, onder meer via de Fixet franchise formule en de huur van Ecofactorij 20 in Apeldoorn, kan aanzienlijke negatieve gevolgen hebben voor het bedrijf, de financiële positie en de resultaten de Groep. • De Groep kan aansprakelijk zijn voor milieuschade, en eventuele aanzienlijke milieuschade veroorzaakt door of niet hersteld door de Groep, of beweerdelijk veroorzaakt of niet hersteld door de Groep kan negatieve gevolgen hebben voor de reputatie van de Groep en kan aanzienlijke negatieve gevolgen hebben voor het bedrijf, de financiële positie en de resultaten van de Groep. • Ongunstige wijzigingen in overheidsbeleid of algemene economische en politieke ontwikkelingen, waaronder begrepen verlaging van subsidies (van de Europese Unie) en het terugschroeven van overheidsbudgetten kunnen de vraag naar machines doen afnemen en kunnen aanzienlijke negatieve gevolgen hebben voor het bedrijf, de financiële positie en de resultaten van de Groep. • Er is geen garantie dat de strategie van de Groep met succes zal worden uitgevoerd, of dat de Groep de verwachte voordelen van haar strategie (volledig) zal realiseren, wat zijn weerslag kan hebben op het bedrijf, de financiële positie en de resultaten en vooruitzichten van de Groep. • De Groep opereert in verschillende zeer competitieve markten en zij kan bedrijfsactiviteiten kwijtraken aan concurrenten of anderszins er niet in slagen de concurrentie het hoofd te bieden, wat aanzienlijke negatieve gevolgen kan hebben voor het bedrijf, de financiële positie en de resultaten van de Groep. • De overnamestrategie van de Groep brengt verscheidene risico's met zich mee, ondermeer in verband met het niet kunnen vinden van geschikte kandidaten of investeringsmogelijkheden, overnames van ongeschikte kandidaten of het beleggen in ongeschikte objecten, alsmede het niet of met vertraging bewerkstelligen van overnames of investeringen, en de aansprakelijkheid van kopers voor in het verleden ontstane verbintenissen; elk van deze omstandigheden kan aanzienlijke negatieve gevolgen hebben voor het bedrijf, de financiële positie en de resultaten van de Groep. • De Groep kan zich geconfronteerd zien met onvoorziene verplichtingen uit eerdere of toekomstige overnames en desinvesteringen die niet worden gedekt door effectieve garanties of vrijwaringen en die aanzienlijke negatieve gevolgen kunnen hebben voor het bedrijf, de financiële positie en de resultaten van de Groep. • De Groep is actief of kan actief zijn in verschillende regio's waar ook ter wereld, zoals in opkomende markten, die in sommige gevallen economisch, sociaal en politiek instabiel zijn, en de Groep loopt bovendien het risico betrokken te raken bij oorlogen en geweld, wat aanzienlijke negatieve gevolgen kan hebben voor de reputatie, het bedrijf, de financiële positie en de resultaten van de Groep. • De Groep richt zich in haar interne logistiek en transport segment voornamelijk op machines die door mensen worden bediend, terwijl de door mensen bediende logistieke processen wellicht worden vervangen door de voortschrijdende automatisering, wat aanzienlijke negatieve gevolgen kan hebben voor het bedrijf, de financiële positie, de resultaten en de vooruitzichten van de Groep. • De klanten van de Groep in de sector hydraulische componenten, zoals bepaalde machineproducenten die hydraulische componenten en systemen maken, kunnen ervoor kiezen de techniek in huis te halen door te investeren in technische expertise, wat aanzienlijke negatieve gevolgen kan hebben voor het bedrijf, de financiële positie en de resultaten van de Groep. • Het succes van de Groep is afhankelijk van het behouden en werven van directeuren, werknemers op sleutelposities en vaardig personeel. Indien de Groep daar niet in slaagt, kan dit aanzienlijke negatieve gevolgen hebben voor het bedrijf, de financiële positie en de resultaten van de Groep. • De Groep kan zich geconfronteerd zien met materiële aansprakelijkheden die niet gedekt worden door de verzekering van de Groep, wat aanzienlijke negatieve

		gevolgen kan hebben voor het bedrijf, de resultaten, de financiële positie en de vooruitzichten van de Groep. Daarnaast is het mogelijk dat de Groep niet in staat zal zijn haar huidige verzekeringsdekking te behouden of dat te doen tegen redelijke kosten, wat negatieve gevolgen kan hebben voor het bedrijf, de financiële positie, de resultaten en de vooruitzichten van de Groep. • De Groep kan slachtoffer worden van diefstal of misbruik van informatietechnologie, met eventuele vorderingen van derden als gevolg en dit kan aanzienlijke negatieve gevolgen hebben voor het bedrijf, de financiële positie en de resultaten van de Groep. • Juridische procedures waarbij de Groep in de toekomst betrokken kan raken of derden die niet of slechts gedeeltelijk uitbetalen uit hoofde van vrijwaringen kunnen aanzienlijke negatieve gevolgen hebben voor het bedrijf, de financiële positie en de resultaten van de Groep. • Het overtreden van regelgeving kan schadevergoeding, boetes of andere sancties tot gevolg hebben en kan aanzienlijke negatieve gevolgen hebben voor het bedrijf, de financiële positie en de resultaten van de Groep. • Wijzigingen in belastingwetgeving of betwisting van de fiscale positie van de Groep kan aanzienlijke negatieve gevolgen hebben voor het bedrijf, de financiële positie en de resultaten van de Groep. • Aandeelhouders en houders van Certificaten kunnen gerechtelijke procedures aanhangig maken die kunnen leiden tot een onderzoek naar het bestuur en beleid van de Vennootschap, of zij kunnen andere juridische stappen tegen de Vennootschap ondernemen die aanzienlijke negatieve gevolgen kunnen hebben voor het bedrijf, de financiële positie en de resultaten van de Groep. • De Groep en haar klanten lopen renterisico's wat aanzienlijke negatieve gevolgen kan hebben voor het bedrijf, de financiële positie en de resultaten van de Groep. • Substantiële financiering is nodig voor de machines die de Groep verkoopt, maar dergelijke financiering zou niet beschikbaar kunnen zijn, wat aanzienlijke negatieve gevolgen kan hebben voor het bedrijf, de financiële positie en de resultaten van de Groep. • Afwaardering van inventaris kan noodzakelijk zijn in het geval de inventaris verouderd is, wat aanzienlijke negatieve gevolgen kan hebben voor het bedrijf, de financiële positie en de resultaten van de Groep. • Het benodigde werkkapitaal van de Groep wordt beïnvloed door seizoensinvloeden, wat aanzienlijke negatieve gevolgen kan hebben voor het bedrijf, de financiële positie en de resultaten van de Groep. • De Groep kan het risico lopen dat zij (tijdelijk) niet aan haar financiële verplichtingen kan voldoen (liquiditeitsrisico) indien een klant zijn verplichtingen niet kan nakomen, wat aanzienlijke negatieve gevolgen kan hebben voor het bedrijf, de financiële positie en de resultaten van de Groep. • Indien de Vennootschap en bepaalde Groepsmaatschappijen niet voldoen aan hun verplichtingen uit hoofde van hun kredietfaciliteiten kan dit leiden tot een geval van in gebreke zijn, wat aanzienlijke negatieve gevolgen kan hebben voor het bedrijf, de financiële positie en de resultaten van de Groep. • De huidige financieringsregelingen zijn wellicht op de middellange en lange termijn ontoereikend, wat aanzienlijke negatieve gevolgen kan hebben voor het bedrijf, de groeiambities, de financiële positie en de resultaten van de Groep. • De financiële middelen van de Groep kunnen op verschillende manieren worden beperkt en begrensd, en daarmee ook haar groeiambities indien de Groep niet in staat is extra gelden aan te trekken door het aangaan van verkoop-en-terughuurtransacties met betrekking tot de onroerende zaken die voor haar bedrijfsvoering worden gebruikt. • Rampen, terroristische aanvallen, oorlogen, vijandelijkheden, rellen, maatschappelijke onrust, pandemieën en andere onvoorspelbare gebeurtenissen kunnen direct of indirect aanzienlijke negatieve gevolgen hebben voor het bedrijf, de financiële positie en de resultaten van de Groep. **Risico's die samenhangen met de Groepsstructuur** • Elke tekortkoming in managementinformatie- en interne controlesystemen kunnen het voor de Vennootschap moeilijker maken om haar bedrijfsstrategie in de gehele Groep uit te voeren en adequaat te reageren op ongunstige ontwikkelingen binnen haar Groepsmaatschappijen. De interne controlesystemen van de Groep zijn wellicht onvoldoende in staat risico's te herkennen en de mogelijke weerslag

		daarvan op de Groep, wat aanzienlijke negatieve gevolgen kan hebben voor het bedrijf, de financiële positie en de resultaten van de Groep. • De Vennootschap is een houdstermaatschappij zonder bedrijfsactiviteiten en is afhankelijk van haar Groepsmaatschappijen voor de benodigde gelden om aan haar financiële verplichtingen te voldoen. Indien de Groepsmaatschappijen niet in staat zijn de Vennootschap te voorzien van gelden kan dit aanzienlijke negatieve gevolgen hebben voor het bedrijf, de financiële positie en de resultaten van de Groep. • De Vennootschap heeft twee (2) belangrijke aandeelhouders en acht (8) belangrijke houders van Certificaten die een significante invloed kunnen uitoefenen op de uitkomst van vennootschappelijke aangelegenheden, waardoor de marktprijs van de Certificaten kan dalen. • Op grond van het bepaalde in de call-optie-overeenkomst van de Vennootschap met Stichting Continuïteit Reesink kunnen gunstige wijzigingen in de zeggenschap worden uitgesteld of afgewend en kan de marktprijs van de Certificaten dalen. • De Groep heeft niet de volledige zeggenschap over een aantal vennootschappen waarin zij een deelneming heeft, waardoor de bedrijfsvoering van de Groep kan worden beperkt en aan deze eigendomsstructuur zijn bepaalde risico's verbonden die nadelige gevolgen kunnen hebben voor het bedrijf, de financiële positie en de resultaten van de Groep. • Het bestaan als beursgenoteerde onderneming brengt juridische en financiële nalevingskosten met zich mee, die negatieve gevolgen kunnen hebben voor het bedrijf, de financiële positie en de resultaten van de Groep.
D.5-D.3	Belangrijkste risico's met betrekking tot de Certificaten en de Aanbieding	• Er wordt slechts zeer beperkt gehandeld in de Certificaten, als gevolg waarvan houders van Certificaten er wellicht niet in slagen hun Certificaten te verkopen of tegen een redelijke prijs te verkopen. • De marktprijs van de Aangeboden Certificaten kan fluctueren en kan tot onder de Uitgifteprijs zakken, als gevolg waarvan beleggers hun belegging of een gedeelte daarvan kunnen verliezen. • De uitgifte van extra eigen vermogen door de Vennootschap ofwel door middel van de uitgifte van nieuwe Certificaten ofwel via derden die uitstaande converteerbare leningen omzetten, kan leiden tot verwatering van houders van Certificaten of aandeelhouders in de Vennootschap. • Toekomstige verkoop van Certificaten van de Vennootschap door bestaande houders van Certificaten kan een daling van de marktprijs van de Certificaten veroorzaken. • Publicaties van beurs- of bedrijfsanalisten kunnen de prijs en het handelsvolume van Certificaten beïnvloeden. • De Vennootschap heeft in 2012 geen dividend uitgekeerd. Of in de toekomst dividenden zullen worden uitgekeerd is afhankelijk van, onder andere, de nettowinst en de financiële positie van de Vennootschap. • Houders van Certificaten kunnen onder bepaalde omstandigheden niet gerechtigd zijn tot het uitoefenen van de aan de onderliggende Gewone Aandelen verbonden stemrechten in de Algemene Vergadering.
Afdeling E – Aanbieding		
E.1	Netto-omzet en geschatte kosten	Na aftrek van de geschatte kosten van de Aanbieding van circa €180,000, verwacht de Vennootschap circa €2,820,000 te ontvangen met de uitgifte van de Aangeboden Certificaten. De geschatte kosten omvatten, naast andere kosten, de aan de Nederlandse Autoriteit voor de Financiële Markten en NYSE Alternext in Amsterdam verschuldigde vergoeding, de commissie van de Sole Coordinator, Bookrunner, Settlement and Listing Agent, juridische en administratieve kosten en publicatiekosten, alles inclusief eventueel toepasselijke belastingen.
E.2a	Redenen voor de Aanbieding en het gebruik van opbrengsten	De opbrengst van de Aanbieding zal worden aangewend voor terugbetaling van haar financieringsfaciliteit, die de Groep heeft gebruikt voor de financiering van een deel van de prijs van de Overname, onmiddellijk na de Aanbieding.
E.3	Algemene Voorwaarden van de	**Aangeboden Certificaten en Uitgifteprijs** De Vennootschap biedt 46.986 nieuwe Gewone Aandelen aan in de vorm van Aangeboden Certificaten voor een totaalbedrag van circa €3.000.000. De Aanbieding bestaat uit een aanbieding aan het publiek in Nederland. De Aangeboden Certificaten

	Aanbieding	worden aangeboden in overeenstemming met Regulation S van de United States Securities Act van 1933, zoals gewijzigd. De Aanbieding wordt uitsluitend gedaan in rechtsgebieden waar, en uitsluitend aan personen aan wie, een aanbod en verkoop van de Aangeboden Certificaten rechtmatig kan plaatsvinden. In totaal worden 46.986 Aangeboden Certificaten aangeboden tegen een Uitgifteprijs van €63,85 per Aangeboden Certificaat. **Aanbiedingstermijn** Behoudens verkorting of verlenging van het tijdpad voor de Aanbieding, of intrekking van de Aanbieding, kunnen gegadigden inschrijven op Aangeboden Certificaten van 12 november 2013 tot 17:30 uur CET op 25 november 2013 (de "**Aanbiedingstermijn**"). **Toewijzing met Voorrang** Bij de toewijzing van Aangeboden Certificaten aan beleggers is de Vennootschap voornemens, met inachtneming van onderstaande restricties, voorrang te geven aan bestaande houders van Certificaten of Gewone Aandelen (met uitzondering van STAAR) die op 18 juni 2013 na het sluiten van de markt op NYSE Alternext Amsterdam in het bezit waren van Certificaten respectievelijk Gewone Aandelen (de "**Registratie Datum**") en aan wie de Aangeboden Certificaten rechtmatig of zonder aanvullende registraties of andere procedures kunnen worden aangeboden en verkocht. Gekwalificeerde beleggers die de mogelijkheid hebben gekregen op Certificaten in te schrijven in de onderhandse plaatsing door de Vennootschap aan gekwalificeerde beleggers op 14 oktober 2013 (de "**Onderhandse Plaatsing**") hebben geen recht op een toewijzing met voorrang met betrekking tot de Aangeboden Certificaten. Voor wat betreft deze toewijzing met voorrang is de Vennootschap voornemens hierboven voorrang te geven aan bestaande houders van Certificaten die op de Registratie Datum ten minste een deelneming van 5% in het kapitaal van de Vennootschap hielden, om hun deelnemingsvrijstelling te behouden ten opzichte van de bestaande houders van Certificaten of Gewone Aandelen die op de Registratie Datum een deelneming van minder dan 5% in het kapitaal van de Vennootschap hielden. Dit kan leiden tot een lager aantal met voorrang toegewezen Aangeboden Certificaten die beschikbaar zijn voor andere in aanmerking komende bestaande houders van Certificaten of Gewone Aandelen. Met inachtneming van deze restricties op grond waarvan de gerechtigheid tot Aangeboden Certificaten wordt bepaald, streeft de Vennootschap naar toewijzing aan bestaande houders van Certificaten of Gewone Aandelen op de Registratie Datum met voorrang boven andere beleggers van een aantal Aangeboden Certificaten evenredig aan het totaalbedrag van hun Certificaten of Gewone Aandelen op de Registratie Datum. Houders van Certificaten of Gewone Aandelen zullen op de Registratie Datum, met voorrang boven de overige investeerders, ten minste één (1) met voorrang toegewezen Aangeboden Certificaat ontvangen per dertien (13) Certificaten of Gewone Aandelen gehouden op de Registratie Datum. De toewijzing met voorrang is, met name, niet van toepassing op bestaande houders van Certificaten of Gewone Aandelen in de Verenigde Staten van Amerika en in andere rechtsgebieden waar deze toewijzing niet is toegestaan of waar daarvoor aanvullende registraties moeten worden gedaan of andere procedures moeten worden gevolgd. **Toewijzing** De toewijzing van de Aangeboden Certificaten vindt naar verwachting plaats na afloop van de Aanbiedingstermijn op of omstreeks 25 november 2013, behoudens verkorting of verlenging van het tijdpad voor de Aanbieding. Ingeval de Aanbieding wordt overtekend, kunnen beleggers minder Aangeboden Certificaten ontvangen dan waarop zij hebben ingetekend. De Vennootschap kan naar eigen inzicht en zonder opgaaf van redenen inschrijvingen of gedeeltes daarvan weigeren (met uitzondering van inschrijvingen door daarvoor in aanmerking komende bestaande houders). De toewijzing van de Aangeboden Certificaten aan beleggers wordt bepaald door de Vennootschap tezamen met de Sole Coordinator, Bookrunner, Settlement and Listing Agent. De Sole Coordinator, Bookrunner, Settlement and Listing Agent stelt houders van Gewone Aandelen en houders van Certificaten via de financiële instelling of tussenpersoon door wie de Certificaten zullen worden gehouden in kennis van een eventuele toewijzing van Aangeboden Certificaten.

Inschrijving op de Aanbieding door leden van de Directie en de Raad van Commissarissen

De heer G. van der Scheer, het enige lid van de Directie, heeft de intentie om zich in te schrijven voor de Aangeboden Certificaten. De heer Van der Scheer had ten tijde van de Registratie Datum een aantal Certificaten in eigendom, en heeft daarom recht op toewijzing met voorrang voor een deel van zijn inschrijving gerelateerd aan deze Certificaten. Als hij zich inschrijft voor meer Aangeboden Certificaten, zal hij niet profiteren van voorrang, waardoor het onzeker is of hij deze aanvullende Aangeboden Certificaten zal verkrijgen.

De heer F.L.H. van Delft, een lid van de Raad van Commissarissen, houdt een belang in Certificaten door middel van Bibiana Beheer B.V. Op de Registratie Datum had Bibiana Beheer B.V. een groter belang dan 5% in het kapitaal van de Vennootschap. Vanwege de Onderhandse Plaatsing is dit belang onder de deelnemingsvrijstellingsgrens gedaald tot ongeveer 3,83%. Tijdens de bijzondere Algemene Vergadering gehouden op 2 juli 2013 is de mogelijke participatie van Bibiana Beheer B.V. in de Aanbieding besproken, aangezien Bibiana Beheer B.V. niet de mogelijkheid was geboden om in te schrijven voor de Onderhandse Plaatsing. Bibiana Beheer B.V. heeft aangegeven de intentie te hebben zich in te schrijven en gebruik te maken van de bijzondere voorrangstoewijzing om zo haar belang te vergroten naar 5%. Bibiana Beheer B.V. komt dientengevolge in aanmerking om zich in te schrijven voor een substantieel deel van de Aangeboden Certificaten in de Aanbieding.

Inschrijvingsovereenkomst

Op 13 juni 2013 heeft de Vennootschap een inschrijvingsovereenkomst gesloten met PHD. Met inachtneming van bepaalde voorwaarden is PHD overeengekomen in te tekenen op alle Aangeboden Certificaten waarop in de Aanbieding nog niet rechtsgeldig is ingetekend of die nog niet zijn betaald op de dag waarop de handel in, en betaling (in euro's) voor, en uitgifte en levering van de Aangeboden Certificaten (de "**Afwikkeling**") zal plaatsvinden, welke dag verwacht is op of omstreeks 28 november 2013 (de "**Afwikkelingsdatum**"), en daarvoor de Uitgifteprijs te betalen. PHD heeft geen vergoeding ontvangen in verband met de inschrijvingsovereenkomst, en zal daarvoor ook geen vergoeding ontvangen.

Betaling

De betaling (in euro's) voor de Aangeboden Certificaten zal naar verwachting plaatsvinden op de Afwikkelingsdatum. Eventuele belastingen en kosten zijn voor rekening van de belegger. Beleggers moeten de Uitgifteprijs betalen in onmiddellijk beschikbare gelden op of voorafgaand aan de Afwikkelingsdatum (of eerder in geval van een eerdere sluiting van de Aanbiedingstermijn en een daarmee gepaard gaande versnelling van de prijsvaststelling, toewijzing, aanvang van de handel en Afwikkeling.).

De betaling voor de Aangeboden Certificaten door een belegger behelst zijn betaling aan STAAR en wordt door een belegger namens STAAR rechtstreeks betaald aan de Vennootschap ter voldoening van de verplichting van STAAR met betrekking tot de inschrijving van STAAR voor de nieuwe Gewone Aandelen die met de Aangeboden Certificaten in de Aanbieding corresponderen.

Levering en Notering van de Aangeboden Certificaten

Nadat de betaling voor de Aangeboden Certificaten aan de Vennootschap is voltooid, zal de Vennootschap de nieuwe Gewone Aandelen corresponderend met de Aangeboden Certificaten in de Aanbieding uitgeven aan STAAR. STAAR zal daarna voor die Gewone Aandelen Aangeboden Certificaten verstrekken aan de desbetreffende belegger. De Aangeboden Certificaten worden giraal geleverd via het Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. op of omstreeks de Afwikkelingsdatum.

Er wordt een aanvraag ingediend voor notering van de Aangeboden Certificaten aan NYSE Alternext in Amsterdam. Behoudens verkorting of verlenging van het tijdpad voor de Aanbieding, wordt verwacht dat de handel in de Aangeboden Certificaten op NYSE Alternext in Amsterdam zal aanvangen op of omstreeks 28 november 2013.

Indien de Afwikkeling niet plaatsvindt op de Afwikkelingsdatum zoals gepland of in het geheel niet zal plaatsvinden, kan de Aanbieding worden ingetrokken en worden alle inschrijvingen voor Aangeboden Certificaten als niet gedaan beschouwd, reeds gedane toewijzingen als niet gedaan beschouwd, en eventuele bij de inschrijving betaalde gelden geretourneerd zonder rente of andere vergoeding. Eventuele transacties in de

		Aangeboden Certificaten voorafgaand aan de Afwikkeling zijn uitsluitend voor risico van de betrokken partijen. **Sole Coordinator, Bookrunner, Settlement and Listing Agent** SNS Securities N.V. treedt op als Sole Coordinator, Bookrunner, Settlement and Listing Agent met betrekking tot de Aanbieding van de Aangeboden Certificaten. **Betaalkantoor en Bewaarder** ABN AMRO Bank N.V. is het betaalkantoor en de bewaarder van de Certificaten op NYSE Alternext in Amsterdam. **Geldend Recht en Bevoegde Rechters** Op de Aanbieding is Nederlands recht van toepassing. Alle geschillen voortvloeiend uit de Aanbieding zijn onderworpen aan de niet-exclusieve bevoegdheid van de rechter in Amsterdam, Nederland.
E.4	Materiële belangen bij de Aanbieding (waaronder begrepen tegenstrijdige belangen)	De heer F.L.H. van Delft, een lid van de Raad van Commissarissen, houdt een belang in Certificaten door middel van Bibiana Beheer B.V. Bibiana Beheer B.V. heeft aangegeven de intentie te hebben zich in te schrijven in de aanbieding en gebruik te maken van de bijzondere voorrangstoewijzing om zo haar belang te vergroten naar 5%.
E.5	Persoon of entiteit die aanbiedt de Aangeboden Certificaten te verkopen en *lock-up* overeenkomsten	Pon Holdings B.V. is akkoord gegaan om niet over te gaan tot verkoop of een andere vorm van vervreemding van de 150.756 Certificaten die Pon Holdings B.V. heeft verkregen bij de onderhandse plaatsing op 16 oktober 2013 vanaf de datum van de onderhandse plaatsing tot 1 januari 2014, behoudens in geval van een openbaar bod op alle of een deel van de Certificaten genoteerd aan NYSE Alternext in Amsterdam of na voorgaande schriftelijke toestemming van de Vennootschap.
E.6	Verwatering	Indien een houder van Certificaten niet deelneemt in de Aanbieding, wordt zijn evenredige deel in het kapitaal en zijn stemrecht in de Vennootschap met maximaal 3,1% verwaterd als gevolg van de uitgifte van de Aangeboden Certificaten per de datum van dit Prospectus.
E.7	Geraamde kosten die de Vennootschap aan de beleggers in rekening brengt	Niet van toepassing; de Vennootschap zal beleggers geen kosten in rekening brengen in verband met de Aanbieding.

SUMMARY

Summaries of prospectuses are made up of disclosure requirements known as 'Elements' as included in annex XXII of the prospectus regulation, as amended. These elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary of a prospectus for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary together with an indication that such Element is 'not applicable'.		
Section A – Introduction and Warnings		
A.1	Introduction and warnings	This summary should be read as an introduction to this prospectus (the "**Prospectus**") relating to the issuance of 46,986 new ordinary shares with a nominal value of €4.00 each (the "**Ordinary Shares**") in the form of depository receipts (the "**Offer DRs**") at an offer price of €63.85 per Offer DR (the "**Offer Price**") (the "**Offering**"). Application will be made to list all Offer DRs on NYSE Alternext in Amsterdam. Any decision to invest in DRs should be based on a consideration of this Prospectus as a whole by the investor. Where a claim relating to the information contained in this prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating this prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this prospectus, or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in DRs.
A.2	Consent by the Company to the use of the Prospectus for resale or final placement of securities by financial intermediaries	Not applicable; there will be no subsequent resale of or final placement of the Offer DRs by financial intermediaries.
Section B – Issuer and any Guarantor		
B.31-B.1	Legal and commercial name of the Company	Koninklijke Reesink N.V. (the "**Company**").
B.31-B.2	Domicile, legal form, legislation and country of incorporation	The Company is a public company with limited liability (*naamloze vennootschap*) incorporated under the laws of and domiciled in the Netherlands. The Company has its corporate seat in Apeldoorn, the Netherlands.
B.31-B.3	Key factors relating to the nature of the Group's operations and its principal activities	The Company and its group companies (being legal entities as referred to in section 24b, Book 2, Dutch Civil Code ("**Group Companies**") and together with the Company, the "**Group**") believe they are leading distributors of strong brands and strong concepts in the equipment industry in the Netherlands, Belgium and parts of Germany. The Group is active in the agricultural, turf care, landscape maintenance (including golf course maintenance) and construction (including earth-moving) equipment industries. Since the acquisition of the material handling and hydraulics equipment logistics business of Pon Holdings B.V., being all issued and outstanding shares in the share capital of: Pon Material Handling Europe B.V., Motrac Hydrauliek B.V., Q-Lion B.V. (dormant), Motrac Intern Transport B.V., Motrac Handling & Cleaning N.V./S.A, and Motrac Hydraulik GmbH and 75.04% of the issued and outstanding shares in the share capital of Pelzer Fördertechnik GmbH (the "**Acquisition**"), the Group believes it is also a leading distributor in the material handling equipment industry. To a lesser extent, the Group distributes cleaning equipment.

The Group distributes equipment produced by original equipment manufacturers to end-users through independent dealers, through dealers in which the Group holds an equity interest and directly to end-users.

Based on the Group's pro forma combined revenues over the first half of 2013 (unaudited), which illustrates the impact of the Acquisition as if it had occurred at the start of 1 January 2012, the distribution of equipment from Linde Material Handling GmbH and its affiliated companies, CLAAS Kommanditgesellschaft auf Aktien MbH and its affiliated companies, Kuhn S.A. and its affiliated companies, Atlas Maschinen GmbH and its affiliated companies, and Toro International Company and its affiliated companies (together the "**Main Original Equipment Manufacturers**") represented a significant share of the Group's total revenue.

The Group promotes cross-selling between its different business segments as the equipment segments in which it is active are adjacent. As part of its strategy, the Group is expanding these cross-selling opportunities with a view to becoming a major full line equipment distributor of strong brands and strong concepts in the relevant markets. The Group conducts promotional and marketing activities on national, regional and local levels.

The Group has rental concepts for construction and material handling equipment and is in the process of expanding its rental concepts to its green equipment segment.

The Group believes it has a strong presence with strong concepts in the Dutch steel products industries. Furthermore, it believes it is a leading distributor of personal protective products in the Netherlands. Since the Acquisition, the Group believes it has a sizeable presence in the hydraulics components and systems markets in the Netherlands, Belgium and Germany, meaning that it also provides engineering of hydraulic solutions for machinery. In its steel business segment, the Group believes it differentiates itself by adding value to and processing the steel products it distributes with a view to becoming an integrated part of its end-users' production processes. The Group distributes its industrial products either directly to end-users or, in the case of the personal protective products, through an extensive network of independent wholesalers.

In addition to the activities described above, the Group provides a full range of (after-sales) services to its customers in all segments.

The Group's pro forma combined annual revenues over 2012 and the pro forma combined revenues over the first half of 2013 (unaudited), which illustrates the impact of the Acquisition as if it had occurred at the start of 1 January 2012, was approximately €403 million, respectively €222 million. The Group's annual revenues over 2012 was approximately €185 million (2011: €173 million, 2010: €189 million), and over the first half of 2013 €112 million.

The Group mainly operates in the Netherlands, Belgium and Germany. In 2012, approximately €141 million, or 76% of the Group's revenues were generated in the Netherlands (2011: €141 million respectively 81%; 2010: €160 million respectively 84%), €36 million, or 20% in Belgium (2011: €25 million respectively 14%; 2010: €23 million respectively 12%) and €8 million, or 4% in Germany (2011: €7 million respectively 4%; 2010: €6 million respectively 3%). The Company believes that the Group's presence in Belgium and Germany has been strengthened by the Acquisition.

The Group's operations are divided among two functional divisions:

- *Reesink Equipment* – In this division, the relevant group entity operates as a distributor of equipment for agriculture, turf care, landscape maintenance and construction. Since the Acquisition, the Reesink Equipment division is also a distributor of material handling equipment. The businesses in this division also distribute cleaning equipment. The Group sources new equipment from original equipment manufacturers. Where the Group operates without dealers, it generally sources used equipment from its end-users and occasionally from third parties. The Group also obtains used equipment in the context of trade-ins of the equipment it rented out. The Group's products are mainly supplied to farmers, agricultural contractors, landscape contractors, (operators of) golf courses, municipal authorities, governments, water boards, forestry services and a wide variety of companies, all of which operate some sort of warehouse or other logistical facilities. The Group nearly exclusively focuses on the distribution of strong brands and strong concepts. According to the Group's annual revenues over 2012, approximately €137 million respectively 74% of the Group's revenues was generated in the Reesink Equipment division (2011: €111 million respectively 64%; 2010: €85 million respectively 45%), and over the first half of 2013 €93 million respectively 84%. Reesink Equipment consists of three different segments:

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Reesink Green Equipment: Kamps de Wild B.V., Reesink Technische Handel B.V., Stierman B.V., Packo Agri N.V., Packo & Heybroek N.V. and Jean Heybroek B.V. operate as distributors and Bruggeman Mechanisatie B.V. and Landtech Zuid B.V. operate as dealers of products related to agricultural, turf care and landscape maintenance. Jean Heybroek B.V. also has a minor position in the cleaning equipment industries. Reesink Green Equipment carries brands such as Claas, Kuhn, Toro, Amazone, Kaweco and Rauch.
Reesink Construction Equipment: Ben Kemp Holding B.V. and its subsidiaries Barend Kemp B.V., Kemp BVBA, Huur & Stuur B.V., Vacu-Rent B.V. and Kemp Hoogwerkers B.V. and Hans van Driel B.V. operate as distributors of construction equipment, including earth-moving, transshipment, industrial and railroad equipment. The Reesink Construction Equipment segment has a rental concept “Huur & Stuur” that allows customers to rent construction equipment for a short period of time. Reesink Construction Equipment carries brands such as Atlas, Terex, IHI and Kato. Furthermore, the Reesink Construction Equipment segment distributes underground construction products of the Ditch Witch brand from the locations in De Meern (the Netherlands) and Hamme (Belgium).
Reesink Material Handling Equipment: This is a new segment of the Group that was established as a result of the Acquisition. This segment focuses on an installed base model (i.e., machinery for which the Group can provide services and components apart from just distributing equipment). Motrac Intern Transport B.V., Motrac Handling & Cleaning N.V./S.A., and Pelzer Fördertechnik GmbH operate as distributors of material handling equipment. The Reesink Material Handling Equipment focus industries are food retail, non-food retail, transport contractors, chemicals, coldstore, food production and waste and recycling. Motrac Handling & Cleaning N.V./S.A. and Pelzer Fördertechnik GmbH also operate as distributors of cleaning equipment (opportunistically). The Reesink Material Handling Equipment segment carries brands such as Linde and Tennant.

Reesink Industries – Within the Reesink Industries division, Reesink Staal B.V. and Safety Centre International B.V. operate as supplier of (processed) steel products, respectively as distributor of personal protective products related to the construction industry, equipment manufacturers, system manufacturers, technical wholesalers and the agricultural industry. Since the Acquisition, the Group is also active in the (engineering of) hydraulics components and systems industry through Motrac Hydraulics (Motrac Hydrauliek B.V. for the Netherlands and Belgium and Motrac Hydraulik GmbH for Germany). The Group focuses on carrying strong concepts in the steel products industry and on the distribution of strong brands in the personal protective products industry and hydraulics components and systems industry. According to the Group’s annual revenues over 2012, approximately €48 million respectively 26% of the Group’s revenues was generated in the Reesink Industries division (2011: €58 million respectively 33%; 2010: €57 million respectively 30%) and for the first half of 2013 €18 million respectively 17%.

The Company acts as a holding company and focuses on the management of the Group. The Group’s operating companies are largely responsible for developing their own strategy, incentivized by and with the support of the Company. The Company is a publicly-traded company with a listing on NYSE Alternext in Amsterdam. The Company’s ticker symbol is “ALRRE”. At the close of business on 31 October 2013, the Company had a market capitalization of approximately €94 million (source: https://europeanequities.nyx.com/).
The Group believes it benefits from the following strengths:

the Group is solution oriented;
the Group has product and market expertise and is knowledge-driven;
the Group offers a full range of products of well-recognized brands with growth potential;
the Group is capable of innovation and is a market pioneer with respect to dealer participation, changing the steel chain and investing in related markets;
the Group has an efficient parts distribution system (i.e., it distributes parts within a couple of hours to a maximum of 24 hours) and after-sales service;
the Group has strong relationships with principals, financing institutions, holders of DRs, shareholders and other stakeholders; and
the Group has a healthy debt to equity ratio.

</td></tr>
<tr><td>B.31-B.4</td><td>Significant recent trends affecting the Group and</td><td>
Agricultural equipment

Reduction in number, but growth in size of agricultural businesses;
Subsidies and investment possibilities;
Rising demand for ‘one-stop-shopping’;

</td></tr>
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<tr><td></td><td>industries in which it operates</td><td>• End-users preferences;
• Original equipment manufacturers' and end-users' increased demands for coverage and service levels;
• Rising demand for financing solutions and rental of equipment; and
• Changes in regulations and global organization initiatives.
Turf care and landscape equipment
• Changes in regulations and governmental subsidies;
• Increase in number, but a reduction in utilization of golf courses; and
• Reduction in number but growth in size of customers specialized in golf course maintenance.
Construction equipment
• Increasing importance of 'green technologies'; and
• Growing equipment rental possibilities.
Material handling equipment
• Global demand for material handling is rising;
• European demand mainly based on replacement;
• Continuous changes in various truck segments;
• Increase of automated solutions; and
• Continuing globalization and technological advances.
Steel and manufacturing
• Dependency on the building industry; and
• Mortgage financing issues affect the building industry.
Personal protective industry
• Increasing personal protective legislation but also a reduction of the workforce using personal protective products and safety wear.
Hydraulics
• Customers are asking for full solutions;
• Strict legislation; and
• Market consolidation is taking place.</td></tr>
<tr><td>B.31-B.5</td><td>Description of the Group and the Company's position therein</td><td>The Company is a holding company without material direct business operations. The principal assets of the Company are the equity interests it directly or indirectly holds in its Group Companies. Furthermore, the Company formally owns the franchise formula "Fixet" and provides logistics for Bata Nederland B.V.</td></tr>
<tr><td>B.31-B.6</td><td>Persons who, directly and indirectly, have a notifiable interest in the Company's capital or voting rights</td><td>Pursuant to the Company's articles of association, as amended from time to time (the "Articles"), shareholders and holders of DRs with a substantial interest (substantiële deelneming, a holding of at least 3% of the capital or voting rights as defined in the Dutch Financial Markets Supervision Act) are required to notify the Company by means of a form made available on the Company's website. The following table sets forth the Company's shareholders and holders of DRs with a substantial interest in the Company on 10 October 2013, as filed with the Company.
<table>
<tr><th>Shareholder or holder of DRs</th><th>Percentage of shares</th><th>Percentage of DRs</th></tr>
<tr><td>Beleggings- en Exploitatiemaatschappij De Engh B.V.</td><td></td><td>3.9%</td></tr>
<tr><td>Bibiana Beheer B.V.[1]</td><td></td><td>3.8%</td></tr>
<tr><td>Decico B.V.</td><td></td><td>5.6%</td></tr>
<tr><td>Delta Lloyd Deelnemingenfonds N.V.</td><td></td><td>12.0%</td></tr>
<tr><td>Pon Holdings B.V.</td><td></td><td>10.3%</td></tr>
<tr><td>Project Holland Deelnemingen B.V.</td><td></td><td>14.3%</td></tr>
<tr><td>Recopart B.V.</td><td>17,80%</td><td>2.4%</td></tr>
<tr><td>Stichting Administratiekantoor van Aandelen Reesink</td><td>78,2%</td><td></td></tr>
<tr><td>Todlin N.V.</td><td></td><td>8.6%</td></tr>
</table>
1) Mr. F.L.H. van Delft, a member of the Company's supervisory board (the "Supervisory Board"), holds this interest of DRs through Bibiana Beheer B.V. At the time of Mr. Van Delft's appointment as a member of the Supervisory Board, the Company and Mr. Van Delft agreed that he would refrain, up to 12 months after his retirement as a member of the Supervisory Board, from selling the interest held through Bibiana Beheer B.V. Mr. Van Delft will continue to indirectly hold this package of DRs until the aforementioned period of 12 months has expired.</td></tr>
<tr><td></td><td>Different shareholder voting rights</td><td>No major shareholders have specific voting rights.</td></tr>
<tr><td></td><td>Direct and indirect ownership of</td><td>Stichting Administratiekantoor van Aandelen Reesink ("STAAR") holds a substantial interest in the Company, but STAAR is governed by a specific corporate purpose in its articles of association and rules regarding voting rights. Therefore, the Company believes it is not directly</td></tr>
</table>

	or control over the Company and nature of such control	or indirectly owned or controlled by another corporation or by any foreign government. The Company is not aware of any arrangement that may, at a subsequent date, result in a change of control.
B.31-B.7	Selected historical key financial information	

Consolidated income statement *(x € 1.0 million)*

	Half year ended 30 June 2013 unaudited	**Half year ended 30 June 2012 unaudited**	**Year ended 31 December 2012 audited**	**Year ended 31 December 2011 audited**	**Year ended 31 December 2010 audited**
Net revenues	111.5	110.5	185.2	173.4	189.7
Gross operating income	15.4	14.9	22.6	20.7	24.4
As % of the net revenues	13.8%	13.5%	12.2%	11.9%	12.9%
Net operating income	4.9	5.5	4.4	7.5	6.8
Operating result excl. depreciation (EBITDA*) excluding exceptional items	7.3	7.6	9.2	8.6	8.2
Operating results (EBIT)	5.8	6.6	6.7	9.5	7.0
Results from ordinary activities before taxation	5.1	6.4	0.2	9.0	7.9
Net results	3.6	3.9	-4.3	5.6	5.9
Net income per Ordinary Share					
Basic (*in €*)	4.35	5.65	-6.22	8.22	8.66
Fully diluted (*in €*)	4.25	5.65	-6.12	8.22	8.66

* EBITDA is defined as group operating profit before depreciation of property, plant and equipment and before amortization of intangible assets. EBITDA is a financial measure not defined under the generally accepted accounting standard in the Netherlands and is unaudited.

Consolidated cash flow statement *(x € 1.0 million)*

	Half year ended 30 June 2013 unaudited	**Half year ended 30 June 2012 unaudited**	**Year ended 31 December 2012 audited**	**Year ended 31 December 2011 audited**	**Year ended 31 December 2010 audited**
Net cash flow from operating activities	15.6	5.1	8.6	2.8	-4.0
Net cash flow from investing activities	-5.1	-17.0	-18.1	-4.5	-7.3
Net cash flow from financing activities	-10.0	12.3	13.8	1.7	11.5
Increase/decrease in net cash position	**0.5**	**0.4**	**4.3**	**0.0**	**0.2**
Net cash position at beginning of the year	4.6	0.3	0.3	0.3	0.1
Net cash position at period-end	5.1	0.7	4.6	0.3	0.3
Increase/decrease in net cash position	**0.5**	**0.4**	**4.3**	**0.0**	**0.2**

Consolidated balance sheet *(x € 1.0 million)*

	Half year ended 30 June 2013 unaudited	**Half year ended 30 June 2012 unaudited**	**Year ended 31 December 2012 audited**	**Year ended 31 December 2011 audited**	**Year ended 31 December 2010 audited**
Fixed assets	71.3	76.3	67.7	67.1	59.5
Current assets	100.9	97.0	95.4	82.9	82.8
Total assets	**172.2**	**173.3**	**163.1**	**150.0**	**142.3**
Group equity	82.0	77.6	74.1	78.9	72.8
Provisions	12.3	13.1	11.8	12.2	13.8
Non-current liabilities	14.1	0.8	14.5	0.2	–
Current liabilities	63.8	81.8	62.7	58.7	55.7
Total equity and liabilities	**172.2**	**173.3**	**163.1**	**150.0**	**142.3**

B31-B.8	Selected key pro forma financial information	***Unaudited combined pro forma income statement in connection with the Acquisition for the first half year of 2013***

Pro forma income statement as a result of the Acquisition *(x €1.0 million)*

	Group - half year ended 30 June 2013 (unaudited)	**Acquired Entities half year ended 30 June 2013 (unaudited)**	**Acquisition related adjustments (excl. financing) (unaudited)**	**Acquisition related financing (unaudited)**	**Total pro forma adjustments (unaudited)**	**Pro forma combined half year ended 30 June 2013 (unaudited)**
Net revenues	111.5	110.4	–	–	110.4	221.9
Gross operating income	15.4	17.5	-0.2	–	17.3	32.7
As % of the net revenues	13.8%	15.9%	–	–	15.7%	14.7%
Net operating income	4.9	3.6	-0.1	–	3.5	8.4
Operating result excl. depreciation (EBITDA*) excl. exceptional items	7.3	7.5	0.0	–	7.5	14.8
Operating result (EBIT)	5.8	3.5	-0.1	–	3.4	9.2
Result from ordinary activities before taxation	5.1	3.1	-0.1	-0.7	2.3	7.4
Net result	3.6	2.4	-0.1	-0.5	1.8	5.4

* EBITDA is defined as group operating profit before depreciation of property, plant and equipment and before amortization of intangible assets. EBITDA is a financial measure not defined under the generally accepted accounting standard in the Netherlands and is unaudited.

Unaudited combined pro forma income statement in connection with the Acquisition for the year ended 31 December 2012

Pro forma income statement *(x € 1.0 million)*

	Group - year ended 31 December 2012 (audited)	**Acquired Entities - year ended 31 December 2012 (unaudited)****	**Acquisition related adjustments (excl. financing) (unaudited)**	**Acquisition related financing (unaudited)**	**Total pro forma adjustments (unaudited)**	**Pro forma combined year ended 31 December 2012 (unaudited)**
Net revenues	185.2	217.6	–	–	217.6	402.8
Gross operating income	22.6	33.4	-0.3	–	33.1	55.7
As % of the net revenues	12.2%	15.3%	–		15.2%	13.8%
Net operating income	4.4	5.1	-0.1	–	5.0	9.4
Operating result excl. depreciation (EBITDA*) excl. exceptional items	9.2	13.4	0.0	–	13.4	22.6
Operating result (EBIT)	6.7	5.0	-0.1	–	4.9	11.6
Result from	0.2	4.0	-0.1	-1.7	2.2	2.4

ordinary activities before taxation						
Net result	-4.3	5.0	-0.1	-1.3	3.6	-0.7

* EBITDA is defined as group operating profit before depreciation of property, plant and equipment and before amortization of intangible assets. EBITDA is a financial measure not defined under the generally accepted accounting standard in the Netherlands and is unaudited.

**To emphasize that the financial statements of the Acquired Entities are audited for consolidation purposes only, based on the materiality levels as applied by the auditor of Pon Holdings in connection with their audit of the consolidated financial statements of Pon Holdings, unaudited is stated here.

Unaudited combined pro forma balance sheet in connection with the Acquisition as at 30 June 2013

Pro forma balance sheet *(x € 1.0 million)*

	Group - half year ended 30 June 2013 (unaudited)	**Acquired Entities - half year ended 30 June 2013 (unaudited)**	**Acquisition related adjustments (excl. financing) (unaudited)**	**Acquisition related financing (unaudited)**	**Total pro forma adjustments (unaudited)**	**Pro forma combined year ended 30 June 2013 (unaudited)**
Fixed assets	71.3	26.4	-16.8	19.9	29.5	100.8
Current assets	100.9	55.4	-46.1	43.6	52.9	153.8
Total assets	**172.2**	**81.8**	**-62.9**	**63.5**	**82.4**	**254.6**
Group equity	82.0	48.1	-52.1	25.4	21.4	103.4
Subordinated loan	–	–	–	10.3	10.3	10.3
Provisions	12.3	1.6	1.7	–	3.3	15.6
Non-current liabilities	14.1	10.0	-9.4	10.3	10.9	25.1
Current liabilities	63.8	22.1	-3.1	17.5	36.5	100.2
Total equity and liabilities	**172.2**	**81.8**	**-62.9**	**63.5**	**82.4**	**254.6**

B.31-B.9	Profit forecast	Not applicable; the Company has not issued a profit forecast.
B.31-B.10	Historical audit report qualifications	Not applicable; there are no qualifications.
B.31-D4	*See D4 below*	
B.32	Name and registered office of the issuer of the DRs	Stichting Administratiekantoor van Aandelen Reesink has its corporate and registered seat in Apeldoorn, the Netherlands.
	Legislation and legal form of the issuer of the DRs	STAAR is a foundation (*stichting*) incorporated under the laws of and domiciled in the Netherlands.
	Section C – Securities	
C.13-C.1	Type and class of Ordinary Shares	The Ordinary Shares are ordinary shares in the capital of the Company.
C.13-C.2	Currency of Ordinary Shares	The Ordinary Shares are denominated in euro.
C.13-C.3	Number of Ordinary Shares and nominal value	On the date of this prospectus, a total of 1,200,573 Ordinary Shares are issued and outstanding with a nominal value of €4.00 per Ordinary Share.

C.13-C.4	Rights attached to the Ordinary Shares	**Pre-Emptive Rights** Holders of Ordinary Shares have a pre-emptive right in the event of an issue of Ordinary Shares in proportion to the total amount of their Ordinary Shares. Holders of Ordinary Shares have no pre-emptive right in the event of an issue of cumulative preference shares A in the Company's share capital with a nominal value of €4.00 each ("**Cumulative Preference Shares A**") and cumulative preference shares B in the Company's share capital with a nominal value of €4.00 each ("**Cumulative Preference Shares B**") (Cumulative Preference Shares A and Cumulative Preference Shares B together, the "**Preference Shares**" and Ordinary Shares and Preference Shares together, the "**Shares**"). The general meeting of shareholders of the Company (the "**General Meeting**") may resolve to restrict or exclude pre-emptive rights, which resolution requires a majority of at least two-thirds of the votes cast if less than one-half of the issued capital is represented at the General Meeting. If one-half or more of the issued capital is represented, the resolution can be adopted with an absolute majority of the votes cast. The pre-emptive rights accruing to holders of Ordinary Shares in relation to the issuance of Ordinary Shares in the share capital of the Company and the grant of those rights to subscribe to Ordinary Shares have been excluded for the purpose of the Offering. **Dividends and Other Distributions** The Company may make distributions to the holders of Shares and other persons entitled to distributable profits only to the extent that its equity exceeds the sum of the amount of the paid-in and called up share capital plus the reserves which must be maintained under Dutch law or the Articles. Profits are distributed after the adoption by the General Meeting of the annual accounts from which it appears that said distributions are permitted. Pursuant to the Articles, the Company's management board (the "**Management Board**"), with the approval of the Supervisory Board, decides how much of the profit will be reserved. After reservation by the Management Board, any remaining profits must first be applied to pay a dividend on the Preference Shares, before distribution of any remaining distributable profits to the other shareholders. If the profit made in any financial year is not sufficient to distribute a dividend on the Preference Shares, distributions in following years may only be made provided that such shortfall has been redressed. Any profits remaining after such reservation and dividend payment on the Preference Shares will be at the disposal of the General Meeting. The General Meeting may, upon the proposal of the Management Board, such proposal having been approved by the Supervisory Board, resolve that payment of dividend may be made wholly or partly in Ordinary Shares. Subject to Dutch law and the Articles, the General Meeting may resolve to distribute an interim dividend upon the proposal of the Management Board. Any entitlement to a dividend distribution by a holder of Shares expires five years after the date those dividends were released for payment. **Amendment Articles. Dissolution and Liquidation** The General Meeting may resolve to amend the Articles or to dissolve the Company by an absolute majority of votes at the proposal of the Management Board thereto with the approval of the Supervisory Board. If no such proposal has been made by the Management Board, the General Meeting may adopt a resolution to dissolve the Company by a two-third majority of the votes cast in a General Meeting in which at least three-fourth of the issued share capital is represented. In the event of the dissolution of the Company, the Company will be liquidated in accordance with statutory provisions. During liquidation, the provisions of the Articles will remain in full force as far as possible. The balance of the Company's assets remaining after all liabilities have been paid shall, if possible, be distributed as follows (i) first, the entitled holders of Preference Shares will receive the nominal amount paid up on their shareholdings or a lesser amount in accordance with the available balance; (ii) secondly, following this payment, holders of Preference Shares will receive the shortfall in cumulative preferred dividend enjoyed by them in the period between the issue of these Preference Shares and redemption of the nominal amount of these Preference Shares in relation to the percentage of the paid-up nominal amount of their Preference Shares agreed with these holders prior to the issue, or a lesser amount in accordance with the available balance; and (iii) any amount remaining after this will be paid out to holders of Ordinary Shares in proportion to the nominal value of their shareholdings. **Voting Rights** Each holder of Shares is entitled to attend the General Meeting, to address the General Meeting and to exercise voting rights pro rata to its shareholding, either in person or by proxy, provided he or she has signed the attendance list in advance. Each holder of Shares may cast one vote per Share held. Resolutions of the General Meeting are passed by an absolute majority of votes cast

		unless Dutch law or the Articles explicitly and mandatorily prescribe a larger majority. **Capital reduction** The General Meeting may resolve to reduce the issued share capital of the Company by cancellation of Shares or by reducing the nominal value of Shares by amending the Articles. Under Dutch law, the resolution to reduce the issued share capital must specifically state the shares concerned and lay down rules for the implementation of the resolution. The resolution to cancel Shares may only concern Shares which are held by the Company or Shares for which the Company holds DRs. Under Dutch law, a resolution to reduce the issued share capital requires a majority of at least two-thirds of the votes cast in the General Meeting if less than one-half of the issued share capital is represented at that General Meeting. A resolution to reduce the issued share capital in addition requires the prior simultaneous approval by each group of shareholders of the same class whose rights are prejudiced.
C.13-C.5	Restrictions on transferability of the Ordinary Shares	There are no restrictions on the free transferability of the Ordinary Shares under the Articles. A transfer of Ordinary Shares or of a restricted right thereto requires a deed of transfer drawn up for that purpose.
C.13-C.6	Listing and admission to trading of the Ordinary Shares	Not applicable; the Ordinary Shares are not listed or admitted to trading.
C.13-C.7	Dividend policy of the Ordinary Shares	Taking into account the Company's growth objectives and the financial resources this requires, the Company's dividend policy in principle involves distribution of 40-55% of the profit placed at the shareholders' disposal. This is based on shareholders' equity of at least 40% of the Group's balance sheet total. Under certain circumstances, the Company may be willing to distribute a higher percentage. The Company has only distributed cash dividends to date, although it does not rule out providing shareholders with the option to choose stock dividend in future distributions.
C.14-C.1	Type and class, security identification number of the DRs	The DRs are depositary receipts which each represent a financial interest in one Ordinary Share held by STAAR. The DRs are traded on NYSE Alternext in Amsterdam. Application will be made to list all Offer DRs under the symbol "ALRRE". ISIN code: NL0000379303.
C.14-C.2	Currency of the DRs	The DRs are denominated in euro.
C.14-C.4	Rights attached to the DRs	STAAR shall collect the net dividends and other distributions payable on the Ordinary Shares which it receives in its capacity as shareholder. Upon receipt, STAAR shall pay out these dividends and distributions to the holders of DRs without any deductions. In the event that a pre-emptive right exists in connection with the issue of new Ordinary Shares, STAAR shall grant the holders of DRs a similar pre-emptive right in respect of DRs.
C.14-C.5	Restrictions on transferability of the DRs	There are no restrictions on the free transferability of DRs under the Articles. However, the offer of Offer DRs to persons located or resident in, or who are citizens of, or who have a registered address in countries other than the Netherlands, and the transfer of Offer DRs into jurisdictions other than the Netherlands may be subject to specific regulations or restrictions.
C.14	Rights of the Shareholders versus the rights of the holder of DRs	Holders of DRs have the same rights as the shareholders except for the voting rights. Voting rights on the DRs are exercised by STAAR. STAAR shall consider the interests of the holders of DRs as well as the interests of the Company, taking into account its principles of continuation and maintenance of identity upon voting. Holders of DRs are not entitled to give binding instructions to STAAR concerning the exercise of voting rights on the Ordinary Shares underlying their DRs. Holders of DRs can obtain powers of attorney, which can be granted only for a particular General Meeting and expire upon close of that General Meeting. After obtaining a power of attorney, the holders of DRs may exercise its obtained voting right as it sees fit. In certain cases STAAR can limit, exclude or renounce a power of attorney, which cases are included in clause 2.4 of the articles of association of STAAR. Moreover, if it is proposed to alter the rights attached to the Ordinary Shares, STAAR shall announce this intention if possible 14 days prior to the General Meeting without having to

		indicate how STAAR shall vote. Under Dutch law, holders of DRs have a right to attend and speak at the General Meeting, to inspect the annual accounts and to obtain a copy of the annual accounts free of charge. In addition, STAAR is entitled to consult holders of DRs in respect of a particular matter whenever it believes it is appropriate to do so.
C.14	Underwriting of the Offering	The Offering has been underwritten by Project Holland Deelnemingen B.V. ("**PHD**").
		Section D – Risks
D.4-D.2	Key risks that are specific to the Group	**Risks relating to the Group's Business, Operations and the Industry in which it operates** • The Group believes its success and results are dependent on distributing strong brands and strong concepts in the equipment industry. The Group is substantially dependent on the products of and its relationship with its Main Original Equipment Manufacturers. If the products of the Main Original Equipment Manufacturers no longer meet the Group's customers' requirements, this could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. • The Main Original Equipment Manufacturers may terminate their distribution contracts with the Group, change the terms of those contracts or not renew these contracts. These changes could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. • The industries in which the Group is active are cyclical in their nature and are therefore influenced by various economic factors, which could have a material adverse effect on the Group's business, financial condition and results of operations. • Changes in general economic conditions or business conditions in specific industries could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. The Group is likely to continue to be adversely affected by the current economic downturn. • The uncertainties created by recent events in the financial industry including the tightening of standards for granting credits and the impact on the mortgage market, may have a material adverse effect on the Group's business, financial condition, results of operations and prospects. • The performance of the Group is subject to weather conditions and other circumstances such as animal or crop diseases and food safety incidents inside but also outside the geographical markets in which the Group operates its business. A significant increase in the severity of weather cycles and the occurrence of the aforementioned circumstances could have a material adverse effect on the Group's business, financial condition and results of operations. • Certain Main Original Equipment Manufacturers may appoint other equipment distributors in close proximity to the Group's business or reduce the geographic areas of responsibility for sales and services assigned to the Group or enlarge those of competitors, any of which could have a material adverse effect on the Group's business, financial condition and results of operations. • The Group may not obtain additional geographic areas of responsibility and locations from existing or new original equipment manufacturers, which might impact the Group's growth prospects and its general conduct of business. • The Group's revenues, reputation and relationship with its customers could be harmed by performance failures by the Group or other parties in the supply chain, which could have a material adverse effect on the Group's business, financial condition and results of operations. • The relationship of each of the Group's distributors with the Main Original Equipment Manufacturers entails that they do not distribute equipment of competing brands within a specific geographical area, which might impact the Group's ability to grow organically within a specific geographical region and limit the Group's conduct of business and its growth prospects. • The Group's business, financial condition and results of operations may be adversely affected by parallel imports by third parties of equipment which the Group distributes. • The Group's business, financial condition and results of operations may be adversely affected by an undersupply or oversupply of equipment. • Changes in commodity and agricultural products prices could have a material adverse effect on the Group's business, financial condition and results of operations. • The Group's affiliation with THR, *e.g.* through the Fixet franchise formula and the rent of Ecofactorij 20 in Apeldoorn, could have a material adverse effect on the Group's business,

		financial condition and results of operations. • The Group may be liable for environmental damages, and any significant environmental damage caused or not remedied by the Group, or perceived to be caused or not remedied by the Group, could have a negative effect on the Group's reputation and could have a material adverse effect on the Group's business, financial condition and results of operations. • Adverse changes in governmental policies or general economic and political developments, including decreases in (European Union) subsidies and the tightening of government budgets, may reduce demand for equipment and could have a material adverse effect on the Group's business, financial condition and results of operations. • There can be no assurance that the Group's strategy will be successfully implemented, or that the Group will (fully) realize the expected benefits of its strategy, which might impact the Group's business, financial condition, results of operations and prospects. • The Group operates in different highly competitive environments and may lose business to competitors or otherwise be unable to compete favorably, which could have a material adverse effect on the Group's business, financial condition and results of operations. • The acquisition strategy of the Group may lead to several risks, *e.g.* related to the failure to identify suitable candidates or investment opportunities, the acquisitions of unsuitable candidates or the making of unsuitable investments, as well as a delay or the impossibility by the Group to close acquisitions or investments, and the liability of buyers for legacy obligations, each of which could have a material adverse effect on the Group's business, financial condition and results of operations. • The Group may incur unforeseen liabilities from former and future acquisitions and divestments that are not covered by effective warranties or indemnities which could have a material adverse effect on the Group's business, financial condition and results of operations. • The Group is active or may be active in a number of regions around the world, such as in emerging markets, some of which are economically, socially and politically unstable, and the Group also faces the risk of acts of war and violence, which could have a material adverse effect on the Group's reputation, business, financial condition and results of operations. • The Group in its material handling segment currently focuses mainly on man-operated equipment, while ongoing automation may replace man-operated logistical flows, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. • The Group's customers in the hydraulics components industry, such as certain original equipment manufacturers of hydraulic components and systems may choose to insource engineering by investing in technological expertise, which could have a material adverse effect on the Group's business, financial condition and results of operations. • The Group's success is dependent on the ability to retain and recruit managing directors, key personnel and skilled employees. The Group's inability to do so could have a material adverse effect on the Group's business, financial condition and results of operations. • The Group may incur material liabilities that are not covered by the Group's insurance which could adversely affect the Group's business, results of operations, financial condition and prospects. In addition, the Group may not be able to maintain the Group's current insurance coverage or do so at a reasonable cost, which could adversely affect the Group's business, financial condition, results of operations and prospects. • The Group could be subject to information technology theft or misuse, which could result in third party claims and could have a material adverse effect on the Group's business, financial condition and results of operations. • Legal proceedings in which the Group may become involved in the future or third parties not or only partially paying out under indemnifications could have a material adverse effect on the Group's business, financial condition and results of operations. • Violations of laws could result in damages, fines or other sanctions and could have a material adverse effect on the Group's business, financial condition and results of operations. • Changes in tax laws or challenges to the Group's tax position could have a material adverse effect on the Group's business, financial condition and results of operations. • Shareholders and holders of DRs could initiate proceedings leading to an investigation of the Company's management policies or bring other legal actions against the Company that could have a material adverse effect on the Group's business, financial condition and results of operations.

		• The Group and its customers are exposed to interest rate risks which could have a material adverse effect on the Group's business, financial condition and results of operations. • Substantial financing is required for the equipment the Group sells, but such financing may not be available, which could have a material adverse effect on the Group's business, financial condition and results of operations. • Write-downs of inventory might be necessary in case the inventory becomes obsolete which could have a material adverse effect on the Group's business, financial condition and results of operations. • The Group's working capital needs are influenced by seasonal effects, which could have a material adverse effect on the Group's business, financial condition and results of operations. • The Group may be exposed to the risk that it is (temporarily) unable to meet its financial obligations (liquidity risk) if a customer is not able to meet its obligations, which could have a material adverse effect on the Group's business, financial condition and results of operations. • A failure of the Company and certain Group Companies to comply with obligations under its financing facilities could result in an event of default, which could have a material adverse effect on the Group's business, financial condition and results of operations. • Current financing arrangements may not be sufficient in the mid- or long term, which could have a material adverse effect on the Group's growth ambition, business, financial condition and results of operations. • The Group's financial means could be limited and it may be restricted in various ways, including in its growth ambitions if it is unable to attract additional funds by entering into sale-and-leaseback-transactions with respect to the real estate that it uses in its operations. • Catastrophic events, terrorist attacks, acts of war, hostilities, riots, civil unrest, pandemic diseases and other unpredictable events could have a direct or indirect material adverse effect on the Group's business, financial condition and results of operations. **Risks relating to the Group's Structure** • Any failure of management information and internal control systems may adversely affect the ability of the Company to implement its business strategy throughout the Group and adequately respond to unfavorable developments within its Group Companies. The Group's internal control systems may not adequately identify risks and the impact they can have on the Group, which could have a material adverse effect on the Group's business, financial condition and results of operations. • The Company is a holding company without operations and relies on its Group Companies to provide it with funds necessary to meet its financial obligations. If the Group Companies are unable to provide the Company with funding, this could have a material adverse effect on the Group's business, financial condition and results of operations. • The Company has two major Shareholders and eight major holders of DRs who may have significant influence over the outcome of corporate matters, which may reduce the market price of the DRs. • Provisions in the call option agreement of the Company with Stichting Continuïteit Reesink could delay or deter a beneficial change in control and may reduce the market price of the DRs. • The Group does not have full control over some of the companies in which it has a participating interest, which may limit the conduct of the Group's business and this ownership structure carries certain risks which could have a material adverse effect on the Group's business, financial condition and results of operations. • Being a public company gives rise to legal and financial compliance costs, which could have an adverse effect on the Group's business, financial condition and results of operations.
D.5-D.3	Key risks relating to the DRs and the Offering	• Trading in the DRs is very limited which might lead to holders of DRs not being able to sell their DRs at a reasonable price or at all. • The market price of the Offer DRs may fluctuate and may decline below the Offer Price, which could cause investors to lose some or all of their investment. • Issuance of additional equity by the Company either through it issuing new DRs or through third parties converting outstanding convertible loans, could lead to a dilution of holders of DRs or shareholders' equity interests in the Company. • Future sales of the Company's DRs by existing holders of DRs could cause the market price of the DRs to decline. • Publications of securities or industry analysts may influence the price and trading volume of DRs.

		• The Company has not paid a dividend in 2012. Whether dividends will be paid in the future is subject to *i.e.* the Company's net profit and financial position. • Holders of DRs may under circumstances not be entitled to exercise the voting rights attached to the underlying Ordinary Shares in the General Meeting.
		Section E – Offer
E.1	Net proceeds and estimated expenses	After deducting the estimated expenses related to the Offering of approximately €180,000, the Company anticipates receiving approximately €2,820,000 from the issue of the Offer DRs. The estimated expenses include, among other expenses, the fees due to the Netherlands Authority for the Financial Markets, NYSE Alternext in Amsterdam, the commission of the Sole Coordinator, Bookrunner, Settlement and Listing Agent, legal and administrative expenses and publication costs, all including applicable taxes, if any.
E.2a	Reasons for the Offering and use of proceeds	The proceeds of the Offering will be used to repay part of its financing facility, which the Group applied to finance part of the consideration of the Acquisition, directly after the Offering.
E.3	Terms and conditions of the Offering	**Offer DRs and Offer Price** The Company is offering 46,986 new Ordinary Shares in the form of Offer DRs up to an aggregate amount of approximately €3,000,000. The Offering consists of a public offering in the Netherlands. The Offer DRs are being offered in accordance with Regulation S under the United States Securities Act of 1933, as amended. The Offering is made only in those jurisdictions where, and only to those persons to whom, offer and sales of the Offer DRs may be lawfully made. In total 46,986 Offer DRs will be offered at an Offer Price of €63.85 per Offer DR. **Offering Period** Subject to acceleration or extension of the timetable for, or withdrawal of, the Offering, prospective investors may subscribe for Offer DRs during the period commencing on 12 November 2013 and ending at 17:30 CET on 25 November 2013 (the "**Offering Period**"). **Preferential Allocation** In allocating the Offer DRs among investors, the Company intends to, subject to the restrictions mentioned below, give priority to its existing holders of DRs or Ordinary Shares (with the exception of STAAR) who were in the possession of DRs respectively Ordinary Shares on 18 June 2013 after the close of business on NYSE Alternext Amsterdam (the "**Record Date**") and to whom the Offer DRs may lawfully, or without additional filings or other procedures, be offered and sold. Qualified investors that have been offered the possibility to subscribe for DRs in the Company's private placement to qualified investors on 14 October 2013 (the "**Private Placement**") are not entitled to preferential allocation with respect to the Offer DRs. With regards to this preferential allocation, the Company intends to give priority to existing holders of DRs who held 5% or more in the capital of the Company on the Record Date to maintain their participation exemption (*deelnemingsvrijstelling*) over the existing holders of DRs or Ordinary Shares who held less than 5% in the capital of the Company on the Record Date. This may result in a lower number of preferentially allocated Offer DRs available for other eligible existing holders of DRs or Ordinary Shares. Subject to these restrictions that determine eligibility, the Company aims to allocate to existing holders of DRs or Ordinary Shares on the Record Date, in preference over other investors, a number of Offer DRs in proportion to the aggregate nominal amount of their DRs or Ordinary Shares held on the Record Date. Holders of DRs or Ordinary Shares on the Record Date will receive, in preference over other investors, at least one (1) preferential allocated Offer DR per thirteen (13) DRs or Ordinary Shares held on the Record Date. The preferential allocation is, in particular, not applicable to existing holders of DRs or Ordinary Shares in the United States of America and in other jurisdictions where it is not permitted or additional filings or other procedures would need to be complied with. **Allocation** The allocation of the Offer DRs is expected to take place after termination of the Offering Period on or about 25 November 2013, subject to acceleration or extension of the timetable for the Offering. In the event that the Offering is over-subscribed, investors may receive fewer Offer DRs than they applied to subscribe for. The Company may, at its own discretion and without stating the grounds, reject any subscriptions wholly or partly (except for subscriptions by eligible existing holders). Allocation of the Offer DRs to investors will be determined by the Company together with the Sole Coordinator, Bookrunner, Settlement and Listing Agent. The

Sole Coordinator, Bookrunner, Settlement and Listing Agent will notify holders of Ordinary Shares and holders of DRs through the financial institution or broker at which the Offer DRs will be held.

Subscription to the Offering by members of the Management Board and the Supervisory Board
Mr. G. van der Scheer, the sole member of the Management Board, intends to subscribe for Offer DRs. Mr. Van der Scheer held a small number of DRs on the Record Date, and may therefore benefit from preferential allocation for the part of his subscription related to these DRs. If he subscribes for more Offer DRs, he will not benefit from preferential allocation for the additional Offer DRs he subscribes for and it is therefore uncertain whether he will obtain these additional Offer DRs.

Mr. F.L.H. van Delft, a member of the Supervisory Board, holds his interest of DRs through Bibiana Beheer B.V. On the Record Date, Bibiana Beheer B.V. held more than 5% in the capital of the Company. Due to the Private Placement, Bibiana Beheer B.V.'s interest decreased to approximately 3.83% and therefore decreased below the participation exemption (*deelnemingsvrijstelling*). During the extraordinary General Meeting held on 2 July 2013, the potential participation of Bibiana Beheer B.V. in the Offering was discussed, as Bibiana Beheer B.V. had not been offered the possibility to subscribe for DRs in the Private Placement. Bibiana Beheer B.V. has indicated to the Company that it intends to subscribe for Offer DR's through the preferential allocation mechanism to increase its interest in the Company to 5%. Bibiana Beheer B.V. could therefore subscribe for a substantial part of the Offer DRs in the Offering.

Subscription Agreement
On 13 June 2013 the Company entered into a subscription agreement with PHD. Subject to certain conditions, PHD has agreed to subscribe for and pay for any and all Offer DRs at the Offer Price which are not been validly subscribed for in the Offering or which have not been paid at the day trading is expected to commence, and payment (in euros) for, and issue and delivery of, the Offer DRs ("**Settlement**") which is expected to take place, on or about 28 November 2013 (the "**Settlement Date**"). PHD has not received and will not receive any fees in relation to the subscription agreement.

Payment
Payment (in euros) for the Offer DRs is expected to take place on the Settlement Date. Taxes and expenses, if any, must be borne by the investor. Investors must pay the Offer Price in immediately available funds on or before the Settlement Date (or earlier in the case of an early closing of the Offering Period and consequent acceleration of pricing, allocation, commencement of trading and Settlement).

The payment for the Offer DRs by an investor shall constitute his payment to STAAR, and shall be paid by an investor, on behalf of STAAR, directly to the Company to fulfill STAAR's obligation in relation to STAAR's subscription for the new Ordinary Shares corresponding to the Offer DRs in the Offering.

Delivery and Listing of Offer DRs
After payment for the Offer DRs to the Company has been completed, the Company will issue the new Ordinary Shares corresponding to the Offer DRs in the Offering to STAAR. STAAR will thereafter grant Offer DRs for such Ordinary Shares to the relevant investor. The Offer DRs will be delivered in book-entry form through the facilities of Netherlands Centraal Instituut voor Giraal Effectenverkeer B.V. on or about the Settlement Date.

Application will be made to list the Offer DRs on NYSE Alternext in Amsterdam. Subject to acceleration or extension of the timetable for the Offering, trading in the Offer DRs is expected to commence on NYSE Alternext in Amsterdam on or about 28 November 2013.

If Settlement does not take place on the Settlement Date as planned or at all, the Offering may be withdrawn, all subscriptions for Offer DRs will be disregarded, any allocations made will be deemed not to have been made, any subscription payments made will be returned without interest or other compensation. Any dealings in the Offer DRs prior to settlement and delivery are at the sole risk of the parties concerned.

Sole Coordinator, Bookrunner, Settlement and Listing Agent
SNS Securities N.V. acts as Sole Coordinator, Bookrunner, Settlement and Listing Agent with respect to the Offering of Offer DRs.

		Paying and Depositary Agent ABN AMRO Bank N.V. is the paying and depositary agent of the DRs on NYSE Alternext in Amsterdam. **Governing Law and Competent Courts** The Offering is governed by Dutch law. All disputes arising in connection with the Offering shall be subject to the non-exclusive jurisdiction of the courts in Amsterdam, the Netherlands.
E.4	Interests material to the Offering (including conflicts of interests)	Mr. F.L.H. van Delft, a member of the Supervisory Board, holds his interest of DRs through Bibiana Beheer B.V. Bibiana Beheer B.V. has indicated to the Company that it intends to subscribe for Offer DR's in the Offering through the preferential allocation mechanism to increase its interest in the Company to 5%.
E.5	Person or entity offering to sell the Offer DRs and lock-up arrangements	Pon Holdings B.V. has agreed not to sell or dispose of the 150,756 DRs it obtained through a private placement on 16 October 2013 from the date of the private placement until 1 January 2014, except in case of a public takeover bid for all or part of the DRs listed on NYSE Alternext in Amsterdam or with the prior written consent of the Company.
E.6	Dilution	If a holder of DRs does not participate in the Offering, his proportionate capital and voting interest in the Company will be diluted by up to 3.1% by the issuance of the Offer DRs as of the date of this Prospectus.
E.7	Estimated expenses charged to the investors by the Company	Not applicable; no expenses will be charged to investors by the Company in relation to the Offering.

RISK FACTORS

Before investing in the DRs, prospective investors should consider carefully all of the information in this Prospectus, including the following specific risks and uncertainties in addition to the other information set out in this Prospectus. If any of the following risks actually occurs, the Group's (as defined below) business, results of operations, financial condition or prospects could be materially adversely affected. In that event, the value of the DRs could decline and an investor might lose part or all of the investor's investment. Although the Group believes that the risks and uncertainties described below are the material risks and uncertainties facing the Group's business and the DRs, additional risks and uncertainties not presently known to the Group or that the Group currently deems immaterial could also have a material adverse effect on the Group's business, results of operations, financial condition or prospects and could negatively affect the price of the DRs. All of these risk factors and events are contingencies which may or may not occur. The Group may face a number of the risks described below simultaneously and one or more of the risks described below may be interdependent. The risks and uncertainties described are not necessarily presented in the order of likelihood that a risk will materialize or seriousness of the consequences if a risk should materialize.

Prospective investors should read and carefully review all detailed information set out in this Prospectus and should reach their own views before making an investment decision with respect to any DRs (for the avoidance of doubt, Offer DRs or outstanding DRs). In addition, before making an investment decision with respect to any DRs, prospective investors should consult their own stockbroker, bank manager, lawyer, auditor or other financial, legal and tax advisers and carefully review the risks associated with an investment in the DRs and consider such an investment decision in light of their personal circumstances.

Risks relating to the Group's Business, Operations and the Industry in which it operates

The Group believes its success and results are dependent on distributing strong brands and strong concepts in the equipment industry. The Group is substantially dependent on the products of and its relationship with its Main Original Equipment Manufacturers. If the products of the Main Original Equipment Manufacturers no longer meet the Group's customers' requirements, this could have a material adverse effect on the Group's business, financial condition, results of operations and prospects

The Company together with its Group Companies (as defined below) (together the "**Group**") believes it is a leading distributor of strong brands and strong concepts in the equipment industry in the Netherlands, Belgium and parts of Germany. Based on the Group's pro forma combined revenues over the first half of 2013 (unaudited), which illustrates the impact of the Acquisition (as defined in "Acquisition") as if it occurred at 1 January 2012, the distribution of equipment from Linde Material Handling GmbH and its affiliated companies ("**Linde**"), CLAAS Kommanditgesellschaft auf Aktien MbH and its affiliated companies, ("**Claas**"), Kuhn S.A. and its affiliated companies ("**Kuhn**"), Atlas Maschinen GmbH and its affiliated companies ("**Atlas**"), and Toro International Company and its affiliated companies ("**Toro**") (the "**Main Original Equipment Manufacturers**") represented a significant share (70,9%) of the Group's total revenue. The revenues generated per individual Main Original Equipment Manufacturer ranged from 2,9% to 43,8% of the Group's pro forma combined revenues over the first half of 2013 (unaudited), which illustrates the impact of the Acquisition as if it occurred at the start of 1 January 2012. In addition, the Company's strategy contemplates, among other things, obtaining additional geographic areas of responsibility and product ranges from the Main Original Equipment Manufacturers.

To remain competitive the Group must continuously seek, and the Main Original Equipment Manufacturers must continuously develop, new and innovative products or enhance the existing equipment lines to ensure that the products continue to be accepted on an ongoing basis. However, the Main Original Equipment Manufacturers may not be able to successfully produce new products, or its competitors could develop, manufacture or sell equipment that is more technologically advanced, more price competitive or otherwise better received in the market than that of the Main Original Equipment Manufacturers.

Due to the substantial dependence on the Main Original Equipment Manufacturers, the Group's success depends, in significant part, on (i) the overall reputation and success of the Main Original Equipment Manufacturers; (ii) the possibility for the Group to obtain additional geographic areas of responsibility and product ranges from the Main Original Equipment Manufacturers; (iii) the introduction of new and innovative products by the Main Original Equipment Manufacturers which meet the Group's customers' requirements; (iv) the manufacture and delivery of competitively-priced, high quality equipment and parts by the Main Original Equipment Manufacturers in quantities sufficient to meet the Group's customers' requirements on a timely basis; (v) the quality, consistency and management of the overall distribution system to the Group; and (vii) the ability of the Main Original Equipment Manufacturers to manage risks and costs. If the Main Original Equipment Manufacturers do not provide, maintain or improve any of the foregoing, or if the Main Original Equipment Manufacturers were sold, reduced or ceased operations, this could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Main Original Equipment Manufacturers may terminate their distribution contracts with the Group, change the terms of those contracts or not renew these contracts. These changes could have a material adverse effect on the Group's business, financial condition, results of operations and prospects

Certain Main Original Equipment Manufacturers routinely conduct evaluations of distributors' standards and market share studies, the results of which can impact the relationship with any or all Group Distributors (as defined hereafter). A "**Group Distributor**" is any of Kamps de Wild B.V. ("**Kamps de Wild**"), Reesink Technische Handel B.V. ("**Reesink Technische Handel**"), Stierman B.V. ("**Stierman**"), Packo Agri N.V. ("**Packo Agri**"), Packo & Heybroek N.V. ("**Packo & Heybroek**"), Jean Heybroek B.V. ("**Jean Heybroek**") , Ben Kemp Holding B.V. and its subsidiaries Barend Kemp B.V., Kemp BVBA, Huur & Stuur B.V., Vacu-Rent B.V. and Kemp Hoogwerkers B.V. ("**the Kemp Group**"), Hans van Driel B.V. ("**Hans van Driel**"), Safety Centre International B.V. ("**Safety Centre International**"), Motrac Hydrauliek B.V. ("**Motrac Hydrauliek**"), Motrac Hydraulik GmbH ("**Motrac Hydraulik**"), Motrac Intern Transport B.V. ("**Motrac Intern Transport**"), Motrac Handling & Cleaning N.V./S.A. ("**Motrac Handling & Cleaning**") and Pelzer Fördertechnik GmbH ("**Pelzer Fördertechnik**"). Under the agreements with the Group's Main Original Equipment Manufacturers, the latter have the right to terminate these agreements in certain circumstances (*e.g.*, in the event that a Group Distributor fails to perform a material obligation under a distribution contract, or if a Group Distributor adds a line of products which competes with the Main Supplier's equipment without prior consent of the relevant Main Supplier). In addition, certain Main Original Equipment Manufacturers may change the terms of their agreements with the Group, such as the Group sales and service areas or the product, pricing or delivery terms. Finally, the Main Original Equipment Manufacturers may decide not to renew the distributions agreements with the Group for various reasons, including that it may prefer to supply dealers or end-users directly.

If any of the Main Original Equipment Manufacturers were to change the terms of any or all of these agreements (upon renewal or during the course of the relationship) in a manner that adversely affects the Group, the Group's business may be harmed, and if the Main Original Equipment Manufacturers were to terminate any or all of its contracts with the Group, or not renew them, this could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The industries in which the Group is active are cyclical in their nature and are therefore influenced by various economic factors, which could have a material adverse effect on the Group's business, financial condition and results of operations

The industries in which the Group is active (*i.e.*, agriculture, turf care and landscape maintenance, construction industry, material handling, cleaning equipment industry, hydraulics components and systems industry, manufacturing and steel industry) are cyclical in their nature and therefore influenced by various economic factors. Although the Group sells equipment, products, components and systems and provides services to a broad range of customers in a number of industries, cyclicality in the respective markets could have a material adverse effect on the Group's business, prospects, financial condition (including its working capital) or results of operations. The cyclicality can be linked to general economic conditions in the markets the Group serves. In periods of slow growth or decline, the Group's customers are more likely to decrease investment in equipment, lose their creditworthiness or become insolvent and the Group is more likely to experience decreased revenues as a result. These cyclical downturns have affected the Group's customer industries in the past, are affecting them at present and are likely to affect them in the future.

Changes in general economic conditions or business conditions in specific industries could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. The Group is likely to continue to be adversely affected by the current economic downturn

The current economic downturn, which generally negatively affected all industries, has especially negatively affected the building industry and thereby the related construction and industrial industry. The Dutch building industry is experiencing a prolonged economic down cycle as a result of the macro-economic environment, which negatively impacts sales of steel products and construction equipment. The effect of the current economic turmoil on the Group's markets may lead to a delay in or a cancellation of orders. Unemployment, the lack of consumer trust and the (reduced) availability of residential mortgage financing or credit and funds in general has impaired, and may continue to impair, consumers to purchase homes. The low sales volume of homes in the Netherlands has lead and may continue to lead to development projects – and more importantly related infrastructure projects – being postponed or cancelled.

Changes in farm income and farmland value, the level of worldwide farm output and demand for farm products and limits on agricultural imports are material factors that could adversely affect the agricultural industries and result in a decrease in the amount of agricultural equipment that the Group's customers purchase. The nature of the agricultural equipment industries is such that a downturn in demand can occur suddenly, resulting in excess inventories and reduced prices for new and used equipment. These downturns may be prolonged and the Group's revenues and profitability could be materially harmed as the Group's business depends upon general activity levels in the agricultural industry.

The poor economic conditions in Europe have impacted, and continue to affect, government budgets, which may also be a threat to the continuation of certain public investments that have historically benefited the Group's business, in particular in the Dutch construction, agriculture, turf care and landscaping markets. Continued reductions in government budgets are likely to have an adverse impact on the Group's business, results of operations, financial condition and prospects as the Group generates revenues from the ability of the sale and rental of equipment to governmental entities.

During periods of economic downturn, the Group may also experience additional difficulties maintaining favorable pricing and payment terms and customers may take longer to pay the Group's invoices. Any inability to collect invoices in a timely manner may lead to increased write-offs of uncollectible invoices. A decreased demand for the products sold by the Group may lead to competitors competing more heavily to provide their own products to the same customers, which may put additional pressure on prices. These factors have had and may continue to have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The uncertainties created by recent events in the financial industry including the tightening of standards for granting credits and the impact on the mortgage market, may have a material adverse effect on the Group's business, financial condition, results of operations and prospects

The uncertainties created by recent events in the financial industry, including the tightening of standards for granting credits and the impact on the mortgage market, could adversely affect the ability of customers of the Group's equipment and services to obtain financing, thus reducing demand. Similarly, if consumers cannot obtain mortgage loans or only limited amounts of these loans, this is likely to have an adverse effect on the demand for equipment sold and rented by the Group. Any restriction on the credit terms extended to its customers could result in loss of customers, business and revenues of the Group. Decreased demand for the Group's products (in particular construction equipment) can have a negative impact on the Group's financial performance and cash flow. The macro-economic downturn and the difficulties in the credit market are expected to prolong this risk for the Group. These factors may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The performance of the Group is subject to weather conditions and other circumstances such as animal or crop diseases and food safety incidents inside but also outside the geographical markets in which the Group operates its business. A significant increase in the severity of weather cycles and the occurrence of the aforementioned circumstances could have a material adverse effect on the Group's business, financial condition and results of operations

Weather conditions, particularly cold periods (*e.g.*, snow), floods and droughts and the occurrence of circumstances such as animal (*e.g.*, foot and mouth disease) or crop diseases, or food safety incidents (*e.g.*, contaminated milk powder leading to a limitation of importation by China of milk powder) may have a significant impact on the success of the industries in which the Group is active and, therefore, on the success of the Group's operations. Accordingly, the Group's financial condition and results of operations may be materially and adversely affected by any adverse cyclical trends, weather conditions or the occurrence of circumstances such as animal or crop diseases or food safety incidents. These events may impact the timing and amount of equipment, parts and service purchased by the Group's customers and could have a material adverse effect on the Group's business, financial condition and results of operations.

Certain Main Original Equipment Manufacturers may appoint other equipment distributors in close proximity to the Group's business or reduce the geographic areas of responsibility for sales and services assigned to the Group or enlarge those of competitors, any of which could have a material adverse effect on the Group's business, financial condition and results of operations

The Main Original Equipment Manufacturers have assigned geographically defined areas of responsibility to the Group, whereby the Group has been granted distribution and product support rights within those markets. However, there can be no assurance that certain Main Original Equipment Manufacturers will not appoint other equipment distributors and dealers in close proximity to the Group's business as no exclusive relationships have been entered into with all Main Original Equipment Manufacturers. In addition, under a limited number of distribution agreements, the relevant Main Original Equipment Manufacturers can unilaterally enlarge or reduce the sales and service geographic areas of responsibility assigned to the Group. To the extent the Main Original Equipment Manufacturers appoint other equipment distributors and dealers in close proximity to the Group's business or reduce the sales and service geographic areas of responsibility assigned to the Group or enlarge those of competitors, the Group's business, financial condition and results of operations could be materially adversely affected.

The Group may not obtain additional geographic areas of responsibility and locations from existing or new original equipment manufacturers, which might impact the Group's growth prospects and its general conduct of business

The success of the Group's growth strategy depends partially upon the Group's ability to acquire additional areas of responsibility and locations from existing or new original equipment manufacturers. This is influenced by the availability and price of suitable acquisition candidates (*e.g.*, distributors), the availability of capital to complete acquisitions and the Group's ability to compete effectively for available acquisition candidates. In addition, acquiring equipment distributors generally requires the consent of the original equipment manufacturer. Original equipment manufacturers typically evaluate management, performance and capitalization of a prospective acquirer in determining whether to consent to the sale of a distributor. There can be no assurance that original equipment manufacturers will consent to any or all acquisitions of distributors that the Group may propose, which might impact the Group's growth prospects and its general conduct of business.

The Group's revenues, reputation and relationship with its customers could be harmed by performance failures by the Group or other parties in the supply chain, which could have a material adverse effect on the Group's business, financial condition and results of operations

The Group distributes equipment either to end-users through (independent) dealers or to end-users directly and it provides a variety of related (after-sales) services. The Group's or the dealers' failure to meet standards or service levels could lead to customer disputes or claims for compensation and may have a negative effect on the reputation of the Group and could harm the Group's relationship with its customers and could have a material adverse effect on the Group's business, financial condition and results of operations.

The relationship of each of the Group Distributors with the Main Original Equipment Manufacturers entails that they do not distribute equipment of competing brands within a specific geographical area, which might impact the Group's ability to grow organically within a specific geographical region and limit the Group's conduct of business and its growth prospects

The relationship of each of the Group Distributors with the Main Original Equipment Manufacturers entails that the relevant Group Distributors do not distribute equipment of competing brands within a specific geographical area. This could mean that the Group Distributors cannot distribute more products (in the future) and are therefore limited in their ability to grow organically. While the Group may acquire other companies that are outside the scope of the geographic areas that the Group is active in, this might still impact the Group's ability to grow organically within a specific geographical region and limit the Group's conduct of business and its growth prospects.

The Group's business, financial condition and results of operations may be adversely affected by parallel imports by third parties of equipment which the Group distributes

Parallel imports by third parties of non-counterfeited machinery from brands the Group distributes without the permission of the Main Original Equipment Manufacturer or the assignment of such rights might affect the margins of the Group. The Main Original Equipment Manufacturers might sell at different prices in different markets. Parallel import arbitrage between these price inequalities, generally (negatively) impacts price levels of prices in the markets where the products are being sold by selling typically at lower prices than is prevalent in that market. Parallel imports might have an impact on markets for new machinery, as well as on markets for used machinery. The occurrence of parallel imports may have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's business, financial condition and results of operations may be adversely affected by an undersupply or oversupply of equipment

Although original equipment manufacturers typically manage production levels of new equipment in response to demand in consultation with the Group, there may be short-term undersupplies of new equipment as original equipment manufacturers adjust to industry demand fluctuations. In addition, undersupplies could be caused by problems in the supply chain, for example as a result of natural disasters. If the Group's original equipment manufacturers cannot provide the Group with a reliable supply of new equipment the Group may not be able to meet its customers' demand and results of operations could be negatively impacted. In addition, an undersupply of equipment may cause prices for such equipment to increase. To the extent the Group cannot pass on any increased costs of equipment to its customers, the Group's results of operations may suffer. In addition, there might be (global) oversupplies of used equipment which could adversely affect demand for, or the market prices of, new and used equipment. The occurrence of undersupplies of new equipment and the occurrence of oversupplies of used equipment could have a material adverse effect on the Group's business, financial condition and results of operations.

Changes in commodity and agricultural products prices could have a material adverse effect on the Group's business, financial condition and results of operations

Many of the end-users of the products distributed by the Group are directly and indirectly affected by fluctuations in commodity prices (*e.g.*, steel) and agricultural products prices (*e.g.*, milk or corn). As a result, the Group is also indirectly affected by fluctuations in those prices. An adverse change in commodity prices or in agricultural products prices could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's affiliation with THR, e.g. through the Fixet franchise formula and the rent of Ecofactorij 20 in Apeldoorn, could have a material adverse effect on the Group's business, financial condition and results of operations

The Group holds 36% of the depositary receipts in THR B.V. ("**THR**"), a wholesaler of do-it-yourself ("**DIY**") products. For more information on THR, see "Business – Others Interests". THR has been and continues to be affected by adverse general economic conditions and decreasing consumer spending. An extended recession, or the public perception of declining economic conditions is and could continue to substantially decrease consumer spending and as a result negatively affect the business in which THR is active. This could in turn adversely affect THR's revenues and related results. While the loans provided to THR by the Group and the investment value of the depositary receipts have been written down completely as of 31 December 2012, the Group is affiliated with THR in several manners, for instance through THR's obligation to provide the logistics for Safety Centre International and the Company in relation to Bata or by meeting the Group's obligations under the remaining Fixet franchise agreements or under the joint venture agreement between, among others, the Company and THG Beheer Apeldoorn B.V. relating to the transfer of the Group's DIY activities to THR (*i.e.*, indemnities and warranties). THR is also the Group's main tenant for the Ecofactorij 20 in Apeldoorn (the Netherlands) location, meaning that a deterioration of THR's financial position could impact the Group's rental income, might lead to a further reevaluation of the property and might lead to the Group having to find a new tenant or a buyer of the Ecofactorij 20 location. In case the Group were not to find a new tenant or buyer, the Group's business, financial condition and results of operations could be materially adversely affected. The Group's affiliation with THR as described above could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group may be liable for environmental damages, and any significant environmental damage caused or not remedied by the Group, or perceived to be caused or not remedied by the Group, could have a negative effect on the Group's reputation and could have a material adverse effect on the Group's business, financial condition and results of operations

The operations and properties of the Group are subject to different laws and regulations in the countries in which it operates concerning the release of materials into the environment, occupational health and safety aspects of the Group's operations, and otherwise relating to the protection of the environment. Environmental laws can, and in many jurisdictions where the Group operates, do, impose liability without regard to whether the owner or lessor had knowledge of the release of substances or caused the release.

The Group's real estate may be polluted. In these circumstances, the Group might be obliged to take temporary containment measures or cure the existing pollution. For instance, in 2011, the Group had to demolish and to remediate the Nijmegenstraat 21 (Rotterdam, the Netherlands) location before it could be sold. The costs related to such measures or the costs of defending against environmental claims may be substantial. The Group also bears the risks that the costs of these measures or remediation cannot be recovered from the person who originally caused the pollution.

No assurance can be given that environmental liability may not be incurred in the future as a result of existing or future contamination of any of the Group's sites or otherwise as a result of the Group's operations. In addition, any significant environmental issue caused or not remedied by the Group, or perceived to be caused or not remedied by the Group, could also have a negative effect on the Group's reputation and could have a material adverse effect on the Group's business, financial condition and results of operations.

Adverse changes in governmental policies or general economic and political developments, including decreases in (European Union) subsidies and the tightening of government budgets, may reduce demand for equipment and could have a material adverse effect on the Group's business, financial condition and results of operations

Changes in governmental policies or general economic and political developments (on supranational, national and local level), including the extent of any governmental and international regulation especially with regards to agriculture, turf care and (livestock) farming (*e.g.*, the discontinuation of tax benefits related to agricultural diesel), could adversely affect sales of equipment. Government subsidies such as the European Union subsidies for dairy farmers influence demand for equipment. The tightening of (local) government budgets and continued reductions of government expenditure may reduce the amount of payments to individual end-users and could reduce the direct spending of the government (*e.g.*, landscape maintenance). The Group cannot predict the outcome of such governmental funding and spending, and the extent that future funding to individuals and spending will be reduced. These reductions in funding and spending could reduce demand for equipment and could have a material adverse effect on the Group's business, financial condition and results of operations.

There can be no assurance that the Group's strategy will be successfully implemented, or that the Group will (fully) realize the expected benefits of its strategy, which might impact the Group's business, financial condition, results of operations and prospects

The Group's current strategy describes the Group's ambition to become a major full line equipment distributor in the relevant markets and to be an integrated supplier in the industrial division. For more information on the Group's strategy, see "Business". There is no assurance that the Group's strategy will be successfully implemented, or that the Group will (fully) realize the expected benefits of its strategy, which might impact the Group's conduct of business, financial condition, results of operations and prospects.

The Group operates in different highly competitive environments and may lose business to competitors or otherwise be unable to compete favorably, which could have a material adverse effect on the Group's business, financial condition and results of operations

The markets in which the Group operates are highly competitive and may possibly become even more competitive in the future. The Group competes with many different types of businesses, including family run businesses, original equipment manufacturers and conglomerates with equipment distribution activities and dealer activities. The steel trading and handling activities are faced with competition ranging from specialized trading companies to major international conglomerates. Historically, the Group's competitors have competed aggressively on the basis of pricing and to a lesser extent on inventory availability. This might result in decreased margins of the Group's sales to the extent the Group chooses to match competitors' downward pricing. To the extent the Group chooses not to match pricing or to remain within a reasonable competitive distance from the competitors pricing, this could have an adverse Effect on the Group's results of operations, as the Group might lose sales volume. In addition, to the extent competitors who sell other brands than the Group provide their customers with more innovative or higher quality products, provide more advantageous or better customer financing, or have more effective marketing efforts, the Group's ability to compete, financial condition and results of operations could be adversely affected.

Increasing competition from existing competitors in the sectors in which the Group operates or a further consolidation in its markets could therefore add pressure on prices and margins for the Group. Companies that compete with the Group may have greater financial and other resources. The Group may not be able to respond effectively to competitive pressures, or to continue to operate and enter into arrangements on economically competitive or viable terms. This could have a material adverse effect on the Group's business, financial condition and results of operations.

The acquisition strategy of the Group may lead to several risks, e.g. related to the failure to identify suitable candidates or investment opportunities, the acquisitions of unsuitable candidates or the making of unsuitable investments, as well as a delay or the impossibility by the Group to close acquisitions or investments, and the liability of buyers for legacy obligations, each of which could have a material adverse effect on the Group's business, financial condition and results of operations

The Group has historically achieved growth through a combination of organic growth and acquisitions. Execution of the Group's corporate strategy will require the continued pursuit of acquisitions and investments and will depend on the Group's ability to identify suitable acquisition candidates and investment opportunities. Acquisition and investments entail risks, such as:

- inaccurate assumptions about revenues and costs, including synergies;
- the assumption of unknown liabilities;
- limitations on rights to indemnify the seller;
- inaccurate assumptions about the overall costs of equity or debt;
- deteriorating capital structure as a result of debt finance;
- lack of management control when minority equity interests are taken;
- customer or key employee losses at the acquired businesses; and
- a potential dilutive impact on the Company's earnings per DR.

The Group cannot be sure that it will be or has been able to identify and acquire, on reasonable terms, if at all, suitable acquisition candidates or investment opportunities or that it will be able to obtain the necessary funding on favorable terms, if at all, to finance any of those potential acquisitions or investments. Failure to identify suitable candidates or investment opportunities or the acquisitions of unsuitable candidates or the making of unsuitable investments could impair the Group's ability to achieve its strategic objectives. Additionally, compliance with anti-trust or any other regulations may delay proposed acquisitions or prevent the Group from closing acquisitions or investments in the manner proposed, if at all.

Moreover, achieving the expected benefits and synergies of the acquisitions and investments depends, in part, upon whether the operations, the IT systems and the personnel of the acquired companies and the investments can be integrated in an efficient and effective manner with the Group's existing businesses. The process of integration may be disruptive and may take longer than the Group anticipates. The performance of the acquired business and investments may not meet the Group's expectations.

More specifically, the Acquisition (as defined in "Acquisition") may not produce the benefits anticipated by the Group, for instance the Group might not be able to implement the high-quality after-sales service business model in other divisions within the Group, or the Group might not be able to fully optimize the cross-selling potential. Even though the business models of the Group and the Acquired Entities (as defined in "Acquisition") should – as the Group believes – be a good fit, the Group might not be able to optimize potential synergy benefits on both the revenues side and the cost side of the business.

The manifestation of any of these risks could have a material adverse effect on the Group's business, financial condition and results of operations

The Group may incur unforeseen liabilities from former and future acquisitions and divestments that are not covered by effective warranties or indemnities which could have a material adverse effect on the Group's business, financial condition and results of operations

Over the past years, the Group has expanded its business through organic growth and through acquisitions. The Group intends to continue its acquisition activities. Acquisitions of companies expose the Group to the risk of unforeseen expenses, losses, or obligations with respect to employees, customers and business partners of acquired businesses, public authorities and other parties. Before making an investment in a company or business, the Group assesses the value or potential value of such company or business and the potential return on such an investment. In making the assessment and otherwise conducting due diligence, the Group relies on the resources available and, in some cases, an investigation by third parties. However, there is no assurance that due diligence examinations carried out by the Group or by third parties in connection with equity interests in companies or businesses that the Group has acquired or will acquire are sufficient or will reveal all of the risks associated with such companies and businesses, or the full extent of such risks. In addition, acquired companies or businesses may have hidden liabilities that are not apparent at the time of acquisition. Although the Group normally obtains certain warranties and indemnities from the seller, these warranties and indemnities may not cover all of the liabilities that may arise following the acquisition and any indemnification may not fully compensate the Group for any diminution in the value of its interest in such companies or businesses. The Group may also encounter difficulties enforcing warranties or indemnities against a seller for various reasons, including the insolvency of the seller or expiry of claim periods for such warranties or indemnities. Similarly, in relation to divestments of businesses or assets, the Group may not always be able to pass on the entire risk relating to the divested business or assets to the purchaser, which may lead to additional risks such as liability related to legacy obligations. In the case of the Group's transfer of its DIY-activities to THR, certain business links (*e.g.*, logistics, Fixet franchise formula, rental agreement) remained with the Group, which could also lead to various additional risks. This means that after divestment, the Group could be faced – sometimes many years later – by substantial liabilities.

A materialization of (unknown) liabilities that are not covered by effective warranties or indemnities, or the inability to enforce indemnities or indemnities that cannot be passed on to the buyer, could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is active or may be active in a number of regions around the world, such as in emerging markets, some of which are economically, socially and politically unstable, and the Group also faces the risk of acts of war and violence, which could have a material adverse effect on the Group's reputation, business, financial condition and results of operations

The Group's operations are expected to be expanded outside the Netherlands, Belgium and Germany, for example to Kazakhstan in the context of the acquisition of (i) certain assets and liabilities of CT Agro GmbH and (ii) all issued and outstanding shares in the share capital of CT Agro TOO, see "Business – Recent Developments". Emerging markets such as Kazakhstan have recent histories of economic, social and political instability. In addition, the Group may develop a new key market or decide to make additional investments in existing high-risk markets, and as a result be exposed to additional or increased social, political and economic instability, among other risks. In such markets, the Group is particularly exposed to changes in the legislative, political, regulatory and economic framework in addition to risks relating to political unrest and terrorism. There is also a risk that local governments adopt policies that may have an adverse effect on the Group, including nationalization, expropriation of assets, nullification or modification of contract terms, the imposition of unexpected taxes or other payment obligations on the Group, the introduction of exchange controls and other restrictive or protectionist policies and actions. No predictions can be made as to governmental regulations in such markets which may be enacted in the future, changes in political regimes or other political, social and economic instability, as well as risk of wars, other armed conflicts and general unrest, which could have a material adverse effect on the Group's reputation, business, financial condition and results of operations.

The Group in its material handling segment currently focuses mainly on man-operated equipment, while ongoing automation may replace man-operated logistical flows, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects

The Group believes that its end-users in the material handling equipment industry generally focus on products that can be customized to their specifications and utilized in their operations. In addition, its end-users seek to improve the automation, standardization and integration of equipment utilized in their material handling operations. In this regard, the Group currently has a focus on distributing man-operated material handling equipment such as forklift trucks. The Group however sees that certain modern warehouses are equipped with fully automated equipment, thus making a part of the man-operated equipment the Group offers (such as forklift trucks) redundant. If the Group is unable to keep up with the trend of ongoing automation and offer enhanced fully automated equipment that meets the evolving requirements of its end-users, this could have a material adverse effect on the Group's business, financial condition, and results of operations.

The Group's customers in the hydraulics components industry, such as certain original equipment manufacturers of hydraulic components and systems may choose to insource engineering by investing in technological expertise, which could have a material adverse effect on the Group's business, financial condition and results of operations

The Group, through Motrac Hydraulics (Motrac Hydrauliek B.V. for the Netherlands and Belgium and Motrac Hydraulik GmbH for Germany) provides (engineering services of) hydraulic components and systems required to create, for example, drive-trains, complete hydraulic power units as well as automation solutions for mobile and industrial applications. As these systems become more complex, the Group sees that industry demand evolves from a pure hydraulic solution demand to a mechatronic demand (*i.e.*, a combination of hydraulics, mechanics and electronics) which requires more technical expertise. As a result, the Group sees and benefits from a trend that midsize original equipment manufacturers tend to outsource the engineering to full line components and systems providers such as the Group and start to focus solely on the functional specifications. Should these original equipment manufacturers, however, choose to insource the engineering process by investing in technological expertise, this could have could be a material adverse effect on the Group's business, financial condition, and results of operations

The Group's success is dependent on the ability to retain and recruit managing directors, key personnel and skilled employees. The Group's inability to do so could have a material adverse effect on the Group's business, financial condition and results of operations

The Group is characterized by its decentralized structure and consists of several group companies within the meaning of section 2:24b of the Dutch Civil Code ("**DCC**") (the "**Group Companies**") operating in different markets headed by local management. The Group Companies' managing directors and key personnel are vital to the on-going stability and growth in their respective markets. At the time of completion of the Acquisition (as defined in "Acquisition"), the Company's management team of non-statutory directors (the "**Management Team**"), who jointly run the day-to-day affairs of the Company with the Management Board, was expanded with Mr. Kemp and Mr. de Bos. Any unplanned change in managing directors and key personnel at the Company and the Group Companies level could have a negative impact on the Group's business, financial condition and results of operations.

The Group's businesses are built around strong brands and strong concepts which to a great extent depend on the (technical) knowledge of the employees. The Company and its Group Companies are therefore dependent upon being able to attract and retain skillful personnel. Competition for such personnel is intense and the Group may be unable to successfully attract, integrate or retain sufficiently qualified personnel. Should the Group be unable to retain and to recruit skillful personnel, this could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group may incur material liabilities that are not covered by the Group's insurance which could adversely affect the Group's business, results of operations, financial condition and prospects. In addition, the Group may not be able to maintain the Group's current insurance coverage or do so at a reasonable cost, which could adversely affect the Group's business, financial condition, results of operations and prospects

The Group carries insurance of various types, including employment practices, pension-related and general liability coverage. While it seeks to maintain appropriate levels of insurance, not all risks are insurable and not all claims are reimbursable and there can be no assurance that the Group will not experience major incidents that are not covered by its insurance. For example, incidents related to earthquakes, nuclear bombs and terrorism are not covered by the Group's insurance. Also, credit risk is not fully covered by the Group's insurance and certain Group Companies are risk bearer for work-related disability of employees. In addition, the occurrence of several events resulting in substantial claims for damages may have a material adverse effect on the Group's business, results of operations, financial condition and prospects. In addition, the Group's insurance costs may increase over time in response to negative developments in its claims history or due to material price increases in the insurance market in general. There can be no assurance that the Group will be able to maintain the Group's current insurance coverage or do so at a reasonable cost which could adversely affect the Group's business, results of operations, financial condition and prospects.

The Group could be subject to information technology theft or misuse, which could result in third party claims and could have a material adverse effect on the Group's business, financial condition and results of operations

The Group could face attempts by others to gain unauthorized access to the Group's information technology systems, which could threaten the security of the Group's information and stability of its systems.

These attempts could arise from industrial or other espionage or actions by hackers that may harm the Group or its customers. Although the Group seeks to detect and prevent such theft and attacks, it may not be successful in doing so. Theft, unauthorized access and use of trade secrets or other confidential business information as a result of such an incident could disrupt the Group's business and adversely affect its reputation and competitive position, which could have a material adverse effect on the Group's business, financial condition and results of operations.

Legal proceedings in which the Group may become involved in the future or third parties not or only partially paying out under indemnifications could have a material adverse effect on the Group's business, financial condition and results of operations

The Group is currently involved in a limited number of legal proceedings. The outcome of these legal proceedings is currently not expected to individually or in the aggregate have a material adverse effect on the Group's business. There can be no assurance that the Group will not become involved in legal proceedings in the future which could have a material adverse effect on the Group's business, financial condition and results of operations.

Third parties have indemnified the Group for certain liability claims. If these third parties were not to pay out under the indemnification or if they were to pay only part of the liability of the Group, this could have a material adverse effect on the Group's business, financial condition and results of operations.

Violations of laws could result in damages, fines or other sanctions and could have a material adverse effect on the Group's business, financial condition and results of operations

The Group's operations are affected by various statutes, regulations and laws in markets in which it operates. The Group is subject to various laws applicable to businesses generally, including, but not limited to, laws affecting tax, land use, zoning, the environment, occupational health and safety, product safety, quality and liability, transportation, labor and employment practices (including pensions), anti-bribery, competition, construction, procurement, administrative, accounting, corporate governance, market disclosure, data protection, money laundering and economic sanctions laws and regulations. There can be no assurance that the Group will not incur material costs or liabilities in connection with regulatory requirements. Future developments in laws and regulations concerning the Group's businesses may materially adversely affect its business, financial condition and results of operations. The technical services the Group provides in addition to the sales is an area that is in particular exposed to the risk of non-compliance with rules relating to competition, anti-bribery and health and safety. Any failure to comply with applicable laws and regulations (and in particular those relating to competition, anti-bribery and health and safety) by any of the Group's employees, Group Companies, businesses acquired by the Group, or business partners may lead to heavy fines, to damage to the Group's brands and reputation and to exclusion from participation in public tenders. In addition such failures may lead to disciplinary, administrative, civil and criminal enforcement actions and civil liability. The precautions the Group takes to prevent and detect non-compliance with these rules may not always have the desired effect.

Any breach of obligations under these statutes, regulations and laws, or even incidents relating to the environment or health and safety that do not amount to a breach, could have a material adverse effect on the Group's business, financial condition and results of operations.

Changes in tax laws or challenges to the Group's tax position could have a material adverse effect on the Group's business, financial condition and results of operations

The Group is subject to tax laws and regulations which are diverse, complex and are subject to varying interpretations in each of the jurisdictions in which the Group operates. The Group cannot be certain that the relevant tax authorities are in agreement with the Group's interpretation of these laws. Changes in tax laws and regulations could adversely affect the Group's tax position, including its effective tax rate or tax payments. The Group often relies on generally available interpretations of tax laws and regulations in the jurisdictions in which the Group operates. If tax laws or their interpretations change, or if the Group's tax positions are challenged by relevant tax authorities, the imposition of additional taxes could require the Group to pay taxes that the Group currently does not collect or pay or increase the costs of the Group's products or services to track and collect such taxes, which could increase the Group's costs of operations and could have a material adverse effect on the Group's business, financial condition and results of operations.

Shareholders and holders of DRs could initiate proceedings leading to an investigation of the Company's management policies or bring other legal actions against the Company that could have a material adverse effect on the Group's business, financial condition and results of operations

Shareholders and holders of DRs representing alone or together at least 10% of the Company's issued share capital, or holding alone or together Shares (defined below) or DRs with a par value of €225,000, could initiate proceedings with the Enterprise Chamber (*Ondernemingskamer*) of the Amsterdam Court of Appeals (the "**Enterprise Chamber**") to investigate the Company's management policies and the conduct of its business. If the Enterprise Chamber determines that there are good reasons to doubt the proper management of the Company's affairs, it may appoint experts to conduct investigations and prepare reports at the Company's expense. If, on the basis of these reports, the Enterprise Chamber should render a finding of corporate misconduct, it may order, at the request of the petitioners of the investigation proceedings, the advocate-general to the Enterprise Chamber, or, if the report has been made available by the Enterprise Chamber to the public at large, any interested party, that one or more measures be taken. These measures may include suspension or annulment of resolutions of the Company's management board ("**Management Board**"), the Company's supervisory board ("**Supervisory Board**") and Company's the general meeting of Shareholders (as defined below) (the "**General Meeting**"), the suspension or dismissal of members of the Management Board or Supervisory Board, the temporary appointment of one or more persons to the Management Board or Supervisory Board, the temporary deviation from certain provisions of the articles of association of the Company (the "**Articles**") and the temporary transfer of Ordinary Shares and Preference Shares (as defined below) (Ordinary Shares and Preference Shares together the "**Shares**") to a nominee. In addition, the Enterprise Chamber may order a wide range of temporary measures during the proceedings. Investigations or legal proceedings, if initiated against the Company, could severely distract management, result in significant legal defense and other costs, and may lead to additional negative publicity. Any finding of corporate misconduct could result in investigations by competent authorities and further civil claims being brought against the Company. Any such investigations by competent authorities and other legal proceedings could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group and its customers are exposed to interest rate risks which could have a material adverse effect on the Group's business, financial condition and results of operations

An end-user's decision to purchase equipment is dependent of the ability of the end-users to finance these purchases. Interest rate costs form a significant part of the financing costs. Volatility in the credit markets may have a negative impact on the Group's business by making it more difficult for certain customers of the Group to obtain financing to purchase equipment. Increases of interest rates may make equipment purchases less affordable for end-users and, as a result, the Group's revenues and profitability may decrease as the Group manages excess inventory and reduced prices for equipment. To the extent the Group cannot pass on the increased costs as a result of increased interest rates to its customers, the Group's net income may decrease which could have a material adverse effect on the Group's business, financial condition and results of operations. Conversely, a decrease in interest rates may positively affect an end-user's decision to purchase equipment. The Group is unable to anticipate the timing and impact of interest rate adjustments.

Part of the Group's existing and future debt and borrowings carry or may carry floating interest rates. The interest-bearing debts consist mainly of non-current liabilities and debts to credit institutions, which have a floating interest rate consisting of (mostly) 1-month or 3-month Euribor plus a fixed interest premium. The risk of an interest rate increase occurring is currently not hedged.

A materialization of any of these risks could have a material adverse effect on the Group's business, financial condition and results of operations.

Substantial financing is required for the equipment the Group sells, but such financing may not be available, which could have a material adverse effect on the Group's business, financial condition and results of operations

The sale of equipment requires substantial inventories of equipment and parts to be maintained to facilitate sales on a timely basis. As the Group grows, whether organically or through acquisitions, inventory requirements will increase and, as a result, the financing requirements will also increase. In the event that the available financing sources are not maintained, cannot be refinanced on commercially reasonable terms or are insufficient to satisfy future requirements, the Group would be required to obtain financing from other sources. There can be no assurance that additional or alternative financing could be obtained on commercially reasonable terms. To the extent additional or alternative financing cannot be obtained on commercially reasonable terms, this could have a material adverse effect on the Group's business, financial condition and results of operations.

Write-downs of inventory might be necessary in case the inventory becomes obsolete which could have a material adverse effect on the Group's business, financial condition and results of operations

The sale of equipment requires substantial inventories of products and parts to be maintained to facilitate sales to end-users on a timely basis. While the Group believes its inventory management systems are sufficient, variations in market demand for the products it sells can result in certain items of inventory becoming obsolete, requiring the Group to write-down some of its inventory balance. As a result, the Group would not be able to realize expected revenues and cash flows from such inventory, which could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's working capital needs are influenced by seasonal effects, which could have a material adverse effect on the Group's business, financial condition and results of operations

The equipment distribution industry is a complex business in which part of the profitability is generated by sophisticated procurement and hence, timing, when dealing and interacting with original equipment manufacturers. The Group pre-orders some of the agricultural equipment it expects to sell in the upcoming season.

Pre-ordering agricultural equipment means the Group may receive a discount on the purchase price. The discount received will translate itself into additional profit once the sale materializes during the season. At the same time, end-users pre-order agricultural equipment with the Group, allowing the Group to share the received discount with those end-users. The end-users however only pay later. All in all, this means the Group has ample outflow of resources when pre-orders are made, while it may take up to several months before sales materialize, revenues are being recognized, and cash flows back in. This could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group may be exposed to the risk that it is (temporarily) unable to meet its financial obligations (liquidity risk) if a customer is not able to meet its obligations, which could have a material adverse effect on the Group's business, financial condition and results of operations

The Group is exposed to liquidity and credit risks if a customer is not able or unwilling to meet its obligations and fewer payments (and prepayments) are received. Recently the Group has seen many of its customers seeking to manage their own working capital by demanding or imposing less favorable payment terms. This can lead to longer payment intervals. In addition, the Group's customers may experience financial difficulties, including bankruptcies or restructurings, which could require the Group to assume more credit risk or limit the Group's ability to collect payments owed to it. This could lead to pressure on the working capital level of the Group or to the risk that it is (temporarily) unable to meet its own financial obligations. If any of these risks materialize, this could have a material adverse effect on the Group's business, financial condition and results of operations.

A failure of the Company and certain Group Companies to comply with obligations under its financing facilities could result in an event of default, which could have a material adverse effect on the Group's business, financial condition and results of operations

The Group has different financing facilities of which the most important one is the Financing Facility (as defined in "Operating and Financial Review – Capital Resources"). In addition, the Group has other financing arrangements for which various types of security have been provided.

The Financing Facility contains restrictive covenants, the most important ones being (i) a debt service coverage ratio of at least 1.30 during the term of the loan, (ii) a total net senior debt/EBITDA ratio (unaudited, see "Important Information – Presentation of Financial and Other Information – Non-Dutch GAAP information" for a description of EBITDA) of a maximum of 3.00 at the end of June 2015 and (iii) a solvency rate of at least 35%. These covenants place restrictions on, among other things, the amount of interest costs incurred and distributions made relative to cash flow, the amount of credit relative to earnings, the amount of capital investment. In addition the covenants restrict the ability of the Company and its Group Companies to encumber or dispose of assets, to acquire companies or businesses or merge, to substantially change the general nature of the business, to attract additional financial indebtedness, to provide guarantees or indemnities and to pay out dividends or other distributions. The Group may, as a consequence of these covenants, be restricted in responding to changing market conditions or in pursuing favorable business opportunities. In addition, the Group will have to dedicate a substantial share of its cash flow from operations to service debt, which in turn will reduce the amount of cash flow it will have available for dividend distributions, capital investment, working capital and other general corporate purposes.

Any failure to comply with the obligations of the Financing Facility, any of the other financing arrangements or any other financial obligation could result in an event of default (including events of cross-default between the different agreements), which, if not cured or waived, could require an accelerated repayment of the Financing Facility and the other financing arrangements. In addition, the lenders could enforce their security interests on securities granted such as mortgages on real estate and pledges on bank accounts, moveable assets and receivables. Changes to legislation such as changes in accounting standards (*e.g.*, regarding on- and off-balance sheet requirements related to leases) which are not reflected in the financing conditions, could lead to a failure by the Company and its Group Companies to comply with the obligations under the Financing Facility or other financing arrangements. There can be no assurance that the assets of the Group Companies which are party to the Financing Facility would be sufficient to repay the Financing Facility in full. The aforementioned circumstances could, together and on a standalone basis, have a material adverse effect on the Group's business, financial condition and results of operations.

Current financing arrangements may not be sufficient in the mid- or long term, which could have a material adverse effect on the Group's growth ambition, business, financial condition and results of operations

The Group is dependent upon having access to sufficient liquid funds. While the Group believes its current resources are adequate to fund its requirements, there can be no assurance that it will not experience shortfalls in the mid- or long term. Additional capital may be required by the Group in connection with financing new capital-intensive projects, acquisitions or for other investments in the mid- or long term. In addition, the Group may incur unanticipated liabilities or expenses, and customers may not be able to pay or pay late. There can be no assurance that the Group will be able to raise new equity or arrange new borrowing facilities in a timely manner on acceptable terms and in amounts necessary to conduct its ongoing and future operations, should this be required. Any of these developments could have a material adverse effect on the Group's growth ambition, business, financial condition and results of operations.

The Group's financial means could be limited and it may be restricted in various ways, including in its growth ambitions if it is unable to attract additional funds by entering into sale-and-leaseback-transactions with respect to the real estate that it uses in its operations

The Group is considering attracting additional funds by entering into sale-and-leaseback-transactions with respect to the real estate that it uses in its operations. If the Group would not be able to enter into these transactions, the Group's financial means could be limited and it may be restricted in various ways, including in its growth ambitions.

Catastrophic events, terrorist attacks, acts of war, hostilities, riots, civil unrest, pandemic diseases and other unpredictable events could have a direct or indirect material adverse effect on the Group's business, financial condition and results of operations

Catastrophic events, terrorist attacks, acts of war or hostilities, riots, civil unrest, pandemic diseases and other similarly unpredictable events, and responses to those events or acts, may reduce the number of workable days of either the suppliers or dealers of the Group or the Group itself and therefore prevent the Group from being able to perform towards its customers. Those events and acts may also create economic and political uncertainties which may have an adverse effect on the economic conditions in different countries or decrease the demand for or increase the costs of the Group's products and services. These events and acts are difficult to predict and may also affect employees, including key employees. If the Group's business continuity plans do not fully address these events or cannot be implemented under the circumstances, it may incur losses. Unforeseen events can also lead to lower revenues or additional operating costs, such as fixed employee costs not recovered by revenues due to inability to perform, higher insurance premiums and the implementation of redundant back-up systems. Insurance coverage for certain unforeseeable risks may also be unavailable. A materialization of these risks could have a direct or indirect material adverse effect on the Group's business, financial condition and results of operations.

Risks relating to the Group's Structure

Any failure of management information and internal control systems may adversely affect the ability of the Company to implement its business strategy throughout the Group and adequately respond to unfavorable developments within its Group Companies. The Group's internal control systems may not adequately identify risks and the impact they can have on the Group, which could have a material adverse effect on the Group's business, financial condition and results of operations

The Group is organized on a decentralized basis, leaving certain management decisions to the discretion of its Group Companies. The Company has implemented management information and internal control systems to ensure that its business strategy is implemented throughout the Group and to be able to adequately respond to unfavorable developments within its Group Companies. These systems combine elements that are specific to each individual Group Company, with elements that are in place on a Group wide uniform basis.

There can be no assurance that the management information and internal control systems put in place by the Group are adequate and effective. This is especially the case if the Group is confronted with risks that it has not fully or adequately identified or anticipated. In addition, any risk management and internal control system is exposed to inadequate, fraudulent, negligent or unauthorized dealings by employees or third parties, such as product theft, and IT failures. Any such failures of the Group's control systems could have a material adverse effect on the Group's business, financial condition and results of operations.

The Company is a holding company without operations and relies on its Group Companies to provide it with funds necessary to meet its financial obligations. If the Group Companies are unable to provide the Company with funding, this could have a material adverse effect on the Group's business, financial condition and results of operations

The Company is a holding company without material, direct business operations. The principal assets of the Company are the equity interests it directly or indirectly holds in its Group Companies. As a result, the Company is dependent on loans, dividends and other payments from these sources to generate the funds necessary to meet its financial obligations, including the payment of dividends. The ability of the Group Companies to make such distributions and other payments depends on their earnings and may be subject to statutory or contractual limitations. As an equity investor in its Group Companies, the Company's right to receive assets upon their liquidation or reorganization will be effectively subordinated to the claims of their creditors. When the Company acts in the capacity as creditor of the Group Companies, for example with respect to management fees or accounting costs, the Company's claims may still be subordinated to any security interest in or other lien on their assets and to any of their debt or other obligations that are senior to the Company's claims.

The Company has two major Shareholders and eight major holders of DRs who may have significant influence over the outcome of corporate matters, which may reduce the market price of the DRs

A significant number of Shares and DRs and the voting rights in the Company are concentrated in the hands of two major holders of Shares ("**Shareholders**") and eight major holders of DRs, see "Major Shareholders and Related Party Transactions". For the differences of voting rights between Shareholders and holders of DRs, see "Holders of DRs may under circumstances not be entitled to exercise the voting rights attached to the underlying Ordinary Shares in the General Meeting".

Consequently, these major Shareholders and holders of DRs may be in a position to exert significant influence over or determine the outcome of all corporate matters requiring approval of the Shareholders and the holders of DRs, including the approval of significant transactions. The interests of these Shareholders and holders of DRs may differ from the interests of other Shareholders and holders of DRs. As a result, these major Shareholders and holders of DRs' interests in the Company's voting capital may permit them to effect certain transactions without other Shareholders' or holders of DRs' support, or delay or prevent certain transactions that are in the interests of other Shareholders or holders of DRs, including a sale or other change in control of the Company's business. The market price of the DRs may decline if the major Shareholders and holders of DRs use their influence over the Company's voting capital in ways that are adverse to other Shareholders and holders of DRs. In addition, the concentration of ownership may also have the effect of delaying or preventing a change in control, which in turn could have a material adverse effect on the market price of the DRs or prevent holders of DRs from realizing a premium over the market price for their DRs. Finally, if these major Shareholders and holders of DRs should decide to sell their Shares or DRs or a large portion thereof, this could have a material adverse effect on the market price of the DRs. Pon Holdings B.V. ("**Pon Holdings**") has agreed not to sell or dispose of the 150,756 DRs it obtained through the private placement on 16 October 2013 from the date of the private placement up to 1 January 2014. The Company may however waive these restrictions at its sole discretion.

Provisions in the call option agreement of the Company with Stichting Continuïteit Reesink could delay or deter a beneficial change in control and may reduce the market price of the DRs

The Company has entered into a call option agreement with Stichting Continuïteit Reesink ("**Stichting Continuïteit**") (a foundation whose objective is to promote the interests of the Company and the businesses operated by the Company and its Group Companies in a way that the interests of the Company and those businesses and all involved are as far as possible safeguarded. These objects include protection of the continuity or independence or own identity of the Company and its Group Companies insofar not contrary to the interest of all others involved, to the fullest extent possible). Under the call option agreement, the Stichting Continuïteit has the right to acquire up to a maximum of 2,300,000 cumulative preference shares B in the Company's share capital with a nominal value of €4.00 each (the "**Cumulative Preference Shares B**"). Stichting Continuïteit has a credit facility to enable it to pay the amount to be paid up on the Cumulative Preference Shares B. The Cumulative Preference Shares B must be paid up for 25% of the nominal value. The Company and Stichting Continuïteit have agreed that the number of votes cast on Cumulative Preference Shares B will not exceed the aggregate number of votes that can be cast on the Ordinary Shares and the cumulative preference shares A in the Company's share capital with a nominal value of €4.00 each ("**Cumulative Preference Shares A**") (the Cumulative Preference Shares B and the Cumulative Preference Shares A together, the "**Preference Shares**") outstanding at that time. This call option agreement will be amended in accordance with the latest amendment of the Articles, in which the Company's authorized share capital was increased, as a result of which the maximum number of Cumulative Preference Shares B will be adjusted.

The option of Stichting Continuïteit of Cumulative Preference Shares B could delay or deter proposals to acquire the Company or other transactions resulting in a change of control of the Company, including proposals that might otherwise result in the holders of DRs receiving a premium over the market price for the DRs. Likewise, the option of Cumulative Preference Shares B may reduce the market price of the DRs.

The Group does not have full control over some of the companies in which it has a participating interest, which may limit the conduct of the Group's business and this ownership structure carries certain risks which could have a material adverse effect on the Group's business, financial condition and results of operations

The Group holds a number of participating interests in companies that also have other shareholders not affiliated with the Group. Sometimes these third party shareholders own a majority of the shares in such companies. The Group will most likely make additional investments in participating interests in the future.

The Group cannot assure potential investors that its co-shareholders will have the same ideas on strategy as the Group or that the Group will be able to influence the strategy and operations of these companies pursue its strategies with respect to its partners and the markets in which they undergo. In addition, the Group's co-shareholders may be subject to change of control provisions, which may affect their strategies in connection with these companies. In some cases, the Group may receive less information about the business activities of these companies than it would about its wholly-owned subsidiaries. Any of these factors could have a material adverse effect on the Group's business, financial condition and results of operations.

In addition, owning participating interests and collaborating with third parties carries certain risks, including:

- conflicts between the policies or objectives adopted by the Group's co-shareholders and those adopted by the Group;
- disagreement with the Group's co-shareholders in connection with the operations of or investments by their company; or
- financial difficulties encountered by the Group's co-shareholders affecting their ability to make additional or necessary investments.

These risks may result in a deadlock situation and an inability to distribute profits or make further necessary investments. In some cases, the Group may receive less information on the business activities of these companies than it would on one of its wholly-owned Group Companies. If such conflicts or problems arise, they could have a material adverse effect on the Group's business, financial condition and results of operations.

Being a public company gives rise to legal and financial compliance costs, which could have an adverse effect on the Group's business, financial condition and results of operations

Compliance with regulations applicable to publicly-traded companies adversely impacts the Group's resources. As a publicly-traded company, the Company is subject to rules and regulations that increase legal and financial compliance costs, make some activities more time-consuming and costly, and divert management's attention away from operations. The Company cannot predict or estimate the amount of additional costs it (may) incur(s) as a result of these requirements or the timing of these costs. The costs of being a publicly-traded company and the attendant diversion of management's time and attention could have an adverse effect on the Group's business, financial condition and results of operations.

Risks relating to the DRs and the Offering

Trading in the DRs is very limited which might lead to holders of DRs not being able to sell their DRs at a reasonable price or at all

Historically, the volume of trading on NYSE Alternext Amsterdam in DRs is low. The average daily trading volume in the DRs on NYSE Alternext Amsterdam from 1 January 2013 up to and including 31 October 2013 was €35,583 and 487 DRs (source: https://europeanequities.nyx.com/). There is no guarantee that there will be sufficient liquidity in the DRs to sell or buy any number of DRs at certain price levels. The price of the DRs will in addition be subject to volatility and investors may be unable to sell their DRs at or above the price that was paid for them. The Company cannot predict the extent to which an active market for the DRs will develop or be sustained following the Offering, or how the development of such a market might affect the market price for the DRs. A continued illiquid market for the DRs may result in lower trading prices and increased volatility, which could adversely affect the value of the investment. The DRs are listed on NYSE Alternext, which is not the prime market of NYSE Euronext in Amsterdam. This listing may attract fewer buyers. Also, there are no indices or option products for this market, which may mean that upside liquidity potential may be limited. Although the Company has retained a liquidity provider to support the trading of the DRs under certain conditions, this is no guarantee that there will be sufficient liquidity in the DRs to sell or buy any number of DRs at certain price levels.

The market price of the Offer DRs may fluctuate and may decline below the Offer Price, which could cause investors to lose some or all of their investment

The Offer Price of the Offer DRs at the time of the Offering may not be indicative of the market price for the Offer DRs after the Offering will have been completed. The Company cannot assure that the market price of its Offer DRs will not decline. The market price of the Offer DRs may fluctuate widely, depending upon many factors beyond the Group's control. This volatility could stem from the risk factors listed in this section of the Prospectus, variations in the Group's actual or anticipated results of operations and financial condition, variations in expectations of securities analysts and investors, future issues of DR's or rights to acquire DRs in the capital of the Company, changes in general market conditions, macroeconomic trends and other related factors. As a result of such fluctuation, investors may not be able to resell their Offer DRs at or above the Offer Price, or at all, which could cause investors to lose some or all of their investment.

Issuance of additional equity by the Company either through it issuing new DRs or through third parties converting outstanding convertible loans, could lead to a dilution of holders of DRs or shareholders' equity interests in the Company

The Company may conduct future offerings of DRs, Shares or other securities convertible into the Company's common stock to fund acquisitions, finance operations or for other purposes. Such future offerings, or the perception by the market that such offerings may occur, could lower the market price of the DRs or make it more difficult for the Company's holders of DRs or Shareholders to sell their DRs or Shares. Moreover, any issuance of additional DRs or Shares will dilute the ownership interest of existing holders of DRs or Shareholders.

Future sales of the Company's DRs by existing holders of DRs could cause the market price of the DRs to decline

If existing holders of DRs sell substantial amounts of DRs in the public market or otherwise, the market price of the DRs could be affected. The market price of the DRs may as a result decline substantially or fluctuate widely. The perception in the public market that existing holders of DRs might sell could also depress the market price of DRs. A decline in the price of DRs might impede the Company's ability to raise capital through the issuance of additional DRs or other securities, and may cause holders of DRs to lose part or all of their investment in the Company's DRs.

Publications of securities or industry analysts may influence the price and trading volume of DRs

The trading market for the DRs will be influenced by the continued availability and recommendations of research reports covering the Group's business. If one or more research analysts ceases to cover the Group's business or fails to regularly publish reports on our business, the Group could lose visibility in the financial markets, which could cause the market price or trading volume of the DRs to decline. In addition, if research analysts do not make positive recommendations regarding the DRs, or if negative research is published on the industry or geographic markets that the Group serves, the price and trading volume of the DRs could decline.

The Company has not paid a dividend in 2012. Whether dividends will be paid in the future is subject to i.e. the Company's net profit and financial position

In principle, the Company's dividend policy involves distribution of 40-55% of the profit placed at the Shareholders' disposal. The Company has not paid out any dividends to its Shareholders in financial year 2012 and therefore STAAR has not paid out any dividends to the holders of DRs. The Company has paid dividends in financial years 2010 and 2011 (see "Dividends and Dividend Policy"). Whether dividends will be paid in the future is subject to *i.e.,* the Company's net profit and financial position, and the proposal for the payment of a dividend is at the discretion of the Management Board, with the prior approval of the Supervisory Board, subject to relevant Dutch law and a number of factors, including the level of the Company's distributable reserves, the Company's business prospects and conditions, cash requirements, earnings and cash flow, capital resources, financial performance and conditions and expansion and capital expenditure or investment plans. Also, the General Meeting may elect to reinvest the entire profit instead of paying dividends to the holders of DRs or to Shareholders.

For the payment of dividends, please see in addition the risk: "The Company is a holding company without operations and relies on its Group Companies to provide it with funds necessary to meet its financial obligations. If the Group Companies are unable to provide the Company with funding, this could have a material adverse effect on the Group's business, financial condition and results of operations."

Holders of DRs may under circumstances not be entitled to exercise the voting rights attached to the underlying Ordinary Shares in the General Meeting

The DRs do not carry the right to give instructions to STAAR on how to exercise the voting rights attached to the Shares. Pursuant to Dutch law, holders of DRs will upon request be given a proxy entitling them to exercise the voting rights, to the exclusion of STAAR, on the underlying Ordinary Shares at the General Meeting indicated in the proxy. A holder of DRs who has been given such a proxy may exercise the right to vote in its sole discretion. STAAR may only limit, exclude or revoke the proxy if (i) pursuant to a concert party arrangement, one or more holders of Shares or DRs, whether or not jointly with subsidiaries, hold 25% or more of the issued capital of the Company; or (ii) in the opinion of STAAR the exercise of the voting rights by a holder of DRs conflicts with the interest of the Company and the business connected with it.

IMPORTANT INFORMATION

General and Responsibility Statement

Potential investors should rely only on the information contained in this Prospectus and any supplement to this Prospectus within the meaning of section 5:23 FMSA, should such supplement be published.

The Company does not undertake to update this Prospectus, unless required pursuant to section 5:23 FMSA and therefore potential investors should not assume that the information in this Prospectus is accurate as of any date other than the date of this Prospectus. No person is or has been authorized to give any information or to make any representation in connection with the Offering, other than as contained in this Prospectus, and, if given or made, any other information or representations must not be relied upon as having been authorized by the Company. The delivery of this Prospectus at any time after the date hereof will not, under any circumstances, create any implication that there has been no change in the Company's affairs since the date hereof or that the information set forth in this Prospectus is correct as of any time since its date.

This Prospectus is made available by the Company. The Company accepts responsibility for the information contained in this Prospectus. The Company declares that it has taken all reasonable care to ensure that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

PHD, a private company with limited liability (*besloten vennootschap*) with its address at Strawinskylaan 1435 WTC, B-14, 1077 XX Amsterdam (the Netherlands), is solely underwriting the Offering and has not been engaged in the drafting of this Prospectus. Neither PHD nor any of its directors, officers, agents or employees makes any representation or warranty as to the accuracy, completeness or fairness of the information or opinions described or incorporated by reference in this Prospectus, in any investor report or for any other statements made or purported to be made either by itself or on its behalf in connection with the Company or the Offering. Accordingly, PHD disclaims all and any liability, whether arising in tort or contract or otherwise in respect of this Prospectus and or any such other statements.

SNS Securities N.V., a public company with limited liability (naamloze vennootschap) with its address at Nieuwezijds Voorburgwal 162 - 170, 1012 SJ Amsterdam, (the Netherlands), is acting as the Sole Coordinator, Bookrunner, Settlement and Listing Agent exclusively for the Company in relation to the Offering and the listing and trading of the Offer DRs. Neither SNS Securities N.V. nor any of its directors, officers, agents or employees makes any representation or warranty as to the accuracy, completeness or fairness of the information or opinions described or incorporated by reference in this Prospectus, in any investor report or for any other statements made or purported to be made either by itself or on its behalf in connection with the Company or the Offering. Accordingly, SNS Securities N.V. disclaims all and any liability, whether arising in tort or contract or otherwise in respect of this Prospectus and or any such other statements.

ABN AMRO Bank N.V. has been engaged by the Company solely as paying and depositary agent ("**Paying and Depositary Agent**") for the Ordinary Shares and the DRs. The Paying and Depositary Agent's activities consist of paying sums due on the Ordinary Shares and the DRs. The Paying and Depositary Agent is acting for the Company only and will not regard any other person as its client in relation to the Offering. Neither the Paying and Depositary Agent nor any of its directors, officers, agents or employees makes any representation or warranty as to the accuracy, completeness or fairness of the information or opinions described or incorporated by reference in this Prospectus, in any investor report or for any other statements made or purported to be made either by itself or on its behalf in connection with the Company or the Offering or the DRs. Accordingly, the Paying and Depositary Agent disclaims all and any liability, whether arising in tort or contract or otherwise in respect of this Prospectus and or any such other statements.

Potential Conflicts of Interests

The Sole Coordinator, Bookrunner, Settlement and Listing Agent is acting exclusively for the Company and for no one else in relation to the Offering and the listing and trading of the Offer DRs and will not be responsible to anyone other than to the Company for giving advice in relation to, respectively, the Offering and the listing and trading of the Offer DRs. The Sole Coordinator, Bookrunner, Settlement and Listing Agent will not act as investment company and will not render any investment advice to the Company.

The Sole Coordinator, Bookrunner, Settlement and Listing Agent (or its respective affiliates) has from time to time been engaged, and may in the future engage, in commercial banking, investment banking and financial advisory and ancillary transactions in the course of its business with the Company (or any parties related to the Company) for which it has received or may receive customary compensation. In respect of the above, the sharing of information will generally be restricted for reasons of confidentiality, by internal procedures or by rules and regulations (including those issued by the AFM). As a result of these transactions, the Sole Coordinator, Bookrunner, Settlement and Listing Agent may have interests that may not be aligned, or could potentially conflict, with the interests of Shareholders or holders of DRs, or with the interests of the Group.

The Sole Coordinator, Bookrunner, Settlement and Listing Agent has provided, and may continue to provide the Company with advice in connection with listing sponsor services and liquidity providing services including equity research coverage, road show activities and market making activities. The Sole Coordinator, Bookrunner, Settlement and Listing Agent will not act as investment company and will not render any investment advice to the Company.

The Sole Coordinator, Bookrunner, Settlement and Listing Agent has not performed a due diligence investigation on the Group in relation to the Offering.

Presentation of Financial and Other Information

Dutch GAAP information

This Prospectus includes or incorporates by reference (i) the audited consolidated financial statements (including the notes and auditor's report) of the Group as of and for the years ended 31 December 2012, 31 December 2011 and 31 December 2010 and (ii) the unaudited consolidated condensed interim financial statements as of and for the six-month periods ended 30 June 2013 and 30 June 2012, which have been prepared in accordance with Part 9 of Book 2 of the DCC.

Non-Dutch GAAP information

This Prospectus presents certain financial measures that are not measures defined under the generally accepted accounting standards in the Netherlands ("**Dutch GAAP**"), including EBITDA (as defined below) and certain organic figures. These financial measures are not measures of financial performance under Dutch GAAP, and should not be considered as an alternative to cash flow from operating activities, or operating profit, or any other Dutch GAAP measure. These measures are unaudited and should not be considered in isolation or as an alternative to performance measures derived in accordance with Dutch GAAP and may not be comparable to other similarly titled measures used by other companies, because these measures are not uniformly defined and other companies may calculate them in a different manner that the Company does, limiting its usefulness as comparative measures. More specifically, the definition of EBITDA is specific to the Group's business and reflects certain adjustments to reported figures relating to the Group's recent operational history, and may not be experienced on a similar basis, or at all, going forward. In addition, EBITDA can be significantly affected by matters beyond the Group's control. Accordingly, undue reliance should not be placed on the presentation of EBITDA in this Prospectus and EBITDA should not be considered in isolation from, or as a substitute for, the analysis of the Group's results of operations and financial condition under Dutch GAAP.

EBITDA

"**EBITDA**" is defined as group operating profit ("**EBIT**") before depreciation of property, plant and equipment and before amortization of intangible assets.

Organic figures

The Group's results of operations are affected by several acquisitions and divestments. The Group presents organic figures, such as organic net revenue, organic gross operating income and organic selling expenses and administrative expenses, which represent the Group's performance including acquisitions as from the second year after the acquisition (but only to the extent reliable financial information is available) and excluding divestments. The organic figures do not include the performance of acquired companies in the year of acquisition.

Rounding and negative amounts

Certain figures contained in this Prospectus, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances the sum of the numbers in the text or a column or a row in tables contained in this Prospectus may not conform exactly to the total figure given for that column or row.

In tables, negative amounts are shown between brackets. Otherwise, negative amounts are shown by "-" or "negative" before the amount.

Currency

All references in this Prospectus to "euro", "EUR" or "€" are to the official currency of the member states of the European Economic and Monetary Union. All references to "US dollar", "US$", or "$"are to the lawful currency of the United States.

Market and Industry Information

The Group is active in different industries and related markets, as described in the "Business" chapter and in the "Industry Overview and Competition". The Group believes there are no sufficient (independent) sources available describing and supporting an analysis of the markets and industries in which it is active and the competition it faces therein. The information contained in this Prospectus relating to market and industry is therefore based on the Group's own analysis, unless the contrary is expressly indicated.

All references to market data, industry statistics and industry forecasts in this Prospectus from third party sources consist of estimates compiled by industry professionals, organizations or analysts of publicly available information or the Group's own knowledge of its sales and markets. Industry publications generally state that their information is obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on a number of significant assumptions. Although the Group believes these sources are reliable, the Group does not have access to the information, methodology and other bases for such information and has not independently verified the information.

In this Prospectus, the Group makes certain statements regarding its competitive and market position. The Group believes these statements to be true, based on its own analysis, market data and industry statistics.

The information in this Prospectus that has been sourced from third parties has been accurately reproduced with reference to these sources in the relevant paragraphs and, as far as the Group is aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading.

Supplements

If a significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus which is capable of affecting the assessment of the DRs arises or is noted prior to the end of the Offering Period, a supplement to this Prospectus will be published. Such supplement will need to be approved by the AFM in accordance with section 5:23 FMSA. The Offering Period will be extended and investors who have already agreed to purchase Offer DRs may withdraw their subscriptions within two business days following the publication of the supplement.

Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus. Any statement so modified or superseded shall, except as so modified or superseded, no longer constitute a part of this Prospectus.

Notice to Investors

The distribution of this Prospectus and the offer, acceptance, delivery, transfer, exercise, purchase of, subscription for, or trade in, the Offer DRs may be restricted by law in certain jurisdictions. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities law of any such jurisdiction. This Prospectus may not be used for, or in connection with, and does not constitute, any offer to sell, or an invitation to purchase, any of the Offer DRs offered under the Offering in any jurisdiction in which such offer or invitation is not authorized or would be unlawful. Neither this Prospectus, nor any related materials, may be distributed or transmitted to, or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws or regulations.

The content of this Prospectus is not to be considered or interpreted as legal, financial or tax advice. Each prospective investor should consult his own stockbroker, bank manager, lawyer, auditor or other financial, legal or tax advisers before making any investment decision with regard to the Offer DRs, to consider such investment decision in light of his personal circumstances, and in order to determine whether or not such prospective investor is eligible to subscribe for the Offer DRs.

Forward-Looking Statements

This Prospectus contains forward-looking statements that reflect the Company's intentions, beliefs or current expectations and projections about the Group's future result of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Group operates. Forward-looking statements involve all matters that are not historical facts. The Company has tried to identify forward-looking statements by using words as "may", "will", "would", "should", "expects", "intends", "estimates", "anticipates", "projects", "believes", "could", "hopes", "seeks", "plans", "aims", "objective", "potential", "goal" "strategy", "target", "continue", "annualized" and similar expressions or negatives thereof or other variations thereof or comparable terminology, or by discussions of strategy that involve risks and uncertainties.

USE OF PROCEEDS

After deducting the estimated expenses related to the Offering of approximately €180,000, the Company anticipates receiving approximately €2,820,000 from the issue of the Offer DRs. The estimated expenses include, among other expenses, the fees due to the AFM, NYSE Alternext Amsterdam, the commission of the Sole Coordinator, Bookrunner, Settlement and Listing Agent, legal and administrative expenses and publication costs all including applicable taxes, if any and is calculated on a pro rata basis taking into account the total expenses of the €13.0 million Private Placement and the Offering.

The proceeds of the Offering will be used to repay part of the Financing Facility (as defined in "Operating and Financial Review"), which the Group applied to refinance part of the consideration of the Acquisition (as defined in "Acquisition"), directly after the Offering. See "Acquisition".

ACQUISITION

The Acquisition

Part of the Group's ambition is to become a major full-line distributor in the equipment business. The Group aims to achieve this ambition by means of growth through acquisitions in related markets and by means of organic growth, see for the Group's full strategy "Business – Strategy". In furtherance thereof, the Group acquired the adjacent material handling equipment and hydraulics components and systems business of Pon Holdings on 16 October 2013 (the "**Acquisition**").

Through the Acquisition, the Group expands its range of strong brands and strong concepts with Linde (material handling equipment such as forklifts or trucks), Tennant (cleaning equipment) and Linde Hydraulics (hydraulics components and systems). The Acquisition has also allowed the Group to further expand its business in Belgium and Germany. Based on the pro forma combined consolidated profit and loss statement in 2012 and the first half of 2013 (unaudited), which illustrates the impact of the Acquisition as if it occurred at the start of 1 January 2012, the acquired material handling equipment and hydraulics components and systems business represented 54.0% respectively 49.7% of the Group's revenues, see "Pro Forma Financial Information".

Rationale for the Acquisition

With the Acquisition of all issued and outstanding shares in the share capital of Pon Material Handling Europe B.V. ("**PMH-E**") and Motrac Hydraulik GmbH and 75.04% of the issued and outstanding shares in the share capital of Pelzer Fördertechnik, the Group believes it has become a leading distributor of equipment in the material handling industry in the Netherlands, Belgium and mainly the North-Rhine-Westphalia region in Germany and has a sizeable presence in the hydraulics components and systems markets in the Netherlands, Belgium and Germany. Since the Acquisition, the Group has approximately 1,000 employees measured in full-time equivalents ("**FTEs**"). The Group believes that the Acquisition will strengthen the position of the Group in the equipment business and gives the Group access to the hydraulics components and systems industry. The Group believes that the Acquisition is in line with the Group's current 2013-2016 strategy to become a major full line equipment distributor, see "Business – Strategy".

The entities that were acquired (together the "**Acquired Entities**") mainly serve end-users in the logistics sectors that are active in food, non-food, industrial, transshipment (at ports) and agricultural sectors. In the first half of 2013, the Acquired Entities realized pro forma revenues in excess of €110.4 million (see "Pro Forma Financial Information") with a combined average workforce of 689 employees measured in FTEs as of 16 October 2013. As of 30 June 2013, the vast majority of these revenues were realized in the material handling industry (approximately 90%). A small portion of the revenues (approximately 10%) was realized in the hydraulics components and systems industry.

The Group believes that the Acquisition meets several important criteria. The Group has expanded its range of strong brands and strong concepts with Linde (material handling equipment such as forklifts or trucks), Tennant (cleaning machines), and Linde Hydraulics(hydraulics components and systems), and it believes it has acquired a high-quality service organization with strict maintenance protocols. Furthermore, the Acquired Entities offer a rental concept through a third party lease concept to its customers. The Acquisition has allowed the Group to further expand its business in Belgium and in Germany thereby increasing the Group's international presence and thus reducing its dependence on the Dutch market. In addition, with the Acquisition, the Group has expanded its after sales business, including maintenance activities and its opportunities to provide rental concepts and financing solutions to its customers. Prior to the Acquisition, the Acquired Entities made investments in their sales organization, employees and information technology. As a result, the Group believes that it will have a platform for further growth. In addition, the Group believes that the service-driven business model, the focus on growth of installed base (*i.e.*, machinery for which the Group can provide services and components apart from just distributing equipment) and efficient contract management can or will result in sustainable profitability and margins. Since the business models of the Group and the Acquired Entities should be a good fit, the Group believes that potential synergy benefits can be realized in the near future on both the revenues side and the cost side of the business. The Group believes that value should be created for Shareholders and holders of DRs by optimizing and combining experience, knowledge bases, synergy benefits and commercial networks.

Efficiency improvements

The Group believes that the Acquisition can create economies of scale for the Group, as a result of which the Group expects to be able to further improve the efficiency of its organization. Also, recurring expenses will be borne by a larger combined organization. It is expected that this will result in a growth potential that exceeds the potential of the two organizations on their own.

Well-balanced services portfolio

The Group believes that its ability to provide a wider range of machinery will result in synergy benefits in relation to the Group's distribution of parts and provision of services.

Solid financial base

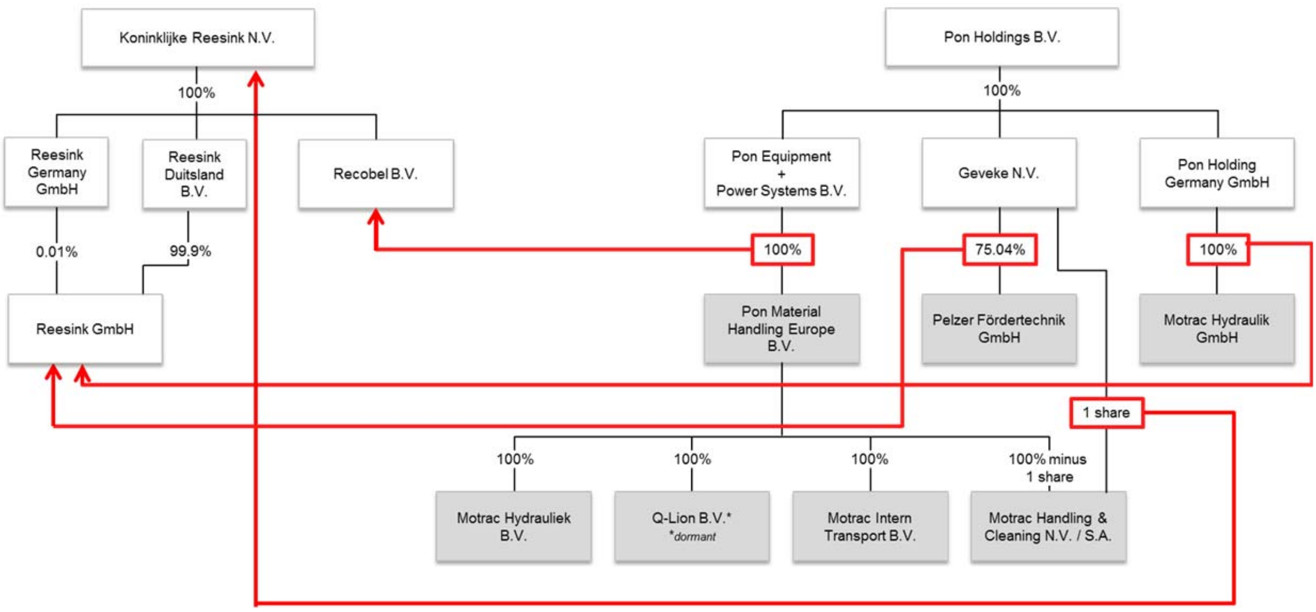
The Group believes that the combined businesses have sufficient financial means to accelerate the processes of change within the Group, to implement the integration process expeditiously, to finance further growth in existing markets and to initiate new activities in new and related markets.

Parties to the Share Purchase Agreement

On 14 June 2013, the Company announced its intention to enter into a share sale and purchase transaction with Pon Holdings. The Company and two of its wholly owned Group Companies, Recobel B.V. ("**Recobel**") and Reesink GmbH, formally entered into a share purchase agreement on 1 July 2013 ("**Share Purchase Agreement**") as buyers of shares of several indirect subsidiaries of Pon Holdings sold by Geveke N.V., Pon Holding Germany GmbH and Pon Equipment + Power Systems B.V., which are all direct wholly owned subsidiaries of Pon Holdings. On 2 July 2013, the contemplated Acquisition was approved in an extraordinary General Meeting in which 94.5% of the total issued capital was present or was represented. The completion of the Acquisition took place on 16 October 2013.

Transaction structure

The parties to the Share Purchase Agreement are indicated in the simplified transaction chart below. The Acquired Entities are shown in the shaded boxes, and the arrows indicate the share transfers that have taken place as part of the Acquisition:



As shown in the chart above, Recobel has acquired all of the issued and outstanding shares in the share capital of PMH-E. By acquiring PMH-E, Recobel has also indirectly acquired PMH-E's operating subsidiaries (i) Motrac Hydrauliek, (ii) Q-Lion B.V. (a dormant legal entity) and (iii) Motrac Intern Transport. Recobel also indirectly acquired all but one share in the share capital of Motrac Handling & Cleaning. The remaining one share has been directly acquired by the Company.

Through its wholly owned German subsidiary Reesink GmbH, the Company has acquired all issued and outstanding shares in the share capital of Motrac Hydraulik GmbH. Reesink GmbH has also acquired, 75.04% of the issued and outstanding shares in Pelzer Fördertechnik. The remaining 24.96% of the issued and outstanding shares in the share capital of Pelzer Fördertechnik are held by Linde LMH Beteiligungs GmbH.

Sale and Purchase Agreement

The principal terms and conditions of the Share Purchase Agreement are summarized below.

The consideration for the Acquisition consists of a fixed purchase price of €62.5 million and a potential future performance related payment (the "**Earn-Out**").

The fixed purchase price of €62.5 million was financed by:

- the Private Placement of 203,603 DRs for an amount of approximately €13 million with a number of Qualified Investors. The Private Placement closed on 14 October 2013;
- a private placement of 150,756 Ordinary Shares for an amount of approximately €9.6 million to Pon Holdings, under the obligation for Pon Holdings to immediately transfer such 150,756 Ordinary Shares to

STAAR in exchange for a corresponding number of 150,756 DRs. This private placement closed on 16 October 2013. Pon Holdings is restricted to sell these DRs subject to certain conditions up to 1 January 2014, see “Lock-Up”;

- a subordinated convertible loan of €10.3 million from Pon Holdings’ subsidiary Pon Onroerend Goed Leusden B.V. (“**Pon Onroerend Goed**”) to the Company (the “**Loan Agreement**”). The subordinated convertible loan bears a 5.25% interest rate and has a maturity of five years. The Company has the option to extend the maturity by one year. Pon Onroerend Goed may convert all or part of the outstanding principal amount into Ordinary Shares, under the obligation to immediately transfer such Ordinary Shares to STAAR in exchange for DRs, after three years at a conversion price of €81.41 per DR (equal to the average price of the DRs during the thirty trading days up to and including 12 June 2013 plus 27.5%). In the Loan Agreement Pon Holdings assigned and transferred the right to subscribe for Ordinary shares upon conversion to Pon Onroerend Goed. Certain events such as possible future issues of DRs or payment of an extraordinary dividend or other distributions under specific circumstances may lead to an adjustment of the conversion price. The Company has a soft call, implicating that Pon Onroerend Goed is obliged to exercise its conversion right if during a period of six months the average current market price of the DRs has exceeded an amount equal to 150% of the conversion price; and
- a drawdown under the Financing Facility of €29.6 million. The proceeds of the Offering will be used to partly repay the Financing Facility directly after the Offering.

The Earn-Out will have to be paid by the Company in the first quarter of 2014 in the event that the EBITA of the Acquired Entities over financial year 2013 exceeds €6.55 million. The amount to be paid under the Earn-Out arrangement is calculated by multiplying the amount exceeding €6.55 million EBITA with a factor ten. The total consideration for the Acquisition shall not exceed €80 million, which means that the Earn-Out amount cannot exceed €17.5 million.

If applicable, the Company plans to finance any Earn-Out payment as follows:

- 44% of any Earn-Out payment is planned to be financed by a drawdown under the Financing Facility. The remaining 56% of any Earn-Out payment is planned to be financed by an increase of the principle amount of the Loan Agreement up to €17.85 million.
- In case the Earn-Out payment were to exceed €12.5 million, the Company may finance the excess by means of free cash flow, bank financing or by means of an additional subordinated loan from Pon Holdings to the Company, which agreement is in agreed form attached to the Share Purchase Agreement (the “**Earn-Out Loan Agreement**”).

Lock-Up

Pon Holdings has agreed not to sell or dispose of the 150,756 DRs it obtained through a private placement on 16 October 2013 from the date of the private placement up to 1 January 2014, except in case of a public takeover bid for all or part of the DRs listed on NYSE Alternext Amsterdam or with the prior written consent of the Company.

Integration, Business Benefits and Synergies of the Acquisition

The Acquired Entities have been integrated in the new “Reesink Material Handling Equipment” segment within the Group’s Equipment division created in connection with the Acquisition and in the “Reesink Industry” division. The Group has prepared an initial integration and corporate restructuring plan in order to realize the desired commercial and organizational cooperation and synergy effects. This plan is currently being implemented. It is the Group’s intention that the Acquired Entities, except for PMH-E, which has been renamed to Reesink Material Handling Equipment B.V., will continue to operate under their own names.

The Group is preparing a post-merger and integration plan, covering issues such as commercial strategy, administration, human recourses, IT or facilities. The Group and the Acquired Entities are analyzing the systems and practices of both organizations.

Impact on Employees

The Group expects that the Acquisition will not lead to reorganizations with compulsory redundancies in the near future. The staff currently employed by the Group and the Acquired Entities are expected to remain employed in order to manage the integration of the Acquired Entities and to support further growth. The combination is expected to improve efficiency and support growth over the next few years. Mr. Marco de Bos, vice-president of PMH-E, and Mr. Ben Kemp, director of the Reesink Construction Equipment segment, have joined the Group’s Management Team to strengthen the overall organization. For more information regarding Mr. Ben Kemp and Mr. Marco de Bos, see “Management, Employees and Corporate Governance”.

SELECTED HISTORICAL FINANCIAL INFORMATION

The selected historical financial and operational information of the Group shown in the tables below should be read in conjunction with the information contained in "Important Information – Presentation of financial and other information", "Operating and Financial Review", and the consolidated financial statements, including the notes thereto, incorporated by reference in this Prospectus and other financial data appearing elsewhere in this Prospectus.

Consolidated income statement

(x €1,000, except for weighted average number of Ordinary Shares)

	Half year ended 30 June 2013 unaudited	**Half year ended 30 June 2012 unaudited**	**Year ended 31 December 2012 audited**	**Year ended 31 December 2011 audited**	**Year ended 31 December 2010 audited**
Net revenues	111,546	110,537	185,222	173,364	189,658
Cost of sales	-96,148	-95,638	-162,595	-152,678	-165,229
Gross operating income	**15,398**	**14,899**	**22,627**	**20,686**	**24,429**
Selling expenses	5,667	5,069	9,292	8,987	9,150
Administrative expenses	4,837	4,337	8,717	6,504	9,060
Exceptional items	–	–	229	-2,300	-630
Total expenses	**10,504**	**9,406**	**18,238**	**13,191**	**17,580**
Net operating income	**4,894**	**5,493**	**4,389**	**7,495**	**6,849**
Other operating income	883	1,107	2,315	2,043	147
Operating results	**5,777**	**6,600**	**6,704**	**9,538**	**6,996**
Revenues from receivables included in fixed assets, and from securities	–	182	182	132	–
Income from financing activities and similar income	55	123	343	149	295
Changes in the value of receivables included in fixed assets, and of securities	–	–	-3,215	–	-46
Expenses relating to financing activities and similar charges	-734	-518	-905	-543	-443
Non-realized fair value adjustments of investment property	–	–	-2,878	-246	1,111
Results from ordinary activities before taxation	**5,098**	**6,387**	**231**	**9,030**	**7,913**
Taxation of results from ordinary activities	-1,442	-1,737	-626	-2,235	-2,057
Share in results from participating interests	–	-746	-3,922	-1,300	–
Results after taxation	**3,656**	**3,904**	**-4,317**	**5,495**	**5,856**
Minority interests in profit	-35	-32	-14	68	–
Net results	**3,621**	**3,872**	**-4,331**	**5,563**	**5,856**
Weighted average number of Ordinary Shares					
Basic	827,743	680,989	704,022	670,948	670,948
Fully diluted	846,214	680,989	714,842	670,948	670,948
Net income per Ordinary Share					
Basic (in €)	4.35	5.65	-6.22	8.22	8.66
Fully diluted (in €)	4.25	5.65	-6.12	8.22	8.66

Consolidated cash flow statement
(x €1,000)

	Half year ended 30 June 2013 unaudited	**Half year ended 30 June 2012 unaudited**	**Year ended 31 December 2012 audited**	**Year ended 31 December 2011 audited**	**Year ended 31 December 2010 audited**
Operating results	**5,777**	**6,600**	**6,704**	**9,538**	**6,996**
Adjustments for:					
- Depreciation	1,470	955	2,276	1,394	1,814
- Changes in provision	453	1,121	-805	354	759
- Changes in working capital	9,995	-1,657	1,657	-6,427	-14,059
Cash flow from business operations	17,695	7,019	9,832	4,859	-4,490
- Income received from financing activities	55	123	155	322	386
- Dividend received	–	182	182	132	–
- Expenses relating to financing activities	-734	-518	-978	-686	-654
- Income tax paid	-1,442	-1,736	-637	-1,869	733
Net cash flow from operating activities	**15,574**	**5,070**	**8,554**	**2,758**	**-4,025**
Acquisition/disposal of Group Companies	-1,722	-15,188	-14,864	-2,288	-5,748
Investments in:					
- Tangible fixed assets	-2,541	-1,129	-2,820	-7,332	-1,266
- Investment property	–	–	–	–	-38
- Financial fixed assets	-1,260	-750	-920	–	-386
Disposals:					
- Tangible fixed assets	451	82	146	1,362	180
- Investment property	–	–	–	1,125	–
- Financial fixed assets	–	–	405	2,681	–
Net cash flow from investing activities	**-5,072**	**-16,985**	**-18,053**	**-4,452**	**-7,258**
Changes in debts to credit institutions	-13,943	16,600	-1,566	2,821	13,990
Income from non-current liabilities	86	65	14,936	177	–
Repayment of non-current liabilities	-533	-114	-308	–	–
Revenues from the issue of Shares/DRs	4,383	–	4,936	–	–
Changes in own Shares and DRs	–	–	–	3,443	2
Dividend paid	–	-4,243	-4,243	-4,702	-2,521
Net cash flow from financing activities	**-10,007**	**12,308**	**13,755**	**1,739**	**11,471**
Increase/decrease in net cash position	**495**	**393**	**4,256**	**45**	**188**
Net cash position at beginning of the year	4,631	375	375	330	142
Net cash position at period-end	5,126	768	4,631	375	330
Increase/decrease in net cash position	**495**	**393**	**4,256**	**45**	**188**

Consolidated balance sheet
(x €1,000)

	Half year ended 30 June 2013 unaudited	Half year ended 30 June 2012 unaudited	Year ended 31 December 2012 audited	Year ended 31 December 2011 audited	Year ended 31 December 2010 audited
Fixed assets					
Tangible fixed assets	43,838	41,303	41,475	32,274	51,789
Investment property	24,570	27,378	24,570	27,378	5,907
Financial fixed assets	2,917	7,669	1,692	7,473	1,7 38
	71,325	**76,350**	**67,737**	**67,125**	**59,434**
Current assets					
Inventories	56,300	54,079	63,397	54,881	53,964
Receivables	39,497	42,120	27,331	27,616	28,523
Cash and cash equivalents	5,126	768	4,631	375	330
	100,923	**96,967**	**95,359**	**82,872**	**82,817**
Total assets	**172,248**	**173,317**	**163,096**	**149,997**	**142,251**
Group equity					
Shareholders' equity	81,969	77,615	74,105	78,915	72,770
Minority interest	35	-32	-50	-64	–
	82,004	**77,583**	**74,055**	**78,851**	**72,770**
Provisions					
Provision for deferred tax liabilities	10,783	11,160	10,723	10,824	12,049
Provision for warranty commitments	1,189	1,700	792	1,198	1,053
Provision for jubilee benefits	317	250	271	232	427
Provision for site rehabilitation costs	–	–	–	–	300
	12,289	**13,110**	**11,786**	**12,254**	**13,829**
Non-current liabilities	**14,171**	**857**	**14,544**	**177**	**–**
Debts to credit institutions	20,204	48,327	29,782	31,348	28,527
Current portion of non-current debts	1,001	–	1,023	–	–
Trade creditors	27,921	18,709	19,917	11,516	8,519
Dividend	–	–	–	3	2
Taxation and social insurance contributions	8,812	9,485	5,120	4,717	4,754
Other liabilities and accrued liabilities	5,846	5,246	6,869	11,131	13,850
Current liabilities	**63,784**	**81,767**	**62,711**	**58,715**	**55,652**
Total equity and liabilities	**172,248**	**173,317**	**163,096**	**149,997**	**142,251**

PRO FORMA FINANCIAL INFORMATION

The following unaudited combined pro forma financial information is presented to illustrate the financial impact of the Acquisition and related financing on the full year 2012 and the first half year of 2013 consolidated income statement of the Group as if the Acquisition and related financing had occurred as of 1 January 2012 and on the Group's consolidated balance sheet as of 30 June 2013 as if the Acquisition and related financing had occurred on 1 January 2012.

The unaudited combined pro forma financial information has been presented for illustrative purposes only and does not purport to represent what the Group's results from operations or financial condition would have actually been had the Acquisition and related financing in fact occurred as of 1 January 2012. Because of its nature, the pro forma financial information addresses a hypothetical situation and, therefore, does not represent the Company's actual financial position or results. There can be no assurance that the assumptions used in the preparation of the unaudited combined pro forma financial information will prove to be correct.

*The unaudited combined pro forma financial information is based on the Group's audited and the Acquired Entities unaudited consolidated financial statements for the year ended 31 December 2012 as well as on the Group's and the Acquired Entities unaudited consolidated condensed interim financial statements for the half year ended 30 June 2013. Certain adjustments and assumptions have been made regarding the Group's operations after giving effect to the Acquisition. These adjustments and assumptions, which are directly attributable to the Acquisition, include the results of the preliminary purchase price allocation ("**PPA**") (which is an application of goodwill accounting whereby an acquirer, when purchasing a target company, allocates the purchase price into various assets and liabilities acquired from the transaction), the financing structure and the anticipated costs related to the Acquisition as further explained in this chapter.*

The information on the basis of which these adjustments and assumptions have been made is preliminary, and these adjustments and assumptions are difficult to make with complete accuracy. Furthermore, the unaudited combined pro forma financial information reflects an estimate of costs that are expected to be incurred by the Group in connection with the Acquisition, and actual costs could differ from this estimate. As a result, the Group's actual financial condition and results from operations following the Acquisition may not be consistent with, or evident from, this unaudited combined pro forma financial information. The assumptions used in preparing the unaudited combined pro forma financial information may not prove to be accurate, and other factors may affect the Group's financial condition or results from operations following the Acquisition.

The unaudited combined pro forma financial information has been prepared in a manner consistent with the accounting policies as applied by the Group. The unaudited combined pro forma financial information should be read in conjunction with the rest of this Prospectus, including the information set forth in "Selected Historical Financial Information", "Operating and Financial Review", the Group's audited consolidated financial statements for the year ended 31 December 2012 including the notes thereto and the Group's unaudited consolidated condensed interim financial information for the six-month period ended 30 June 2013 that have been prepared in accordance with Dutch GAAP.

This section contains among others:

i) a paragraph "Financial information", showing the unaudited combined pro forma income statement for the half year ended 30 June 2013 and the year ended 31 December 2012 and the unaudited combined pro forma balance sheet as of 30 June 2013; and

ii) a paragraph "Pro forma adjustments", explaining (i) the adjustments made related to the Acquisition explaining the effects of the PPA and the adjustments made in order to be consistent with the accounting policies of the Group; and (ii) the effects of the financing of the Acquisition, assuming the financing of the Acquisition had come in place as of 1 January 2012.

Financial Information

Unaudited combined pro forma income statement for the half year ended 30 June 2013

On 16 October 2013, the Group acquired the adjacent material handling equipment and hydraulics components and systems business of Pon Holdings, operated through the Acquired Entities. For more information about the Acquisition, see "Acquisition".

The following table contains the unaudited combined pro forma income statement of the Group for the half year ended 30 June 2013.

Pro forma income statement
(x €1,000)

	A Group - half year ended 30 June 2013 (unaudited)	B Acquired Entities half year ended 30 June 2013 (unaudited)	C Acquisition related adjustments (excl. financing) (unaudited)	D Acquisition related financing (unaudited)	E (B+C+D) Total pro forma adjustments (unaudited)	Reference notes	F (A+E) Pro forma combined half year ended 30 June 2013 (unaudited)
Net revenues	111,546	110,366	–	–	110,366		221,912
Cost of sales	-96,148	-92,874	-159	–	-93,033	I, II	-189,181
Gross operating income	**15,398**	**17,492**	**-159**	–	**17,333**		**32,731**
Selling expenses	5,667	7,750	-6	–	7,744	II	13,411
Administrative expenses	4,837	6,180	-60	–	6,120	II	10,957
Total expenses	**10,504**	**13,930**	**-66**	–	**13,864**		**24,368**
Net operating income	**4,894**	**3,562**	**-93**	**–**	**3,469**		**8,363**
Other operating income	883	–	–	–	–		883
Operating result	**5,777**	**3,562**	**-93**	–	**3,469**		**9,246**
Revenues from receivables included in fixed assets, and from securities	–	–	–	–	–		–
Income from financing activities and similar income	55	–	–	–	–		55
Changes in the value of receivables included in fixed assets, and of securities	–	–	–	–	–		–
Expenses relating to financing activities and similar charges	-734	-505	–	-669	-1,174	V	-1,908
Non-realized fair value adjustments of investment property	–	–	–	–	–		–
Result from ordinary activities before taxation	**5,098**	**3,057**	**-93**	**-669**	**2,295**		**7,393**
Taxation of result from ordinary activities	-1,442	-664	23	167	-474	VI	-1,916
Share in results from participating interests	–	–	–	–	–		–
Result after taxation	**3,656**	**2,393**	**-70**	**-502**	**1,821**		**5,477**
Minority interests in profit	-35	–	–	–	–		-35
Net result	**3,621**	**2,393**	**-70**	**-502**	**1,821**		**5,442**

The reference notes are further explained in paragraph "Pro forma adjustments".

Unaudited combined pro forma income statement for the year ended 31 December 2012

The following table contains the unaudited combined pro forma income statement of the Group for the year ended 31 December 2012.

Pro forma income statement
(x €1,000)

	A Group - year ended 31 December 2012 (audited)	**B Acquired Entities - year ended 31 December 2012 (unaudited)***	**C Acquisition related adjustments (excl. financing) (unaudited)**	**D Acquisition related financing (unaudited)**	**E (B+C+D) Total pro forma adjustments (unaudited)**	**Reference notes**	**F (A+E) Pro forma combined year ended 31 December 2012 (unaudited)**
Net revenues	185,222	217,568	–	–	217,568		402,790
Cost of sales	-162,595	-184,137	-310	–	-184,447	I, II	-347,042
Gross operating income	**22,627**	**33,431**	**-310**	**–**	**33,121**		**55,748**
Selling expenses	9,292	14,691	-14	–	14,677	II	23,969
Administrative expenses	8,717	13,679	-151	–	13,528	II, III	22,245
Exceptional items	229	–	–	–	–		229
Total expenses	**18,238**	**28,370**	**-165**	**–**	**28,205**		**46,443**
Net operating income	**4,389**	**5,061**	**-145**	**–**	**4,916**		**9,305**
Other operating income	2,315	–	–	–	–		2,315
Operating result	**6,704**	**5,061**	**-145**	**–**	**4,916**		**11,620**
Revenues from receivables included in fixed assets, and from securities	182	–	–	–	–		182
Income from financing activities and similar income	343	–	–	–	–		343
Changes in the value of receivables included in fixed assets, and of securities	-3,215	–	–	–	–		-3,215
Expenses relating to financing activities and similar charges	-905	-1,046		-1,691	-2,737	V	-3,642
Non-realized fair value adjustments of investment property	-2,878	–	-20	–	-20	II	-2,898
Result from ordinary activities before taxation	**231**	**4,015**	**-165**	**-1,691**	**2,159**		**2,390**
Taxation of result from ordinary activities	-626	1,004	41	422	1,467	VI	841
Share in results from participating interests	-3,922		–	–	–		-3,922
Result after taxation	**-4,317**	**5,019**	**-124**	**-1,269**	**3,626**		**-691**
Minority interests in profit	-14	–	–	–	–		-14
Net result	**-4,331**	**5,019**	**-124**	**-1,269**	**3,626**		**-705**

* To emphasize that the financial statements of the Acquired Entities are audited for consolidation purposes only, based on the materiality levels as applied by the auditor of Pon Holdings in connection with their audit of the consolidated financial statements of Pon Holdings, unaudited is stated here.

The reference notes are further explained in paragraph "Pro forma adjustments".

Unaudited combined pro forma balance sheet as at 30 June 2013

The following table contains the unaudited combined pro forma balance sheet of the Group as of 30 June 2013.

Pro forma balance sheet
(x €1,000)

	A Group - half year ended 30 June 2013 (unaudited)	**B Acquired Entities - half year ended 30 June 2013 (unaudited)**	**C Acquisition related adjustments (excl. financing) (unaudited)**	**D Acquisition related financing (unaudited)**	**E (B+C+D) Total pro forma adjustments (unaudited)**	**Reference notes**	**F (A+E) Pro forma combined year ended 30 June 2013 (unaudited)**
Fixed assets							
Intangible fixed assets	–	643	2,968	–	3,611	I	3,611
Tangible fixed assets	43,838	23,837	166	–	24,003	II	67,841
Investment property	24,570	–	–	–	–		24,570
Subsidiary	–	–	-19,926	19,926	–		–
Financial fixed assets	2,917	1,928	–	–	1,928		4,845
	71,325	**26,408**	**-16,792**	**19,926**	**29,542**		**100,867**
Current assets							
Inventories	56,300	22,936	–	–	22,936		79,236
Receivables	39,497	30,288	–	–	30,288		69,785
Cash and cash equivalents	5,126	2,217	-46,155	43,620	-318		4,808
	100,923	**55,441**	**-46,155**	43,620	**52,906**		**153,829**
Total assets	**172,248**	**81,849**	**-62,947**	**63,546**	**82,448**		**254,696**
Group equity							
Shareholders' equity	81,969	48,067	-52,051	25,445	21,461	VII	103,430
Minority interest	35	–	–	–	–		35
	82,004	**48,067**	**-52,051**	**25,445**	**21,461**		**103,465**
Subordinated loan	–	–	–	**10,300**	**10,300**	**VII**	**10,300**
Provisions							
Provision for deferred tax liabilities	10,783	-132	747	–	615		11,398
Provision for repair costs	–	238	–	–	238		238
Provision for warranty commitments	1,189	522	–	–	522		1,711
Provision for unsecured risks	–	959	–	–	959		959
Pension provision	–		742	–	742	IV	742
Provision for jubilee benefits	317	15	248	–	263	III	580
	12,289	**1,602**	**1,737**	–	**3,339**		**15,628**
Non-current liabilities	**14,171**	**10,078**	**-9,461**	**10,320**	**10,937**	**VII**	**25,108**
Debts to credit institutions	20,204	1,715	-1,715	16,120	16,120	VII	36,324
Current portion of non-current debts	1,001	–	–	1,680	1,680	VII	2,681
Trade creditors	27,921	9,563	–	–	9,563		37,484
Taxation and social insurance contributions	8,812	6,297	49	–	6,346		15,158
Other liabilities and accrued liabilities	5,846	4,527	-1,506	-319	2,702		8,548
Current liabilities	**63,784**	**22,102**	**-3,172**	**17,481**	**36,411**		**100,195**
Total equity and liabilities	**172,248**	**81,849**	**-62,947**	**63,546**	**82,448**		**254,696**

The reference notes are further explained in paragraph "Pro forma adjustments".

Basis upon which the Pro Forma Information has been Prepared

The applicable general accounting principles (Dutch GAAP) requires all business combinations to be accounted for by applying the purchase method (RJ260.201). The Group must, at the date of the Acquisition, allocate the costs of the Acquisition by recognizing the Acquired Entities identifiable assets, liabilities and contingent liabilities at their fair values at that date. This allocation is only performed when the estimates can be calculated reliably and future economic benefits related to the Acquisition will flow to the Group. As of the date of this Prospectus, the Group has not completed all of the detailed valuation studies necessary to arrive at the required estimates of the fair value of the Acquired Entities assets and (contingent) liabilities and the related allocations of the purchase consideration since the Acquisition has been completed recently on 16 October 2013.

The Group will continue to assess the Acquired Entities identifiable assets and liabilities for any additional adjustments that may be required, other than those noted in the pro forma adjustments described below. Actual results may differ from this unaudited combined pro forma financial information for the above reasons and after the purchase price for the Acquired Entities has been finally determined.

As part of the PPA, the book value of some acquired assets and (contingent) liabilities have been remeasured and are now accounted for at their preliminary estimated fair values. The resulting fair value adjustments have been taken into account in preparing the unaudited combined pro forma financial information. These PPA adjustments are made to reflect (i) the allocation of the costs of Acquisition to amounts related to property, plant and equipment, intangible assets (definite-lived), and current and non-current liabilities at an amount equal to the preliminary accounting estimate of their fair values; (ii) the amortization expense related to the estimated identifiable intangible assets, and changes in depreciation and amortization expenses resulting from the estimated fair value adjustments to property, plant and equipment and the income tax effect related to the PPA.

The following narratives give a brief description of the basis for preparation of the different components of the unaudited combined pro forma financial information:

(a) Purchase consideration

The total purchase consideration of the Acquisition used for the PPA for purposes of this unaudited combined pro forma financial information is as follows:

	Amounts in EUR 1,000
Cash considerations (1)	30,938
Share consideration – Private Placement – Qualified Investors (2)	13,000
Share consideration – private placement – Pon Holdings (3)	9,626
Convertible consideration (4)	10,300
Total purchase consideration (5)	**63,864**

(1) On completion of the Acquisition, a €30.9 million cash consideration has been paid to the sellers of the Acquired Entities by means of a drawdown under the Financing Facility and a €3.0 million drawdown under the Company's escrow account. The proceeds of the Offering will be used to refund the drawdown under the Company's escrow account directly after the Offering.

(2) The Private Placement has resulted in the issuance of 203,603 DRs for an amount of approximately €13 million with a number of Qualified Investors.

(3) The private placement to Pon Holdings has resulted in the issuance of 150,756 Ordinary Shares to Pon Holding for an amount of approximately €9.6 million which have been immediately transferred to STAAR in exchange for a corresponding number of 150,756 DRs.

(4) The Loan Agreement provides for a subordinated convertible loan of €10.3 million from Pon Onroerend Goed B.V. to the Company. The subordinated convertible loan bears a 5.25% interest rate and has a maturity of five years.

(5) The Earn-Out is not considered when calculating the total purchase consideration for pro forma purposes.

(b) Acquisition-related intangible assets (service contracts database)

The service contracts database primarily relates to the underlying service contracts with customers of the Acquired Entities. The estimated fair value of these service contracts is determined using a multi-period excess earnings method.

The first year pro forma amortization charge related to the definite lived intangible assets is reflected as a pro forma adjustment to the unaudited combined pro forma income statement as if the Acquisition had occurred as of 1 January 2012. The service contracts database is expected to be amortized on a straight-line basis assuming a remaining useful life between five and seven years (weighted average of approximately six years).

In the event that the Management Board of the Company determines that the future economic benefits are lower than the value of the identified definitive lived intangible assets, the Company will incur an impairment charge for the amount of impairment during the period in which the determination is made.

(c) Goodwill

Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. In accordance with the applicable general accounting principles (Dutch GAAP) as applied by the Group, the (residual) goodwill is to be deducted from Group equity.

In calculating the goodwill the costs directly related to the Acquisition, which are expected to amount to €2.4 million, are considered**.**

Amounts in EUR 1,000	**Fair value 30 June 2013**
Intangible fixed assets	643
Acquisition related intangible fixed assets	2,968
Property, Plant and Equipment	24,002
Deferred tax assets (included in financial fixed assets)	1,928
Total non-current assets	**29,541**
Working capital	33,931
Provisions including deferred tax liabilities	-3,069
Non-current liability related to minority interest	-617
Net assets acquired	**59,786**
Goodwill	4,078
Total purchase consideration	**63,864**

(d) Other items for the basis of presentation

The unaudited combined pro forma financial information has been prepared in a manner consistent with the accounting policies as applied by the Group.

There were no significant balances or transactions between the Group and the Acquired Entities as of the date and for the periods included in this unaudited combined pro forma financial information. Therefore no pro forma adjustments have been recognized to eliminate such balances or transactions.

The unaudited combined pro forma provisions for income taxes do not reflect the amounts that would have resulted had the Group and the Acquired Entities filed consolidated income tax returns during the period presented.

The unaudited combined pro forma financial information does not take into account any synergy benefits and one-off costs of realizing such synergies, nor any adjustments for liabilities that may result from integration activities.

Pro Forma Adjustments and Underlying Assumptions

The pro forma adjustments in respect of the balance sheet and income statement illustrate the effects of the Acquisition as if the Acquisition was completed as of 1 January 2012. The pro forma adjustments consist, next to the inclusion of the Acquired Entities, of Acquisition related adjustments (excluding financing) on the one hand and adjustments for the financing necessary to complete the Acquisition on the other hand and comprise of the following:

Note I: Acquisition – related intangible fixed assets

Service contracts with customers are recognized as intangible fixed assets given that they meet the contractual criterion for identification as intangible fixed assets, because the Acquired Entities only deliver maintenance services on contracts after signing multi-year service contracts with their customers. The preliminary estimated amount is €3.0 million.

The estimated pro forma amortization charge for the recognized service contracts amounts to €0.5 million in 2012 and €0.2 million in the first half year 2013, assuming a remaining useful life of the service contracts of six years. The estimated pro forma amortization charge of the Acquisition related intangible fixed assets has been included under cost of sales in the unaudited combined pro forma income statement.

Note II: Property, plant and equipment

Tangible fixed assets include land and buildings for own use which are valued at costs less accumulated depreciation in the Acquired Entities consolidated balance sheet. As part of the PPA, the fair value of these land and buildings is in total estimated to be €0.2 million higher than the carrying amount, resulting in a total fair value of the Acquired Entities tangible fixed assets of €7.8 million.

The revaluation reserve as part of the Group equity and provision for deferred tax liabilities are calculated based on the applicable tax rates in the respective countries in which the land and buildings for own use are located.

The depreciation costs recognized by the Acquired Entities on the land and buildings for own use are consequently reversed in the unaudited combined pro forma income statement as if the Acquisition had occurred as of 1 January 2012. The reversal of these costs is included in the unaudited pro forma combined income statements in cost of sales, selling expenses and general expenses depending on departmental use of the land and buildings.

Note III: Jubilee benefits

With respect to future jubilee benefits liabilities a provision for jubilee benefits is recognized as of 1 January 2012. The effect of this pro forma adjustment is reflected in the unaudited pro forma combined balance sheet. The change of the provisioned amount between 1 January 2012 and 1 January 2013 is presented as general expenses in the full year 2012 unaudited pro forma combined income statement.

Note IV: Pension provisions

In connection with conditional pre pension agreements related to employees born between 1950 and 1973 a pension provision is calculated as of 30 June 2013. The effect of this pro forma adjustment is reflected in the unaudited pro forma combined balance sheet. A part of the pension provision was already provisioned for and presented as other liability in the balance sheet of the Acquired Entities. This amount (€0.4 million) was therefore reclassified to pension provisions.

Note V: Finance expenses

Finance expenses in the unaudited combined pro form income statement have been adjusted to reflect the changes in the financing structure resulting from the Acquisition as if the Acquisition was completed as of 1 January 2012. The pro forma adjustment related to finance expenses in 2012 included an acquisition facility fee of €0.4 million which is non-recurring. Furthermore, the refund of the Company's escrow account with the proceeds of the Offering is considered as if that repayment had occurred as of 1 January 2012.

Note VI: Taxation

The pro forma adjustment in the income tax line item of the income statement represents the income tax effect of the pro forma adjustments and relates mainly to the tax effect over the amortization of service contracts that are recorded as part of the PPA.

Note VII: Offering

The Company has financed the Acquisition by issuing DRs through a Private Placement with Qualified Investors, a private placement with Pon Holdings, this Offering, and furthermore through the Loan Agreement and a drawdown under the Financing Facility. This revised capital and financing structure has been reflected in the unaudited combined pro forma balance sheet as of 30 June 2013 as follows:

- Group equity has been increased with the value of the Private Placement (€13.0 million), the private placement with Pon Holdings (€9.6 million) and the net proceeds of the Offering (€2.5 million). Furthermore, the goodwill considered (see note (c)) is deducted from Group equity, resulting in a total pro forma adjustment of €18.6 million in the unaudited pro forma combined balance sheet as of 30 June 2013.
- Pon Onroerend Goed B.V. has provided the Company with a subordinated convertible loan of €10.3 million which is presented on the subordinated loan line item.
- The remainder of the purchase price of the Acquisition has been paid through bank financing of which €23.6 million was drawn from the Acquisition Facility (as defined in "Operating and Financial Review") under the Financing Facility and the remainder as working capital financing. The draw down from the Acquisition Facility is reallocated for a preliminary amount of €11.6 million to the Revolving Loan Facility (as defined in "Operating and Financial Review") under the Financing Facility as if the reallocation occurred as of 30 June 2013, resulting in a drawn Acquisition Facility of €12.0 million. Related to the use of the Acquisition Facility a repayment schedule of 14% of the principal amount applies resulting in a pro forma adjustment of €1.7 million as current portion of non-current liabilities.

Non-recurring adjustments

Except for the pro forma adjustment processed for finance expenses which related to an acquisition facility fee as described under note V, all pro forma adjustments have a recurring nature in the unaudited combined pro forma income statement.

Assurance Report on Pro Forma Financial Information

To: the board of directors of Koninklijke Reesink N.V.

Introduction

In accordance with Commission Regulation No. 809/2004 of 29 April 2004 (the "Prospectus Regulation"), we report on the attached unaudited pro forma combined statement of income for the year ended 31 December 2012 and for the 6 months ended 30 June 2013 and unaudited pro forma combined balance sheet as of 30 June 2013 (the “unaudited pro forma combined financial information”) of Koninklijke Reesink N.V. and its subsidiaries (the “Company”) which are set out on pages 60 to 63 of the prospectus dated November 12, 2013 (the “Prospectus”).

The unaudited pro forma combined financial information has been prepared on the basis described on pages 63 to 65 of the Prospectus and for illustrative purposes only, to illustrate how the Pon Material Handling Europe cs. acquisition might have affected the unaudited financial information for the period ended 31 December 2012 and 30 June 2013, and because of its nature addresses a hypothetical situation and, therefore, does not represent the Company’s actual financial position or results.

It is the responsibility of the Management Board of Koninklijke Reesink N.V. to prepare the unaudited pro forma combined financial information in accordance with the requirements of the Prospectus Regulation. It is our responsibility to provide an assurance report as to the proper compilation of the unaudited pro forma combined financial information as required by Annex II item 7 of the Commission Regulation (EC) No 809/2004.
We are not responsible for expressing any other opinion on the unaudited pro forma combined financial information or on any of its constituent elements. In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the unaudited pro forma combined financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Scope
We performed our work in accordance with the Dutch law, including Standard 3850N “Assurance and other engagements in connection with prospectuses”. Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the unaudited pro forma combined financial information with the management of the Company.
We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. We planned and performed our work so as to obtain all the information and explanations we considered necessary in order to provide us with reasonable assurance that the unaudited pro forma combined financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Opinion
In our opinion:

- The unaudited pro forma combined financial information has been properly compiled on the basis stated in the Prospectus; and
- That basis is consistent with the accounting policies of the Company as described in the notes to the financial statements of the Company for the period ended 31 December 2012.

This report is required by the Prospectus Regulation and is given for the purpose of complying with that Prospectus Regulation and for no other purpose.

Other matters

1. Hypothetical situation of pro forma financial information

Because of its nature, the pro forma financial information addresses a hypothetical situation and therefore does not represent the Company’s actual financial position or results had the transaction or event occurred at the beginning of the reporting period. Moreover, the pro forma combined financial information is not intended to, and does not, provide all the information and disclosures necessary to present a true and fair view in accordance with the generally accepted accounting standards in the Netherlands (“Dutch GAAP”).

2. Restriction of use

This report is required by the Commission Regulation (EC) No 809/2004 and is issued for the purpose of complying with that Regulation. The pro forma financial information and our assurance report thereon are therefore intended solely for enclosure in the Prospectus in connection with offering and sale of 46,986 new ordinary shares with a nominal value of €4.00 each in the form of depository receipts at the NYSE Alternext in Amsterdam and are not suitable for any other purpose.

Zwolle, November 12, 2013

Deloitte Accountants B.V.

BUSINESS

Overview

The Group believes it is a leading distributor of strong brands and strong concepts in the equipment industry in the Netherlands, Belgium and parts of Germany. The Group is active in the agricultural, turf care, landscape maintenance (including golf course maintenance) and construction (including earth-moving) equipment industries. Since the Acquisition, the Group believes it is also a leading distributor in the material handling equipment industry. To a lesser extent, the Group distributes cleaning equipment.

The Group distributes equipment to end-users through independent dealers, through dealers in which the Group holds an equity interest and directly to end-users. The Group promotes cross-selling between its different business segments as the equipment segments in which it is active are adjacent. For instance, a customer interested in agricultural equipment such as tractors may also be interested in earth-moving equipment sold in the construction segment such as wheel loaders or forklift trucks sold in the material handling segment. As part of its strategy, the Group is expanding these cross-selling opportunities with a view to becoming a major full line equipment distributor of strong brands and strong concepts in the relevant markets, see "Strategy". The Group conducts promotional and marketing activities on national, regional and local levels. The Group has rental concepts for construction and material handling equipment and is in the process of expanding its rental concepts to its green equipment segment.

The Group believes it has a strong presence with strong concepts in the Dutch steel products industries. Furthermore, it believes it is a leading distributor of personal protective products in the Netherlands. Since the Acquisition, the Group believes it has a sizeable presence in the hydraulics components and systems markets in the Netherlands, Belgium and Germany, meaning that it also provides engineering of hydraulic solutions for machinery. In its steel business segment, the Group believes it differentiates itself by adding value to and processing the steel products it distributes with a view to becoming an integrated part of its end-users' production processes. The Group distributes its industrial products either directly to end-users or, in the case of the personal protective products, through an extensive network of independent wholesalers.

In addition to the activities described above, the Group provides a full range of (after-sales) services to its customers in all segments.

The Group's pro forma combined annual revenues over 2012 and the pro forma combined revenues over the first half of 2013 (unaudited), which illustrates the impact of the Acquisition as if it occurred at the start of 1 January 2012, was approximately €403 million, respectively €222 million, see "Pro Forma Financial Information". The Group's annual revenues over 2012 was approximately €185 million (2011: €173 million, 2010: €189 million), and over the first half of 2013 €112 million.

The Group mainly operates in the Netherlands, Belgium and Germany. In 2012, approximately €141 million, or 76% of the Group's revenues were generated in the Netherlands (2011: €141 million respectively 81%; 2010: €160 million respectively 84%), €36 million, or 20% in Belgium (2011: €25 million respectively 14%; 2010: €23 million respectively 12%) and €8 million, or 4% in Germany (2011: €7 million respectively 4%; 2010: €6 million respectively 3%). The Company believes that the Group's presence in Belgium and Germany has been strengthened by the Acquisition.

The Group's operations are divided among two functional divisions:

- *Reesink Equipment* – In this division, the relevant Group Distributor operates as a distributor of machinery for agriculture, turf care, landscape maintenance and construction equipment. Since the Acquisition, the Reesink Equipment division is also a distributor of material handling equipment. The businesses in this division also distribute cleaning equipment. The Group sources new equipment from original equipment manufacturers. Where the Group operates without dealers, it generally sources used equipment from its end-users and occasionally from third parties. The Group also obtains used equipment in the context of trade-ins of the equipment it rented out. The Group's products are mainly supplied to farmers, agricultural contractors, landscape contractors, (operators of) golf courses, municipal authorities, governments, water boards, forestry services and a wide variety of companies, all of which operate some sort of warehouse or other logistical facilities. The Group nearly exclusively focuses on the distribution of strong brands and strong concepts. According to the Group's annual revenues over 2012, approximately €137 million respectively 74% of the Group's revenues was generated in the Reesink Equipment division (2011: €111 million respectively 64%; 2010: €85 million respectively 45%), and over the first half of 2013 €93 million respectively 84%. Reesink Equipment consists of three different segments:
- *Reesink Green Equipment*: Kamps de Wild, Reesink Technische Handel, Stierman, Packo Agri, Packo & Heybroek and Jean Heybroek operate as distributors and Bruggeman Mechanisatie and Landtech Zuid B.V. ("**Landtech Zuid**"), operate as dealers (the "**Group Dealers**") of products related to agricultural, turf care and landscape maintenance. Jean Heybroek also has a minor position in the cleaning equipment

industries. Reesink Green Equipment carries brands such as Claas, Kuhn, Toro, Amazone, Kaweco and Rauch.

- *Reesink Construction Equipment*: The Kemp Group and Hans van Driel operate as distributors of construction equipment, including earth-moving, transshipment, industrial and railroad equipment. The Reesink Construction Equipment segment has a rental concept "Huur & Stuur" that allows customers to rent construction equipment for a short period of time. Reesink Construction Equipment carries brands such as Atlas, Terex, IHI and Kato. Furthermore, the Reesink Construction Equipment segment distributes underground construction products of the Ditch Witch brand from the locations in De Meern (the Netherlands) and Hamme (Belgium).
- *Reesink Material Handling Equipment*: This is a new segment of the Group that was established as a result of the Acquisition. This segment focuses on an installed base model (*i.e.*, machinery for which the Group can provide services and components apart from just distributing equipment). Motrac Intern Transport, Motrac Handling & Cleaning, and Pelzer Fördertechnik operate as distributors of material handling equipment. The Reesink Material Handling Equipment focus industries are food retail, non-food retail, transport contractors, chemicals, coldstore, food production and waste and recycling. Motrac Handling & Cleaning and Pelzer Fördertechnik also operate as distributors of cleaning equipment (opportunistically). The Reesink Material Handling Equipment segment carries brands such as Linde and Tennant.
- *Reesink Industries* – Within the Reesink Industries division, Reesink Staal B.V. ("**Reesink Staal**") and Safety Centre International operate as supplier of (processed) steel products, respectively as distributor of personal protective products related to the construction industry, equipment manufacturers, system manufacturers, technical wholesalers and the agricultural industry. Since the Acquisition, the Group is also active in the (engineering of) hydraulics components and systems industry through Motrac Hydraulics (Motrac Hydrauliek for the Netherlands and Belgium and Motrac Hydraulik for Germany). The Group focuses on carrying strong concepts in the steel products industry and on the distribution of strong brands in the personal protective products industry and hydraulics components and systems industry. According to the Group's annual revenues over 2012, approximately €48 million respectively 26% of the Group's revenues was generated in the Reesink Industries division (2011: €58 million respectively 33%; 2010: €57 million respectively 30%) and for the first half of 2013 €18 million respectively 17%.

The Company acts as a holding company and focuses on the management of the Group. Reesink Staal, the Group Dealers and the Group Distributors (together the "**Operating Companies**") are largely responsible for developing their own strategy, incentivized by and with the support of the Company. The Group's headquarters are located in Apeldoorn (the Netherlands).

History

History of the Group (excluding the history of the Acquired Entities)

The Group has a history dating back to 1786, when Hendrik Reesink (1764–1835) registered himself as a master blacksmith at the blacksmith guild of Zutphen (the Netherlands) on 23 January 1786. In addition to his blacksmithing activities, Hendrik Reesink also traded in blacksmith supplies and ran a hardware store, laying the foundation for some of the current focus areas of the Group: distribution of agricultural equipment and steel products. Besides forging (and trading in metals), throughout the years, the Reesink business expanded in the sale and repair of farm machinery. The Company was incorporated in April 1930 and listed on the Amsterdam stock exchange in 1958.

In 2006, the Group acquired Packo Agri, a distributor of agricultural, turf care and landscape maintenance equipment in Belgium. This acquisition marked the first substantial expansion of the Group outside the Netherlands. That same year, the Group also acquired the remaining 66.7% of the share capital of Safety Centre International, followed by the divestment of Dutec B.V. (a regional technical wholesaler). In 2006, the Company transferred its listing from NYSE Euronext in Amsterdam, a regulated market of Euronext Amsterdam N.V., to a multilateral trading facility, NYSE Alternext Amsterdam. In November 2009, the Group expanded its industrial activities by acquiring the assets of the bankrupt Nederlandse Staal Unie V.O.F. which the Company acquired to make a turn-around as the Group believed the Nederlandse Staal Unie had valuable client contacts. In July 2010, the Group acquired Jean Heybroek, thereby expanding the Group's green equipment business in the Netherlands and in Belgium. In 2011, the Group transferred its DIY-activities (Reesink Retail B.V., Interlogica B.V. and FRG Retail B.V.), including the exploitation of its Fixet franchise activities, to THR, a wholesaler in DIY-products and professional construction materials, in exchange for 36% of the depositary receipts in THR (through Stichting Administratiekantoor THR), see "Other Interests". The remaining 64% of the depositary receipts are held by a single majority holder of depositary receipts. THR in turn transferred (part of) the exploitation of its Fixet franchise to retail company DGN retail B.V. In 2012, Packo & Heybroek was incorporated merging certain Jean Heybroek activities and Packo Agri's Packo Greentech business. In 2012, the Group acquired the Kemp Group, through which it became active in the adjacent industries of earth-moving equipment and railroad equipment. In 2012, due to the crisis in the building industry, the activities of Nederlandse Staal Unie were combined with Reesink Staal. Finally in 2013, the Group acquired Hans van Driel and therewith strengthened its position in the earth-moving equipment, transsshipment and railroad equipment industries. In that year, the Group also purchased the Acquired Entities. In recent years, the Group has also acquired equity interests in dealers: 25% in De Kruyf Mechanisatie (2010), 75% in Bruggeman Mechanisatie (2011) and 25% in De Vries Mechanisatie (2012). Finally, in 2013, the Groups newly incorporated dealer Landtech Zuid acquired certain assets and liabilities of Jans-vanGemeren Mechanisatie B.V.

An overview of the Group's history is given in the table below:

Year	Event
1786	Establishment of the foundations of the Group
1930	Incorporation of the Company
1958	Listing of the Company on the legal predecessor of NYSE Euronext in Amsterdam
2006	Acquisition of Packo Agri
2006	Acquisition of the remaining shares of Safety Centre International
2006	Divestment of Dutec B.V.
2006	Transfer of the listing of the Company's DRs to NYSE Alternext Amsterdam
2009	Acquisition of assets of Nederlandse Staal Unie V.O.F.
2010	Acquisition of Jean Heybroek
2010	Start of participating in dealers by acquiring an equity interest in De Kruyf Mechanisatie (25%) (in 2011 the Group acquired an 75% equity interest in dealer Bruggeman Mechanisatie, in 2012 in dealer De Vries Mechanisatie (25%) and in 2013 the Groups newly incorporated dealer Landtech Zuid acquired certain assets and liabilities of dealer Jans-vanGemeren Mechanisatie B.V.
2011	Participation in the depositary receipts in THR (36%) through the transfer of its DIY-activities
2012	Incorporation of Packo & Heybroek
2012	Acquisition of the Kemp Group
2012	Activities of Nederlandse Staal Unie combined with Reesink Staal
2013	The acquisition of Hans van Driel
2013	The Acquisition

History of the Acquired Entities

The history of the Acquired Entities dates back to the year 1954, starting with the incorporation of Motrac N.V. Motrac N.V. started importing Güldner (which was rebranded into Linde in 1972) as of 1959. In 1989, Pon Holdings acquired Motrac N.V. Motrac Handling & Cleaning, originally named N.V. Somali was acquired by the Pon Holdings group in 2000. In 2000, the entity currently known as Mechan Groep B.V. bought the Motrac N.V. agricultural activities. In 2006, Pelzer Fördertechnik was acquired. In 2008, Pon Holdings acquired an equity interest in Monster in Zwijndrecht (the Netherlands), to obtain foothold near the port of Rotterdam. After 24 years of ownership, Pon Holdings decided to sell the Acquired Entities to the Group in 2013. The Acquisition was closed on 16 October 2013. As a result, at the date of this Prospectus, the Acquired Entities are part of the Group. An overview of the most important events in the history of the Acquired Entities is provided in the table below:

Year	Event
1954	Incorporation of Motrac N.V.
1959	Importer of Güldner (Linde and Linde Hydraulics)
1972	Rebranding of Güldner into Linde
1989	Acquisition of Motrac N.V. by Pon Holdings
1994	Acquisition of N.V. Somali, renamed Motrac Handling & Cleaning
1994	Incorporation of Motrac Intern Transport and Motrac Hydrauliek
1999	Incorporation of Motrac Hydraulik
2000	Agricultural activities sold to Mechan Groep B.V.
2006	Acquisition of Pelzer Fördertechnik (75,04%), active in the North-Rhine-Westphalia region in Germany
2008	Acquisition of Monster in Zwijndrecht (the Netherlands)
2013	The Acquisition

Vision

The Group's vision is that by the year 2050, the world population will exceed 9 billion. These people will need to be fed, which means that, in areas where land is scarce, production per hectare will need to be increased.

The Group believes that this calls for high-tech production methods and machinery. Geographic areas where development lags behind that of Western Europe are expected to show a surge in demand for high-quality equipment. The Group believes that in order to continue providing the global population with affordable food, more – and more efficient – machinery will be required for the agricultural market. In addition, the Group believes that infrastructure will also need to be added or improved in order to ensure that product is efficiently transported to its destination. The Group believes it will benefits from these trends as a result of its current position as a distributor in several adjacent markets.

Strategy

The ambition of the Group is to become a major full line equipment distributor in the relevant markets and to be an integrated supplier in the industrial segment. This means that it aspires to become a major full line distributor of strong brands and strong equipment concepts operating in interrelated markets. The Group is currently mainly active in the Netherlands, Belgium and Germany, but it intends to expand its geographic presence. The Group also aims to enter new but related markets through acquisitions, ideally accompanied by a trusted partner. The Group believes that a full line distributor should not only be focused on the sales and after-sales of equipment, but that it should also provide a rental concept and financing solutions. Accordingly, the Group also focuses on the latter areas of activity.

The Group's strategy is aimed at achieving its ambition and its more detailed objectives mainly through acquisitions and by means of organic growth. The Group usually represents brands exclusively in determined geographic areas. The Group's relationship with the original equipment manufacturers usually entails that the relevant Group Distributors do not distribute equipment of competing brands within that area, due to which further organic growth can be limited within these areas. Acquisitions should, in addition to expanding activities in existing markets, give the Group access to emerging and related markets, to new product segments and to new premium brands. Examples of such acquisitions are the (anticipated) entering of the Group in the Kazakh market with CT Agro GmbH and the earlier acquisitions of Jean Heybroek and Packo Agri as a result of which the Group entered the Belgian market. The Group currently intends to only enter new geographical regions such as the Kazakh market when it is accompanied by a trusted partner, such as – in the Kazakh case – the equipment manufacturer Claas. By entering into new geographic markets, the Group believes that its risk profile is diversified and that it lowers its exposure to circumstances such as weather conditions and other circumstances such as animal or crop diseases or food safety incidents. The Group has acquisition criteria with which a potential (foreign) investment must comply. These acquisition criteria mainly serve as general guidelines and not as strict rules and state, among other criteria, that an acquisition must be capable of being profitable within a reasonable amount of time and enhance cross-selling possibilities.

The Group aims to strengthen the interrelated segments within Reesink Equipment and divisions within the Group and to focus on implementing its customer-oriented strategy. The Group intends to achieve the latter by focusing on an effective after-sales service, implementing performance indicators, organizing dealer and end-user events ('dealer and demonstration days'), operating training centers, ensuring the availability of equipment parts, participation in trade fairs and measuring customer satisfaction. The Group strives to expand its rental concept as the Group believes this will provide customers with a number of benefits and will retain customers. In order to maintain, or strengthen, its market position both in existing and new markets, the Group strives to use different forms of financing (*e.g.*, vendor lease for end-users and stock financing programs for dealers), tap new segments and participate in (full-line) dealers that have in-depth knowledge, know-how and a customer base for the equipment they sell. The Group intends to strengthen its installed-base model by focusing more strongly on after-sales services such as maintenance and the sale of (spare) parts of equipment.

Operating Companies in the Reesink Equipment division sometimes compete with certain other Operating Companies, *e.g.*, Kamps de Wild competes with Reesink Technische Handel distributing equipment of different brands in the same industry. The Group believes that intra-group competition is beneficiary for the Group. The Group therefore operates so-called "Chinese Walls" between certain businesses to make healthy competition possible within the Group.

The Operating Companies are all managed independently from the Group in respect of their business, which means that local management is responsible for the day-to day business and the implementation of the strategy of the relevant Operating Company. The strategy is adopted together with the Company.

The Group has the following specific objectives (listed in random order) for the period 2013-2016:

- organizing the Operating Companies such that they can provide high-quality services to customers at low prices. In order to achieve this, the Group strives to have a:
    - lean and mean organization;
    - high level of expertise within the organization; and
    - customer-oriented approach;

- maintaining a small-scale holding company that incentivizes and encourages division or segment management to implement division or segment strategy. The Company supports and arranges financing for its Operating Companies;
- increasing cross-selling between Operating Companies;
- developing rental concepts;
- offering financing solutions to its clients together with reputable finance corporations;
- becoming and remaining a key player in the distribution of relevant equipment in the Netherlands, Belgium and Germany;
- acquiring important positions in countries outside the Netherlands, Belgium and Germany with a significant agricultural industry where the efficiency of the agricultural, landscape, construction equipment and material handling industries can be improved;
- further expanding in related markets and tapping new market segments (*e.g.*, mechanization of potato production and renewable energy);
- improving the profitability of the industrial division; and
- selling real estate not being used by the Group. For real estate that is used by the Group, sale-and-leaseback transactions may be among the options used to strengthen the Group's financial position.

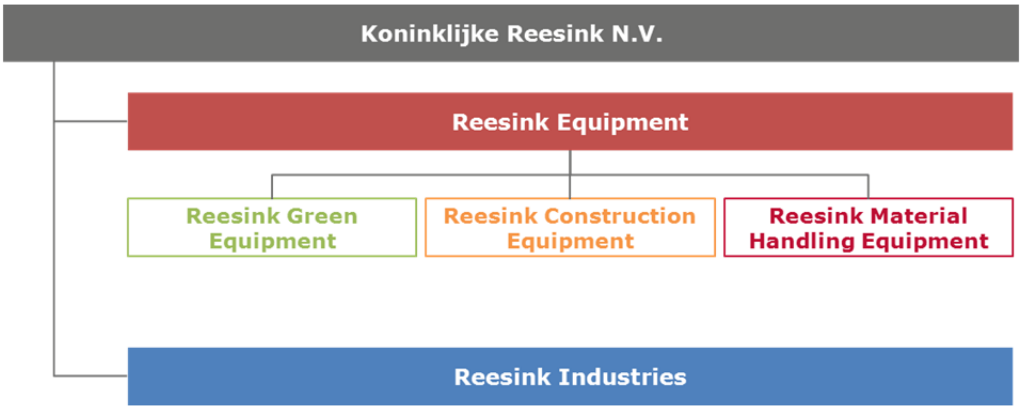
Competitive Strengths

The Group believes it has a number of competitive strengths that enable it to improve its position in relevant markets (mainly through cross-selling).The Group believes it benefits from the following strengths:

- the Group is solution oriented;
- the Group has product and market expertise and is knowledge-driven;
- the Group offers a full range of products of well-recognized brands with growth potential;
- the Group is capable of innovation and is a market pioneer with respect to dealer participation, changing the steel chain and investing in related markets;
- the Group has an efficient parts distribution system (*i.e.*, it distributes parts within a couple of hours to a maximum of 24 hours) and after-sales service;
- the Group has strong relationships with principals, financing institutions, holders of DRs, Shareholders and other stakeholders; and
- the Group has a healthy debt to equity ratio.

Organizational Structure

The Group has a functional organizational structure with two divisions and three segments. The former green and industrial divisions were redefined into the Reesink Equipment and Reesink Industries divisions as of 2013.



The Operating Companies may all be found within this functional organizational structure. In addition, several Group Companies provide additional (supporting) services within the Group (*e.g.*, Reesink Support B.V. provides shared services to certain Group Companies such as accounting, human resources, IT, personnel, control and finance).

The Group and its Divisions

The Group has two divisions, Reesink Equipment and Reesink Industries. The Reesink Equipment division is subdivided in three segments:

- Reesink Green Equipment;

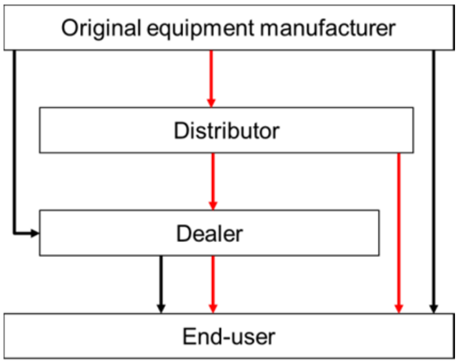
- Reesink Construction Equipment; and
- Reesink Material Handling Equipment.

Reesink Equipment

The Group Distributors act as distributors and the Group Dealers act as dealers of machinery for agriculture, turf care and landscape maintenance, construction, material handling and cleaning. The relevant Group Distributors provide distribution services which means that they serve as a direct link between (i) original equipment manufacturers and dealers – who may be Group Dealers – who in their turn supply equipment to end-users or (ii) original equipment manufacturers and end-users.

Position of a distributor and dealer within the value chain

Generally speaking, original equipment manufacturers sell equipment either to distributors or to (independent) dealerships in geographically defined areas of responsibility. Generally the distributors and dealers obtain exclusive distribution and product support rights within their markets. The decision of an original equipment manufacturer to either work with a distributor or with a dealer depends on the original equipment manufacturers' focus and preparedness to invest directly into a geographic area. In case the original equipment manufacturer decides to work with an independent distributor, it generally relies on this distributor to provide sales, finance, marketing and product support either directly or indirectly through a dealer to the end-users in an assigned market area. When an original equipment manufacturer decides to work with dealers directly, the original equipment manufacturer is generally responsible for providing the aforementioned services directly or indirectly to the end-users. The different possible equipment flows and contractual relationships in the distribution value chain are indicated with the arrows in the chart below.



In the markets in which the Group is active, the original equipment manufacturers generally do not work with dealers directly. The red arrows in the chart above indicate the equipment flows and the contractual relationships in the markets in which the Group is active. The black arrows indicate possible equipment flows which are not relevant for the markets in which the Group is active.

Relationship with original equipment manufacturers

Although the Group is dependent mainly on the quality of the equipment that the original equipment manufacturers produce, the original equipment manufacturers are also dependent on the (quality of the) distributors and the dealers they work with to sell their machinery. Original equipment manufacturers work in close cooperation with their distributors, in executing the latter's business plans while at the same time ensuring that the original equipment manufacturers' brands are protected and enhanced. This is one of the reasons why distributors and dealers generally do not supply equipment of competing brands. The Group believes this creates a strong and lasting relationship between original equipment manufacturer and distributors.

The Group has entered into distribution and service agreements with several reputable original equipment manufacturers. The relationships with the Main Original Equipment Manufacturers (who's Linde, Claas, Kuhn, Atlas and Toro brands the Group distributes), have generally been longstanding, in some cases dating back more than 50 years. The Group's relationships with its original equipment manufacturers are generally based on a distribution agreement between the Group Distributor and the relevant original equipment manufacturer, but in some cases a distribution letter is the basis for the relationship. In certain jurisdictions there is no documentation reflecting the relationship between the original equipment manufacturer and the Group Distributors as the relevant statutory law provides the necessary legal protection.

In case of a detailed distribution agreement, the following topics tend to be addressed:

- geographic area of appointment (including exclusivity provisions and non-compete provisions, if applicable);
- business conditions such as:
    - warranty, service and payment provisions;

- performance goals;
- personnel;
- facilities;
- stock;
- advertising and sales promotion;
- use of intellectual property and trademarks;
- decisions subject to manufacturer' approval;

- applicable terms and conditions;
- term and termination arrangements; and
- governing law and dispute resolution.

Geographic area of appointment

The Group mainly enters into the distribution agreements through one or more Group Distributors. One or more Group Distributors is generally appointed as exclusive or main distributor for certain products, markets or services within a predetermined territory. The appointed territory may under some contracts be enlarged or reduced unilaterally by the relevant original equipment manufacturer. The Group Distributors are generally allowed to distribute either to general line distributors, sub-distributors, dealers or directly to end-users in the appointed territory. In some cases, the original equipment manufacturer reserves the right to market, sell and ship products to certain pre-disclosed categories of customers within the appointed territory directly, for which the Group Distributors sometimes receive a commission.

The Group Distributors are generally not allowed to work with other original equipment manufacturers or sell within their appointed territory any product that directly competes with the equipment of the relevant original equipment manufacturer. A breach of prohibitions could lead to a termination of the distribution agreement by the relevant original equipment manufacturer.

Business conditions

Generally speaking, Group Distributors purchase equipment at their own risk and expense from the original equipment manufacturers. The Group Distributors in some cases do not have to pre-fund the equipment, but certain discounts may be available in case of pre-funding for several months. The distribution agreements generally also contain an arrangement with regard to warranty on the equipment, to the effect that the original equipment manufacturer must establish and administer a warranty program for equipment and distribute service information to the Group Distributors as may be appropriate to allow the Group Distributors to offer adequate after-sales service for each product. The warranty on the product is in most cases extended to the customers of the Group Distributors.

The distribution agreements generally contain performance goals, which mean that (sales) goals must be realized in order for the relevant Group Distributor to maintain certain benefits under the agreement (such as discounts), or for a longer termination notice period to apply. Some distribution agreements provide for a sale-back construction in case of termination of the distribution agreement, but other distribution agreements prohibit the return of equipment to the original equipment manufacturers entirely.

The Group Distributors are generally obliged to maintain adequate facilities and employ adequately trained personnel to provide and maintain the equipment. Also, the Group Distributors are generally obliged to maintain adequate stock and a representative selection of products to support its dealer organization, to meet customer demand on a timely basis, to demonstrate products when practicable and to develop and penetrate the market potential for the equipment.

In order to optimize sales possibilities, the original equipment manufacturers and the Group Distributors generally cooperate in the advertising and sales promotion for the equipment. Under certain distribution agreements the original equipment manufacturers are obliged to prepare, make available and supply the Group Distributors with advertising and sales promotion materials for the equipment. Group Distributors are generally authorized to use the original equipment manufacturers trademarks in connection with the promotion of equipment. The original equipment manufacturers sometimes also have to assist in the conception of programs utilizing the materials and communicate with the Group Distributors on a regular basis to keep them informed on technical-, service- and other developments.

Usually, the Group Distributors require the original equipment manufacturer's approval for a number of matters, including but not limited to appearance and location of facilities. The entering into agreements with other original equipment manufacturers is usually also a matter that requires prior approval from the relevant original equipment manufacturer and the distribution agreement usually provides for an exit arrangement for the relevant original equipment manufacturer in case a Group Distributor does not obtain the prior approval for engaging with another original equipment manufacturer.

Applicable terms and conditions

The original equipment manufacturer's general terms and conditions are generally applicable to the distribution agreements. Also, for certain distribution agreements standardized terms such as the International Commercial Terms published by the International Chamber of Commerce, are applicable with regard to transportation and delivery of equipment.

Term and termination arrangements

The Group strives to enter into long-term contracts with its original equipment manufacturers. The distribution agreements with its original equipment manufacturers are typically entered into for either an indefinite period of time, or for a (long) definite period of time. Generally speaking, the definite period is five years, but the Group Distributors have also entered into distribution agreements for ten years. No distribution agreement with a Main Original Equipment Manufacturer has been entered into for a shorter period than one year.

Termination arrangements vary. Sometimes distribution agreements do not provide for exit arrangements, especially in the older agreements. Sometimes detailed termination processes are provided for, describing the various situations in which a party to the distribution agreement may terminate the agreement. All contracts with original equipment manufacturers provide for relatively long notice periods in case of a termination without cause, varying from six to eighteen months. Generally, distribution agreements entered into for a definite period of time are extended automatically if the distribution agreement has not been terminated by either party, taking into account a certain notice period. Some agreements may therefore only be terminated at a specific point in time. In case of certain specified urgent causes (*e.g.*, in case of failure to comply with material obligations such as non-payment and misuses of trademarks), distribution agreements may also be terminated immediately. Some contracts provide for shorter notice periods in case performance goals are not met.

Governing law and dispute resolution

In case of disputes, the distribution agreements generally provide for dispute resolution in accordance with the laws of the jurisdiction from which the relevant original equipment manufacturer operates or in which it is incorporated.

Customer financing arrangements

The economic ownership of the equipment generally remains with the Group until it is sold to the customer, which can be a dealer or an end-user. Dealers and end-users sometimes finance their new equipment by way of floor planning or through vendor lease facilities, which are offered by independent third parties such as specialty lenders and banks, or by the original equipment manufacturers' captive finance companies. Floor planning facilities ordinarily finance 100% of the costs of the equipment from the original equipment manufacturer, plus any applicable goods and services tax. The Group recognizes that alternative financing solutions for dealers and end-users, other than standard bank financing, are becoming more important. The Group therefore studies the possibility to offer together with third parties financing solutions to its customers.

The Group announced that it is planning to start Reesink Financial Services together with reputable finance corporations. Reesink Financial Services would not act as a leasing company or a financial institution, but as an intermediary between financial institutions and the Operating Companies in relation to wholesale and retail financing. Reesink Financial Services would provide support to its Operating Companies in case they would like to develop and deploy financing programs.

Segments of Reesink Equipment

Reesink Green Equipment

The Group's Reesink Green Equipment segment consists of Kamps de Wild, Bruggeman Mechanisatie, Landtech Zuid, Reesink Technische Handel, Stierman, Packo Agri, Packo Heybroek and Jean Heybroek.

Kamps de Wild

Kamps de Wild operates as a full line distributor and mainly operates the agricultural, cattle farming and contractor markets through dealers. In addition, Kamps de Wild focuses on sales support, product management, after-sales, education and training, marketing, market research and warranty settlement. Kamps de Wild operates various brands, of which the main brand is Claas.

The most significant brands Kamps de Wild operates are:

- *Claas* – a manufacturer of self-propelled forage harvesters focusing entirely on the agricultural industry; Kamps the Wild operates the Claas brand exclusively for the Dutch market; the Claas range of products includes tractors, hay-making machinery, balers and telescopic loaders;
- *Amazone* – a manufacturer supplying products for the agricultural industry ranging from products related to soil tillage to products related to the preparation of land for harvest (including manure dispensers, injectors and seeders);

- *Kaweco* – a Kamps de Wild private label, providing fertilizers for grass land and arable land, transport tanks, silage transport technology (RADIUM) and multi-purpose wagons (THORIUM); and
- *Weed-it* – another Kamps de Wild private label, providing machinery that controls weeds on hard and semi-hard surfaces in an environmentally friendly way.

The dealers that Kamps the Wild serves can be subdivided into three categories being full-line dealers, long-line dealers and small dealers. Full-line dealers provide a full line of equipment and have detailed knowledge of the equipment they sell. Full-line dealers order their stock from Kamps de Wild directly, and provide after-sales services and maintenance for all available machinery. Long-line dealers represent an extensive line of equipment of certain brands, but do not have all equipment in stock and can either address a full-line dealer or Kamps de Wild directly to serve the end-users. Small dealers, also called incidental dealers, generally offer standard equipment and do not own the equipment. These dealers order their equipment from full-line dealers rather than from Kamps de Wild directly.

In line with the Group's strategy to have more contact with end-users, Kamps de Wild participates in two full-line dealers: Bruggeman Mechanisatie (75%) and Landtech Zuid (100%). Kamps de Wild also has minority interests in two other full-line dealers, De Kruyf Mechanisatie (25%) and De Vries Mechanisatie (25%) (see "Other interests").

Reesink Technische Handel

Reesink Technische Handel operates mainly as a distributor in the agricultural, cattle farming and contractor markets in the Netherlands. Reesink Technische Handel imports and markets agricultural applications including soil tillage, mowing, foraging, harvesting and feeding equipment through independent dealers, which means that it usually does not supply equipment directly to the end-users. Reesink Technische Handel's range of products does not include tractors or self-propelled forage harvesters. Its customers include cattle farmers and crop farmers, horticulturists, landscape maintenance companies and agricultural contractors. Reesink Technische Handel mainly operates the following brands:

- *Kuhn*, a manufacturer of a wide choice of agricultural machinery that can be installed on a tractor, such as ploughs, hay equipment, seeding machines and feeding cattle equipment. Reesink Technische Handel supplies Kuhn equipment exclusively in the Netherlands; and
- *Rauch*, a manufacturer specialized in fertilizer spreaders and the main supplier for Kuhn of seeding equipment.

Reesink Technische Handel imports and markets machines through independent dealers, which means that it usually does not supply directly to end-users.

Stierman

Stierman carries a range of landscaping and turf care machinery, tools and accessories for forestry, turf care, and garden and parks maintenance in the Netherlands. It also carries a range of personal protective products used in these industries. Its end-users' include governments (particularly municipal authorities) and private companies (including gardening companies). Brands operated include Posch, Oregon, Sticomfort, Stico, Köppl and FSI.

Packo Agri

Packo Agri operates as a distributor and mainly operates in the agricultural, cattle farming and contractor markets through independent dealers in Belgium. Packo Agri imports and markets machinery through independent dealers, which means that it usually does not supply directly to end-users. It specializes mainly in selling a range of products of manufacturer Kuhn (described above) exclusively in Belgium for Packo Agri and Packo & Heybroek. In addition, it operates a number of equipment brands mainly purchased by farmers and agricultural contractors in Belgium, including Bogballe fertilizer spreaders, MX front loaders, Köckerling and Guttler soil tillage machinery, Agricola Italiana vegetable sowers, and Zuidberg frontline systems.

Packo & Heybroek

Packo & Heybroek imports and markets machinery mainly through independent dealers in Belgium. It specializes mainly in distributing equipment in the turf care and landscaping markets. Packo & Heybroek also supplies equipment in the specialized niche market of Golf lane maintenance. Packo & Heybroek mainly operates brands such as Kuhn (described above) and Toro (see Jean Heybroek) exclusively in Belgium.

Jean Heybroek

Jean Heybroek operates in the Netherlands and supplies to independent dealers and in some cases directly to end-users in three subdivided turf care market segments: green technology, soil technology and cleaning technology. Green technology relates to equipment for the maintenance of golf courses, public and private parks, recreational areas and sporting grounds for professional and private use. Jean Heybroek operates brands such as:

- *Toro*, a manufacturer specialized in landscaping maintenance materials, such as lawn mowers and spray machines. Jean Heybroek supplies Toro equipment exclusively in the Netherlands and in Belgium (through Packo & Heybroek),

but also Club Car, TYM compact tractors and Amazone (described above) in the Netherlands. The soil technology segment relates to machinery and equipment for the installation of subterranean infrastructure, including horizontal directional drilling systems of Ditch Witch. The cleaning technology segment of Jean Heybroek relates to equipment for sweeping, scrubbing and cleaning retail outlets, institutions and heavy industry, for floor spaces ranging from 100 to 10,000 square meters. In this segment, Jean Heybroek operates the Factory Cat, ISAL and DEB brands.

Reesink Construction Equipment

The Reesink Construction Equipment segment consists of the Kemp Group (which also carries the rental concept "Huur & Stuur") and Hans van Driel.

Kemp Group

The Kemp Group consists of Ben Kemp Holding B.V., and its 100% subsidiaries Barend Kemp B.V., Kemp BVBA, Huur & Stuur B.V., Vacu-Rent B.V. and Kemp Hoogwerkers B.V. The Kemp Group is specialized in earth-moving equipment and supplies, unlike most other Group Distributors, directly to end-users. The Kemp Group operates sites in De Meern (near Utrecht, the Netherlands), Bergschenhoek (near Rotterdam, the Netherlands) and the Belgian town of Hamme. The Kemp Group imports various brands, including IHI mini-excavators and KATO crawler excavators in both the Dutch and Belgian markets. In addition, the Kemp Group imports a variety of equipment for the Belgian market, including Atlas excavators, industrial machinery and railroad equipment, and the Terex compact line. Vacu-Rent B.V. specializes in renting a full range of (mechanical) road-building equipment. Kemp Hoogwerkers B.V. is an importer for the Dutch and Belgian markets of IHI spider lifts, Nagano crawler lifts and ITECO scissor lifts. The Kemp Group not only serves as a distributor or supplier, but also provides for a range of (after-sales) services including customizing and equipment design. The Kemp Group customizes the equipment it distributes with logos, trademarks and color patterns upon request of its end-users.

The Kemp Group also distributes underground construction products of the Ditch Witch brand (Inc Charles Machinery). Formally, the contract of the Ditch Witch brand has been entered into by Jean Heybroek. The Group however believes the Ditch Witch products are more adjacent to the Reesink Construction Equipment segment than the Reesink Green Equipment segment. Therefore, these activities have been moved to the Group's sites in De Meern (the Netherlands) and Hamme (Belgium).

Huur & Stuur B.V. is a rental company for earth-moving equipment in the Netherlands. The rental concept "Huur & Stuur" allows customers to rent construction equipment and accessories for a short period of time, varying from one day to several months. The Group's strategy is to build a network of related and independent Huur & Stuur franchisees across the Netherlands supported by regional offices.

Hans van Driel

Hans van Driel supplies high-quality construction, earth-moving, transshipment and recycling machinery to end-users through independent dealers. Hans van Driel operates in the Netherlands and has sites in Tiel and Ommen. Hans van Driel mainly operates the following brands:

- *Atlas*, a manufacturer of mobile excavators, storage and transshipment machinery and rail-road equipment. Hans van Driel supplies Atlas equipment exclusively in the Netherlands; and
- *Terex*, a manufacturer of wheel loaders, mini excavators and compact mobile excavators.

Reesink Material Handling Equipment

Reesink Material Handling Equipment is a new segment which has been created as a result of the Acquisition.

The Reesink Material Handling Equipment segment consists of Motrac Intern Transport, Pelzer Födertechnik and Motrac Handling & Cleaning, which combined generated approximately 90% of the total revenues of the Acquired Entities in 2012. The main areas of focus in the Reesink Material Handling Equipment segment are: sales, services and parts, rental, leasing, forklifts, warehouse trucks, training and logistical consultancy. Other areas of activities are warehouse systems, sales of pallet shelves, board shelves and other shelves as well as wholly automated logistical warehouse solutions, and in some cases these activities are performed together with a partner. The Reesink Material Handling Equipment focus industries are food retail, non-food retail, transport contractors, chemicals, coldstore, food production and waste and recycling. Furthermore, the Reesink Material Handling Equipment segment works with a rental and service provision concept and provides its customers with lease opportunities together with third parties. This segment focuses on an installed base model (i.e., machinery for which the Group can provide services and components apart from just distributing equipment). The Group Distributors active in the Reesink Material Handling Equipment segment are described below.

Motrac Intern Transport

Motrac Intern Transport distributes Linde forklifts and warehouse trucks in the Netherlands. It primarily services end-users directly. Motrac Intern Transport is currently based in Almere and in Zwijndrecht (both in the Netherlands), whereby it is expected that the latter location will move to a new location in the Rotterdam region (the Netherlands).

Pelzer Fördertechnik

Pelzer Fördertechnik distributes Linde forklifts and warehouse trucks in the North-Rhine-Westphalia region in Germany. It services end-users directly. Furthermore, Pelzer Fördertechnik sells Tennant cleaning machines opportunistically in the North-Rhine-Westphalia region in Germany. Pelzer Fördertechnik is based in Kerpen and in Köln (both in Germany).

Motrac Handling & Cleaning

Motrac Handling & Cleaning distributes Linde forklifts and warehouse trucks in Belgium. It primarily services end-users directly. Motrac Handling & Cleaning also distributes Tennant floor cleaning machinery including mob cleaners, mob scrub cleaners and scrub vacuum cleaners in Belgium. Motrac Handling & Cleaning is based in Antwerpen and in Flémalle (both in Belgium).

Reesink Industries

Reesink Staal, Safety Centre International and Motrac Hydraulics (Motrac Hydrauliek for the Netherlands and Belgium and Motrac Hydraulik for Germany) operate as distributors of (processed) steel products for (property) construction, personal protective products and a wide range of hydraulic components and systems.

Reesink Staal

Reesink Staal sells rolled steel and a wide range of girders, pipes, bars, profiles and sheets, in a variety of sizes. The company is active as an independent wholesaler in (rolling mill) steel products for (housing) construction and industrial activities in the Netherlands. Prices of and margins on base products correlate with raw product price levels. Reesink Staal has a product range that is based on customer specifications and which involves adding value to steel by de-bulking, maintaining stock and distribution, supplemented with steel processing – zigzagging, sawing (including mitre sawing), drilling, cutting, blasting and conserving.

Safety Centre International

Safety Centre International sells mainly work shoes, but also protective work gear and other personal protective products related to health and safety in the Netherlands. These products are used in the construction industry, in industrial settings, and elsewhere. Safety Centre International's product range includes brands such as Bata Industrials, CRAFT Functional Wear, MAMMOET Workwear, PROJOB Workwear, Wock Shoes and Mapa security gloves. Safety Centre International also distributes Safety Centre International operates through an extensive network of independent wholesalers.

Motrac Hydraulics

Motrac Hydraulics (Motrac Hydrauliek for the Netherlands and Belgium and Motrac Hydraulik for Germany) provides (engineering of) hydraulic components and systems required to create for example drive-trains, complete hydraulic power units as well as automation solutions for mobile and stationary applications. Its hydraulic solutions are based on the power of oil to control different kinds of mechanical motions in machinery. Motrac Hydraulics is active in the agricultural, mining and earth moving industry, offshore and marine industry, automotive industry, and the industrial industries. It generated the remaining 10% of the total revenues of the Acquired Entities in 2012. Motrac Hydraulics is the distributor of Linde Hydraulics, and system partner for original equipment manufacturers such as Bucher Hydraulics, Völkel Mikro Elektronik and Eaton Hydraulics products.

Other Interests

Aside from participation in the various businesses described above, the Group also has interests in De Kruyf Mechanisatie (25%), De Vries Mechanisatie (25%) and THR (36%). Furthermore, the Company still formally owns a franchise formula in the DIY-business called "Fixet" and holds an interest in Vereenigde Ingenieursbureaux "VIBA" N.V. ("**VIBA**") (16%).

De Kruyf Mechanisatie and De Vries Mechanisatie

In line with the Group's strategy to have more contact with end-users, Kamps de Wild holds, through Kamps de Wild Participaties B.V., a strategic minority interests in two full-line dealers, De Kruyf Mechanisatie

(25%) and De Vries Mechanisatie (25%). Both dealers mainly operate the agricultural, turf care and landscaping, cattle farming and contractor market.

THR

In 2011, the Group transferred its DIY-activities (Reesink Retail B.V., Interlogica B.V. and FRG Retail B.V.) to THR in exchange for 36% of the depositary receipts in the share capital of THR (through Stichting Administratiekantoor THR). The remaining 64% in THR is held by a single majority holder of depositary receipts. THR is mainly active as a wholesaler in the DIY-business and provide the logistics for Safety Centre International and the Company in relation to Bata. The restructuring of the Group's DIY-activities was the consequence of sustained declining economic conditions, whereby sales revenues at DIY chains and stores have fallen, fewer people are moving and the construction of new homes has decreased. THR has been directly affected by these trends. Although a number of corporate reorganizations have been implemented, the Company believes further changes to the organization will be necessary. When preparing its financial statements for the year end 2012, the Group did not expect that market conditions were to improve to any significant extent in the immediate future, so the Group wrote down the investment value of THR (approximately €3.8 million, including the losses of 2012) and the loans it provided (including the guarantee the Company provided to the other holder of depositary receipts in THR) (approximately €3.2 million). The Company believes that a long-term solution for THR is currently being developed. The Group reduced the rent for THR's distribution center at Ecofactorij 20 in Apeldoorn (the Netherlands) effective 2013 as part of a long-term solution. As a result, the Group receives €0.3 million less rent on an annual basis (total annual rent is approximately €1.8 million excluding V.A.T.). This adjustment has been accounted for in the valuation of the distribution center at Ecofactorij 20 in Apeldoorn (the Netherlands) as of 31 December 2012 and led to a depreciation on this property of €2.3 million.

Fixet

The Company still formally owns a franchise formula called Fixet. Under this formula, franchisees can start their own DIY Fixet shops in the Netherlands.

Fixet was initiated by Reesink Retail B.V., Interlogica B.V. and the Company. The Fixet activities have been contributed to FRG Retail B.V. in 2011. The shares in FRG Retail B.V. have subsequently been transferred to THR. THR in turn transferred these shares to DGN retail B.V., with whom THR has a preferred supplier agreement (see "Material Contracts – DGN retail B.V. agreement and the annexes thereto"). DGN retail B.V. offers support with regard to certain franchise formulas and is owned by the franchisees. THR and DGN retail B.V operate jointly to execute obligations under the franchise contracts with individual franchisees of 'Fixet'. The franchise rights and – more important – the contracts and obligations to supply the franchisees with products have however been entirely assigned to the Company until the end of all individual franchise contracts (approximately 42 contracts were in place as of 30 June 2013). The Company envisages proactively terminating the current franchise contracts.

VIBA

Recobel holds a non-strategic 16% equity interest in the share capital of VIBA. The book value of the stake in VIBA is approximately €0.7 million. VIBA is a technical wholesaler in the Benelux region that offers a wide range of construction solutions in the industrial and construction markets. It is also specialized in providing tools for steel processing and measuring equipment in the automotive and aero industry.

Intellectual Property

Important intellectual property assets for the Group are the different brand names it operates (*e.g.*, Reesink, Fixet and Kamps de Wild). The Group operates mainly under the trade name Koninklijke Reesink N.V., but also has certain other trade names. See "Description of Share Capital – General". Other intellectual property assets are the patents respectively the application for patents held by Kamps de Wild and Jean Heybroek. These (applications for) patents relate to among others (i) a method and device for supplying material to growth present on a surface (*i.e.*, patent used for Weed-it), (ii) a method that builds a tube from tube pieces (using a rotating platform) which tube is directly placed in the ground and (iii) a method for placing tubes in the ground using a soil tilt tool (*bodemkantelmechanisme*). Given the broad range of equipment distributed by the Group in the various adjacent industries, the Group's business or profitability is not dependent on these patents or the application for these patents.

Recent Developments

Reesink Agricultural Equipment GmbH (an indirect subsidiary of the Company) is in the finalizing stages of entering into an agreement relating to the acquisition of (i) certain assets (including the name of CT Agro GmbH) and liabilities, and (ii) all issued and outstanding shares in the share capital of CT Agro TOO. Completion of the acquisition is expected to take place in the beginning of January 2014 with an effective date of 1 January 2014. Upon completion of this transaction Reesink Agricultural Equipment GmbH will be renamed CT Agro GmbH. Reesink Agricultural Equipment GmbH will be mainly involved in the sale of agricultural equipment in Kazakhstan, supported by a representative office in Astana, Kazakhstan. The principal suppliers involved are

Claas (described above), Horsch, Morris, Summers and MacDon. CT Agro TOO, a Kazakh based company, is responsible for the after-sales of equipment sold and in some cases the sale of equipment. It also provides equipment, and parts and services for the engines of Caterpillar, MTU and Cummins. The contact between the current owner of CT Agro GmbH and the Company was initiated by Claas.

On 16 October 2013, the Group entered into an amended and restated Financing Facility. See "Operating and Financial Review – Capital Resources – Facilities".

On 18 October 2013, the Groups newly incorporated dealer Landtech Zuid entered into an agreement with dealer Jans-vanGemeren Mechanisatie B.V. to acquire certain of its assets and liabilities (see "Segments of Reesink Equipment – Reesink Green Equipment – Kamps de Wild").

In 2014, the Kemp Group will introduce the Kobelco brand. The Group believes Kobelco is a leading brand for heavier earth-moving equipment.

The Group has published a trading update in its press release dated 29 October 2013. The content of this press release is incorporated by reference into this prospectus (see "Documents Incorporated by Reference").

Property, Plants and Equipment

The following tables provide an overview of the Group's material owned and rented facilities.

Owned facilities

Location	**Country**	**Principal Use**	**Size m^2**
Apeldoorn, Ecofactorij 20	the Netherlands	Rented to THR	60.086
Apeldoorn, Woudhuizermark 79*	the Netherlands	Own use, activities Reesink Technische Handel and Stierman, workshop, warehouse, showroom and office	72.570
Zutphen, Estlandsestraat 6-10*	the Netherlands	Own use, activities Reesink Staal, warehouse, steel processing and office	37.871
Zevenaar, Edisonstraat 10*	the Netherlands	Own use, activities Kamps de Wild, workshop, warehouse, showroom and office	12.720
Broekland, v. Dongenstraat 36*	the Netherlands	Own use, activities Bruggeman Mechanisatie, workshop, warehouse, showroom and office.	8.985
Stampersgat, Fabrieksstraat 11-13*	the Netherlands	Available for sale	60.141
Hamme, Zwaarveld 16*	Belgium	Own use, activities Kemp Group, workshop, warehouse, showroom and office	13.358
Apeldoorn, De Kar	the Netherlands	Land available for sale	175.005
Valkenswaard, De Hoge Veste 58	the Netherlands	Own use, activities Fixet Valkenswaard B.V.	4.811
Zevenaar, Amperestraat 8	the Netherlands	Available for sale	16.480
Antwerpen, Noorderlaan 612 **	Belgium	Own use, activities Motrac Intern Transport, workshop, warehouse, showroom and office.	7.640
Köln, Marktstrasse 10 **	Germany	Own use, activities Pelzer Fördertechnik, workshop	250
Kerpen, Karl-Ferdinand-Br.18 **	Germany	Own use, activities Pelzer Fördertechnik, workshop, warehouse, showroom and office	6.905

* Encumbered with a first ranking right of mortgage
** Part of the Acquisition

Rented facilities

Location	Country	Principal Use	Rental Term
De Meern, Molensteyn 41,47,48	the Netherlands	Activities Kemp Group, workshop, warehouse, showroom and office	Dec 2021
Bergschenhoek, Weg en Bos 111	the Netherlands	Activities Kemp Group, workshop	Dec 2016
Tiel, Marconistraat 15	the Netherlands	Activities Hans van Driel, workshop, warehouse, showroom and office	Dec 2020
Ommen, Strangeweg 22	the Netherlands	Activities Hans van Driel, workshop	Dec 2018
Rosmalen, Saffierborch 16	the Netherlands	Activities Safety Centre International, office	Apr 2016
Houten, Wilgenkade 6	the Netherlands	Activities Jean Heybroek, workshop, warehouse, showroom and office	Dec 2014
Houten, Essenkade 2b	the Netherlands	Activities Jean Heybroek, warehouse	Feb 2017
Lemele, Lemelerweg 29c	the Netherlands	Activities Bruggeman Mechanisatie, workshop, warehouse, showroom	Sep 2021
Zedelgem, Torhoutsesteenweg 166	Belgium	Activities Packo Agri and Packo & Heybroek, workshop, warehouse, showroom and office	Feb 2018
Ciney, Belgium, Route National IV 3	Belgium	Activities Packo Agri and Packo & Heybroek, workshop, warehouse, showroom and office	Oct 2014
Herzfeld-Lippetal, Eichenweg 3	Germany	Activities of Reesink GmbH, and Reesink Agricultural Equipment GmbH, office	Feb 2014
Langenfeld, Carl-Leverkus-Strasse 20 (*)	Germany	Activities Motrac Hydraulik, workshop, warehouse, office	Dec 2019
Almere, Rondebeltweg 51 (*)	the Netherlands	Activities Motrac Intern Transport, workshop, warehouse, showroom and office	Dec 2018
Baak, Dambroek 2 (*)	the Netherlands	Activities Motrac Hydrauliek, office, warehouse, production	Dec 2016
Flémalle, Rue des Semailles 19a (*)	Belgium	Activities Motrac Handling & Cleaning, workshop, office	Oct 2017
Zwijndrecht, Molenvliet 35 (*)	the Netherlands	Activities Motrac Intern Transport, workshop, warehouse, office	Dec 2013

(*) part of the Acquisition

The Group believes that it will eventually sell the real estate not being used by the Group. Real estate that is used by the Group may be financed through sale-and-leaseback transactions to strengthen the Group's financial position. At the date of this Prospectus, the Group does not own any real estate for investment purposes.

Material Contracts

Below is a summary of certain key contracts of the Group (other than those entered into in the ordinary course of business):

The Financing Facility

For a description of the Financing Facility, see "Operating and Financial Review".

The Subscription Agreement

For a description of the Subscription Agreement, see "The Offering".

The Share Purchase Agreement

For a description of the Share Purchase Agreement relating to the Acquisition, see "Acquisition".

Private Placement Equity Facility

For a description of the Private Placement Equity Facility, see "Description of the Share Capital".

The Loan Agreement

For a description of the Loan Agreement, see "Acquisition".

Lease Agreements

The Group, in its material handling segment, offers a variety of lease-constructions to its end-users, and it does so together with several partners to the lease agreements.

The various lease-constructions the Group offers (through the lease contracts) are, according to current legislation in accounting standards (*e.g.*, regarding on- and off balance sheet requirements related to leases), currently not reflected in the financing conditions.

Logistics contract

The logistics agreement that was entered into between PMH-E and Pon Logistics B.V. relates to the logistic services provided by Pon Logistics B.V. to Motrac Intern Transport, Motrac Handling & Cleaning and Pelzer Fördertechnik. The provided logistic services include managing the transportation of the equipment and also relates to maintaining sufficient inventory levels and repacking parts.

Joint venture agreement relating to the transfer of the Group's DIY activities to THR

The joint venture agreement between, among others, the Company and THG Beheer Apeldoorn B.V., relates to the transfer of the Group's DIY activities to THR. The joint venture agreement is entered into for an indefinite period of time. In general, the joint venture can be terminated by either party for cause after the lapse of an agreed cure period.

After a lock-up period of 4 years since the start of joint venture, both the Company and THG Beheer Apeldoorn B.V., are allowed to transfer their depositary receipts in THR to certain third parties (not being competitors). In the case of a transfer to a third party, the other holder(s) of depository receipts in THR have a right of first refusal. Also, drag-along and tag-along rights are included. A drag-along right ensures that if a selling holder sells its depository receipts, the other holder(s) are forced to join the deal on the same terms and conditions as applicable to the selling holder (pro rata). If the selling holder fails to exercise its drag-along right, then the other party can still join the deal by exercising its tag-along right. If the third party refuses to acquire depository receipts from other holders of depository receipts in THR, the selling holder is not allowed to transfer its depository receipts.

Pursuant to the joint venture agreement, the Company may appoint one of the three board members of Stichting Administratiekantoor THR, a company holding 100% of the shares in THR and granting the depositary receipts in THR. Certain important topics on which Stichting Administratiekantoor THR, as the sole shareholder of THR, has to vote require the unanimous approval of the board of Stichting Administratiekantoor THR. The Company is not obliged to additional funding. Secrecy and non-compete clauses have been agreed upon, but such clauses may be restricted due to provisions under Dutch law.

The Group's investment in THR and the loans provided to THR have been written down completely as of 31 December 2012. As a result, the Group's business and financial condition are not dependent on the affiliation with THR.

However, beside the fact that the loans provided to THR by the Group and the investment value of the depositary receipts of THR have been written down completely as of 31 December 2012, the Group remains affiliated with THR in several other manners, for instance through THR's obligation to provide the logistics for Safety Centre International and the Company in relation to Bata or by meeting the Group's obligations under the remaining Fixet franchise agreements. THR is also the Group's main tenant for the Ecofactorij 20 in Apeldoorn (the Netherlands) location, meaning that a deterioration of THR's financial position could impact the Group's rental income, might lead to a further reevaluation of the property and might lead to the Group having to find a new tenant or a buyer of the Ecofactorij 20 location.

DGN retail B.V. agreement and the annexes thereto

DGN retail B.V. offers support with regard to certain franchise formulas and is owned by the franchisees of the franchise formulas it offers. Pursuant to the DGN retail B.V. agreement and the annexes thereto, THR sold its equity interest in FRG Retail B.V. to DGN retail B.V. and DGN retail B.V. guarantees FRG Retail B.V.'s obligations under the franchise contracts with individual franchisees of 'Fixet'. Furthermore, the Company has provided a loan to DGN retail B.V. to be used by DGN retail B.V. in anticipation of the franchisees' capital contribution to DGN retail B.V. The Company financially supports franchisees entering into new franchise agreements with DGN retail B.V. The terms and duration of the subordinated loan are linked to the transfer of the franchise contracts from the Company to DGN retail B.V. (*i.e.*, franchisees terminating their contracts with the Company and entering into new agreements with DGN retail B.V.) Finally, in order to be able to finance the consideration for the equity interest in FRG Retail B.V, DGN retail B.V. has entered into a loan agreement with THR.

Environment

The Group is the owner of Fabrieksstraat 11-13 in Stampersgat (the Netherlands). The property is not used by the Group anymore and is available for sale.

Certain parts of the Group's Stampersgat property are polluted. This currently does not affect the Group's operations as the property is not used by the Group and the possible negative effects of the pollution have been included in the valuation of the property (which effects were also taken into consideration in the historic purchase price).

Legal and Arbitration Proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or which have had in the previous twelve months, significant effects on the Company's and/or the Group's financial position or profitability.

Although not considered to be material by the Group, a description of a current investigation and a summary of the most relevant current proceedings is provided below.

Authority for Consumers and Markets investigations

In the context of due diligence investigations, it came to the attention of the Group that the Authority for Consumers and Markets is investigating whether the Dutch trade association Bouwmachines, Magazijninrichtingen, Wegenbouwmachines en Transportmaterieel (BMWT) and its members have been engaged in anti-competitive conduct from 1998 onwards, in particular with respect to exchanging information regarding rates of mechanics. Two Group Companies that are members of the Dutch trade association Bouwmachines, Magazijninrichtingen, Wegenbouwmachines en Transportmaterieel (BMWT) have been requested to provide information to the Authority for Consumers and Markets. At this stage, no further information can be provided.

Activa N.V.

In October 2008, Tennant Europe B.V. entered into a full-service agreement with its customer Activa N.V. for the rental of approximately 200 cleaning machines. Under the agreement, Tennant Europe B.V. was also obliged to provide maintenance and support. Tennant Europe B.V. subcontracted its maintenance and support duties in February 2011 to Motrac Handling & Cleaning.

Activa N.V. was not satisfied with the services rendered by Motrac Handling & Cleaning and ceased making payments to Tennant Europe B.V. As a consequence, legal proceedings in the Commercial Court of Antwerp (17^{th} chamber) were initiated by Tennant Europe B.V. in which it claims approximately €500,000 for unpaid invoices and approximately €900,000 for breach of contract from Activa N.V. Activa N.V. in its turn claims €500,000 damages and €1,700,000 for breach of contract from Tennant Europe B.V. Tennant Europe B.V. claims from Motrac Handling & Cleaning the damaged claimed by Activa N.V. and the amounts claimed by Tennant Europe B.V. from Activa N.V. in case Tennant Europe B.V. loses the litigation against Activa N.V. Activa N.V. claims part of the damages it claims from Tennant Europe B.V. from Motrac Handling & Cleaning if it loses the litigation against Tennant Europe B.V.

Group Structure

The Company is a holding company without material direct business operations. The principal assets of the Company are the equity interests it directly or indirectly holds in its Group Companies. Furthermore, the Company formally owns the franchise formula "Fixet" and provides logistics for Bata.

The Group is currently in the process of a legal and functional restructuring so that the legal organization structure becomes in line with the Group's functional organizational structure (see "Business – Organizational Structure"). It is expected that the restructuring is completed at the end of 2013. For the legal structure of the Group both at the date of the Prospectus and after the restructuring, see "General Information – Legal Structure".

The Company is a publicly-traded company with a listing on NYSE Alternext Amsterdam. The Company's ticker symbol is "ALRRE". At the close of business on 31 October 2013, the Company had a market capitalization of approximately €94 million (source: https://europeanequities.nyx.com/).

Material Subsidiaries

The following table provides an overview of the Company's material subsidiaries or other interests as of the date of this Prospectus.

Material Subsidiaries	Location (statutory)	Country	Equity interest
Barend Kemp B.V.	De Meern	the Netherlands	100%
Bruggeman Mechanisatie B.V.	Broekland	the Netherlands	75%
Hans van Driel B.V.	Tiel	the Netherlands	100%
HUUR & STUUR B.V.	De Meern	the Netherlands	100%
Jean Heybroek B.V.	Houten	the Netherlands	100%
Kamps de Wild B.V.	Zevenaar	the Netherlands	100%
Kemp BVBA	Hamme	Belgium	100%
Landtech Zuid B.V.	Veghel	the Netherlands	100%

Motrac Handling & Cleaning N.V./SA	Antwerpen	Belgium	100%
Motrac Hydrauliek B.V.	Zutphen	the Netherlands	100%
Material Subsidiaries	**Location (statutory)**	**Country**	**Equity interest**
Motrac Hydraulik GmbH	Langenfeld	Germany	100%
Motrac Intern Transport B.V.	Almere	the Netherlands	100%
Packo & Heybroek N.V.	Zedelgem	Belgium	100%
Packo Agri N.V.	Zedelgem	Belgium	100%
Pelzer Fördertechnik GmbH	Kerpen-Sindorf	Germany	75.04%*
Reesink Staal B.V.	Zutphen	the Netherlands	100%
Reesink Support B.V.	Apeldoorn	the Netherlands	100%
Reesink Technische Handel B.V.	Apeldoorn	the Netherlands	100%
Safety Centre International B.V.	Rosmalen	the Netherlands	100%
Stierman B.V.	Apeldoorn	the Netherlands	100%
Other interest			
De Kruyf Holding B.V.	Nijkerk	the Netherlands	25%
Mechanisatie Beheer B.V.	Beilen	the Netherlands	25%
THR B.V.	Apeldoorn	the Netherlands	36%

* The voting percentage is 75.00%

INDUSTRY OVERVIEW AND COMPETITION

Overview

The Group's competitive position varies across the different industries and related markets in which it is active. The Group defines its competitive environment according to its main business divisions and segments. This chapter therefore follows the Reesink functional organizational structure being the equipment industry (Reesink Equipment division, subdivided into Reesink Green Equipment, Reesink Construction Equipment and Reesink Material Handling Equipment) and the steel and manufacturing, personal protective products and the hydraulic components and parts industries (Reesink Industries division).

The Group believes there are no sufficient (independent) sources available describing and supporting an analysis of the markets and industries in which it is active and the competition it faces therein. The information contained in this Prospectus relating to market and industry is therefore based on the Group's own analysis, unless the contrary is expressly indicated. The Group declares that it has taken all reasonable care to ensure that, to the best of its knowledge, the information contained in this chapter reflects a fair representation of the markets and industries in which the Group is active and the competition it faces.

Equipment Distribution Market

The Group believes that multiple factors influence a buyer's choice to purchase agricultural, turf care, landscaping, construction and material handling equipment. These factors include brand loyalty, quality of after-sales services, product features, product performance, availability of a full product range, the quality and pricing of products, technological innovations, product availability, financing terms, parts and warranty programs, resale value and customer service and satisfaction. The Group's main focus is on providing high-quality and high-value products and service. Buyers tend to favor brands based on their experience with the product and especially with the dealer. End-users' perceptions of product value (total cost of ownership) in terms of productivity, reliability, resale value and dealer support are formed over many years. The Group primarily competes on the basis of customer service, availability of products (sale or rental) and product performance, quality and price. The equipment distribution industry remains competitive from a pricing standpoint.

The Group does not identify the 'equipment distribution market' as an independent industry in itself, but more as an overarching principle for the distribution of equipment into specialized adjacent industries such as the agricultural, turf care and landscape maintenance, construction and material handling industry. These markets are considered to be adjacent as customers of one submarket can also be interested in products of other markets (*e.g.*, a customer interested in agricultural equipment such as tractors may also be interested in earth-moving equipment sold in the construction segment such as wheel loaders or forklift trucks in the material handling segment). Equipment distributors and dealers therefore operate strong integrated businesses designed to meet end-users' needs throughout the equipment lifecycle. Generally, like the Group, most equipment distributors and dealerships are built around five distinct but complementary business operations:

- new equipment sales;
- used equipment sales;
- after-sales (product support including maintenance, parts and service);
- equipment rentals; and
- finance and insurance (in cooperation with independent financial and insurance institutions).

The interrelated markets in which the Group is active are described separately below.

Green equipment market

Agriculture – general overview

As an agricultural equipment distributor, the Group distributes a wide range of machinery such as combines, tractors, ploughs, hay-making machinery, hay loaders, presses, integrated baler wrappers, manure dispensers, manure injectors, seeders, fertilizers for grass land and arable land, transport tanks, silage transport technology, multi-purpose wagons and many others to end-users through independent dealers and through dealers.

In general, operators of food-, livestock- and grain producing farms and independent contractors providing services to these farms are purchasers of agricultural equipment and qualify as end-users in this market. As the purchase of agricultural equipment is an investment, the key factors influencing sales of agricultural equipment are the level of net farm income and, to a lesser extent, general economic conditions, changes in governmental agricultural policies, interest rates and the availability of financing. In the Netherlands and Belgium, agricultural businesses are historically mainly family businesses. Net income of such businesses is primarily impacted by the volume of acreage planted, commodity and livestock prices, stock levels, crop yields and farm operating expenses (including fuel, fertilizer and financing costs).

Demand for agricultural equipment is driven by prices of soft commodities, the availability of financing and more general macro-economic factors in the near term. In the longer term, demand is driven by the quest for economies of scale, declining availability of agricultural land, a growing world population and advances in technology (both technological and biological). In addition, the continuous growth of the world population positively affects the agricultural equipment business. The Group sees a slow but steady decline in the number of dairy farmers and agricultural businesses in the Netherlands and Belgium over the last forty years. Based on numbers provided by Dutch Agricultural Economics Institute (LEI Wageningen UR) and the Dutch Central Bureau of Statistics (Centraal Bureau voor de Statistiek), close to 68,810 agricultural businesses were operative in the Netherlands in 2012. This number has declined by 63% compared to the number of agricultural businesses that were operative in 1970 (184,613). Meanwhile, in that same period, the acreage used by the total group of agricultural businesses has decreased more modestly, from 2.1 million square acres to 1.8 million square acres, a decline of 14%. According to Dutch Agricultural Economics Institute (LEI Wageningen UR) and the Dutch Central Bureau of Statistics, the agricultural markets experienced healthy economic conditions in the period between 2005 and 2008, with high margins and revenues in 2007 and 2008. The global financial crisis, which led to a global downturn in economic activity in the period after the financial year 2008, resulted in a great decline in volume in 2009. The agricultural market has not recuperated from this crisis yet.

Aside from general economic conditions, the agricultural, and interrelated markets such as the agricultural equipment market, are also highly dependent on weather conditions. Weather conditions are a major determinant of crop yields and therefore also affect equipment buying decisions. In addition, the geographical variations in weather from season to season may result in some markets contracting, while other markets are experiencing growth.

Agriculture – subdivision of markets

An array of technically advanced large-scale equipment is used in the agriculture industry. Each type of agricultural equipment has specific functions. Demand for agricultural equipment varies according to the agriculture activity conducted in a particular region. The key markets for agricultural machinery are outlined below:

- *Crop production:* Crop production (*e.g.*, cereal grains, wheat, sugar beets) and seeded pasture are a major component of agriculture in the Netherlands, Belgium and Germany. End-users in this market mainly use tractors, seeding and tillage equipment, fertilizer spreaders, and harvesting equipment such as combines.
- *Livestock production:* Livestock production is significant in the Netherlands and Belgium and is focused on beef, pork and poultry production. End-users in this market mainly use midsized tractors, wheel loaders, skid steer loaders, hay and forage harvesting equipment and feeding equipment.
- *Dairy farming:* Dairy production is also a significant sector in the Netherlands and Belgium. End-users in this market mainly use high-tech new equipment ranging from used midsize to large tractors, forage harvesters, feeding equipment to mixers.
- *Contractors:* Contractors are increasingly using agricultural equipment. Contractors use midsized tractors for pulling compaction implements or small cultivators and high-horsepower four-wheel drive tractors for pulling scrapers for earthmoving projects.

Agriculture – industry trends

The Group believes that its position as a distributor of agricultural equipment and its network of dealers (including the dealers in which it holds equity stakes), allows the Group to provide end-users in the Netherlands and Belgium with equipment that meets their specific requirements. Major trends in Western European agricultural industries include a reduction in number but growth in size of agricultural businesses, supporting an increase in demand for higher capacity agricultural equipment, other major trends in Western European agricultural industries include the following.

Subsidies and investment possibilities

The existence of a high level of European and governmental subsidies in the agricultural market reduces the effects of cyclical fluctuations in the agricultural equipment business. The effect of these subsidies on agricultural equipment demand depends to a large extent on the 'Common Agricultural Policy' of the European Union. Eroded profit margins due to higher prices for feed stock and energy, combined with the fact that it is more difficult to obtain financing due to the economic crisis, make that agricultural businesses are (currently) less able to invest in equipment. Furthermore, agricultural equipment that was purchased in 2007 and 2008 has in many cases not yet been completely depreciated and therefore purchasers of agricultural equipment tend to postpone investments in new equipment.

Rising demand for 'one-stop-shopping'

Agricultural businesses are increasingly not only seeking to purchase equipment but are also seeking to obtain services from organizations that not only sell equipment, but that are able to provide adapted (technical) solutions. For example, a breakdown of combines and large tractors during the harvest period can have a significant negative impact on the revenues of an end-user. The timely sale of the right spare parts is important. As such, the Group perceives increasing demand for 'one-stop shopping'. It believes that distributors, in many cases together with their (independent) dealers, that are able to have equipment available and provide high value-after sales services in varying fields and over several locations, are poised to capture a larger share of future market growth.

End-users preferences

End-user preferences regarding agricultural equipment product types and features vary by region. For instance, in the Netherlands and the rest of Europe farms are generally smaller than those in North and South America, Asia and Australia. In these regions there is greater demand for somewhat smaller yet equally sophisticated machines.

Original equipment manufacturers' and end-users' demands for coverage and service levels

Original equipment manufacturers are becoming more demanding in terms of the coverage and service levels of their distributors and dealers. This requires high levels of investments which can only be borne by dealers if they are supported by a strong distribution partner and if they can sell multiple products to the end-users in a larger area.

Strengthening the distribution network is also necessary because end-users are unwilling to travel to purchase equipment and expect rapid responses in case of downtime. This implies that full coverage of an area is required.

Rising demand for financing solutions and rental of equipment

The Group sees a growing demand for alternative financing solutions to provide end-users with new equipment, such as floor planning or stock finance facilities for dealers. These are generally either offered by independent finance companies, such as specialty lenders, or banks.

Flexible rental periods, no high capital expenditure and access to high-end equipment are reasons for end-users to choose to rent instead of buying equipment. The Group believes that distributors need to make available a fleet of rental equipment, such as tractors, in order to be able to offer an attractive product range to end-users, which means higher capital expenditures and more inventory for dealers and distributors.

Changes in regulations and global organization initiatives

The Group's target industries are facing increased regulatory requirements. Governmental policies can affect the market for agricultural equipment when regulations are implemented regarding for instance the levels of acreage planted or the amount of milk produced. The milk market in the European Union is currently regulated by a quota system. Every member state has a national production quota which it distributes to farmers. Whenever a member state exceeds its quota, it has to pay a penalty (called 'super levy') to the European Union. This national penalty is financed by penalties imposed on farmers who have exceeded their individual quotas. As per 2015, the milk quota regime will be abolished. As a result, the Group experiences that many end-users are making preparations to increase their milk production volumes. It is expected that this will lead to an increase of demand in agricultural equipment for the dairy market in the future. The Group however currently experiences that banks are stimulating end-users to increase repayments on outstanding loans, which leads to lower investments in the short term.

The Group experiences that such changes in regulations directly impact the business of its customers, and therefore indirectly have an impact on the business of the Group.

Agriculture – competition overview

The agricultural equipment industry is highly competitive. The Group primarily competes on the basis of product performance, quality service, availability of products (sale or rental) and price. The industry is also competitive from a pricing standpoint.

The Group competes with large global full-line suppliers present in almost every market with captive distribution networks and a broad range of products that cover demand for equipment. Original equipment manufacturers typically market and distribute their products through (independent) distributors which in their turn supply to independent dealers. Two of the global producers of agricultural machinery distributed by the Group are the German based manufacturer Claas and the French based manufacturer Kuhn. There are several global original equipment manufacturers who supply a full line of agricultural equipment and (spare- or additional) parts through (independent) distributors and dealers. The largest manufacturers in the industry, who are operated by the competitors of the Group, are Deere & Company (John Deere), CNH Global N.V. and AGCO Corporation. All three provide a long line of equipment and parts that address the primary machinery requirements of farmers. Due to the competitive nature among the several global original equipment manufacturers, distributors and dealers generally do not supply agricultural equipment of similar nature of two brands at the same time.

Furthermore, the Group also competes with specialized original equipment manufacturers focused on particular industry segments on either a global or regional basis. These manufacturers have their own distribution channels that focus on agricultural equipment and are, among others Lely, Agrifac Machinery B.V., Schuitemaker, Joskin, Trioliet and Veraart Agri B.V.

In addition, the Group competes in the field of after-sales services, including maintenance, and the sale of (spare) parts. The Group's main competitors are strong distributors in this field and are, among others, Mechan Groep B.V. (MechaTrac B.V., Gebr. De Vor Achterveld B.V. Matermaco SA), CNH Nederland, John Deere Nederland B.V., Cofabel N.V., Abemec B.V. and Zonna B.V.

Turf care and landscape – general overview

As a turf care and landscape maintenance equipment distributor, the Group distributes a wide range of machinery such as mowers, multifunctional small track tractors, cutters, splitters, shredders, small-wheel electric vehicles (*e.g.*, golf cars) and irrigation solutions. The Group also supplies a wide range of tools and parts for forestry, garden and park maintenance such as chainsaws, guide bars, sprockets and personal protection products.

End-users of turf care and landscape equipment are generally landscape contractors, (operators of) golf courses, (local) government related entities, water boards, forestry services and gardeners. Since the purchase of turf care and landscape equipment is considered to be a less bulky investment than the purchase of agricultural equipment, the purchase of turf care and landscape equipment is driven by (technical) replacement solutions, general economic conditions and budgets.

In the Netherlands and Belgium, net income of businesses is primarily impacted by the volume of acreage planted, prices, crop yields, operating expenses (including fuel, fertilizer and financing costs) and government subsidies or payments. Independent contractors as well as government related entities (the latter being a major client of independent contractors) are driven by available budgets and hence general economic conditions.

Turf care and landscape – subdivision of markets

The turf care and landscape industry can roughly be subdivided in turf care, lawn and garden maintenance and forestry. More importantly, the industry can be subdivided in categories of customers that purchase the equipment:

- *Professionals:* Professionals vary from golf courses to professional gardeners which use the equipment commercially for their respective businesses. Professionals mainly use mowers, multifunctional small track tractors, cutters, splitters, shredders, small-wheel electric vehicles (golf cars) and irrigation solutions.
- *Semi-professionals:* Persons owning large gardens or persons owning and taking care of horses can be identified as semi-professionals that use equipment privately or commercially. Semi-professionals mainly use mowers, multifunctional small tractors, and wood processing equipment such as cutters, splitters and shredders.
- *Consumers:* Consumers are persons buying turf care and landscaping equipment (*e.g.*, small mowers) for private use, sometimes for the purpose of a hobby.

The Group focuses mainly on professional and semi-professional customers or end-users that purchase small tractors and wood processing equipment.

Turf care and landscape – industry trends

The Group believes that its position as a distributor of turf care and landscape equipment and its network of dealers, allows the Group to provide end-users in the Netherlands and Belgium with equipment that meets their specific requirements. Major trends in Western European agricultural industries include the following.

Changes in regulations and governmental subsidies

The tightening of (local) government budgets and continued reductions of government expenditure may reduce the amount of payments to individual end-users and could reduce the direct spending of the government. This can result in higher costs for end-users. Changes in certain tax-related regulations (*e.g.*, in the Netherlands with regard to the so-called "red diesel" (*rode diesel*)) can also result in higher costs for end-users.

Increase in number, but a reduction in utilization of golf courses

Over the last few years, the Group has seen that an increasing number of persons have started playing golf. This has led to an increasing amount of golf courses and 'holes' in the Netherlands. The Group sees a growing number of professionals which should mean an increased demand for equipment. However, as the Group also sees that these golf courses are experiencing a reduced utilization (in spite of the increased amount of players).

Reduction in number but growth in size of customers specialized in golf course maintenance

The Group has seen that over the last couple of years, operators of golf courses tend to outsource maintenance of golf courses to professional third parties. In addition the Group has seen a reduction in number but growth in size of these third parties providing golf course maintenance services over the last couple of years. As a result, the Group has experienced and currently is still experiencing that there are fewer potential customers in the professional golf course maintenance industry.

Turf care and landscape – competition overview

The two main brands the Group operates in the turf care and landscaping segment are Toro and Club Car.

Competition in the turf care and landscape industry mainly comes from global original equipment manufacturers. There are several competing global producers of turf care and landscape machinery with considerable market share like Kioti Tractors, Iseki, Deere & Company, Kubota, Ransomes and Shibaura. Other well-known brands with a modest market share in this class of machinery are Case New Holland and Yanmar. Competition also comes from importers or distributors of competing brands. Two of the most important competing importers and distributors are C. van der Pols & Zn. (Ransomes) and John Deere Nederland B.V. Other competitors are for example Mechan Groep (Fendt, Holder, Kubota and Schliesing), Van Der Haeghe B.V. and Hilaire van der Heage N.V. (Iseki).

Construction equipment market

Construction – overview

The Group operates its various brands trough a so-called ‘multi-brand’ concept, which means that the brands operated by the Group are complementary and that the Group is not dependent on one brand or original equipment manufacturer.

The Dutch and Belgian construction equipment segment can be divided into two categories: heavy construction and light construction. The main purchasers of heavy construction equipment include construction companies, municipalities, local governments, waste management and recycling companies, transshipment companies and dredging companies. These purchasers are also active in the market for light construction equipment. In addition, purchasers like contractors, residential builders, utility companies, specialized road construction companies, landscapers, logistics companies and farmers are active in the light construction equipment market.

Heavy construction equipment typically includes excavators, wheel loaders, railroad machines, graders, dozers and articulated dump trucks. Purchasers of heavy construction equipment are particularly dependent on the significance of major infrastructure construction and repair projects such as highways, railroad, tunnels, dams and harbors. Customers are mainly dependent on governmental spending and economic growth. Specifically in the Netherlands, part of the heavy equipment demand is related to the light construction segment. Often when new houses are built (light construction), the entire infrastructure (heavy construction) will also need to be build, thereby linking the heavy and light equipment demand to changes in the housing market. The heavy equipment industry generally follows cyclical economic patterns linked to the gross domestic product.

Light construction equipment typically includes mini and midsize crawler excavators, midsize mobile excavators, small wheel loaders, skid steer loaders, backhoe loaders, telehandlers, spider lifts, crawler lifts and scissor lifts but also a full range of pipe bursters, directional drills, trenchers and piercing tools. The principal factors influencing sales of light construction equipment are the levels of residential construction, commercial construction, and also the levels of remodeling and renovation which in turn is influenced by interest rates and the availability of financing for remodeling and renovation projects. Other major factors include the level of light infrastructure construction such as utilities, cabling and piping and maintenance expenditures. The principal use of light construction equipment is to replace relatively high cost, slower and therefore less effective, manual work. Product demand has generally followed housing construction, but lagging six to twelve months behind depending on the overall business climate.

Seasonal demand fluctuations for construction equipment are somewhat less significant than for agricultural equipment. Nevertheless, housing construction generally slows down during the winter months due to the weather conditions. Applicable labor conditions regulations for instance prohibit working outside under specific weather conditions. As a result, industry retail demand for construction equipment is generally strongest in the second and fourth quarters.

The construction equipment industry has seen an increase in the use of hydraulic excavators and wheel loaders in excavation and material handling applications. In addition, the light equipment sector has grown as manual labor is increasingly being replaced on construction sites by machines with a variety of attachments for specialized applications, such as mini- and midsize crawler excavators, midsized mobile excavators, small wheel loaders and also telehandlers. General economic conditions, infrastructure spending rates, housing construction, commercial construction and governmental policies on taxes and utilities and construction projects can have effect on sales of construction equipment. In addition, due to the rising demand for installation of for example optical fiber, the Group sees an increasing demand for pipe bursters, directional drills, trenchers and piercing tools.

Construction – subdivision of markets

Construction equipment is used for multiple purposes by the principal end-users markets:

- *Road construction:* Road construction includes removing, placing and preparing material for building roads and highways. Equipment used in the road construction segment cover a wide range of equipment types, including mobile and crawler excavators, wheel loaders, graders and compaction equipment. Paving, the process of overlaying residential or arterial roadways with asphalt or concrete pavement, is also part of the road construction activities. Equipment used in these activities includes pavers, asphalt rollers, distributors, milling machines and asphalt transfer machines.
- *Waste handling and recycling:* Waste handling and recycling companies are active in a growing and stable market segment. Furthermore, equipment used in this segment is mainly based on mobile excavators, crawler excavators, wheel loaders and dozers.
- *Railroad construction:* The railroads in the Netherlands and in Belgium are important and popular way of travelling for a big part of the working population and students. The railroad network also connects the main ports of Rotterdam, Amsterdam and Antwerp with the rest of Europe. Equipment used in railroad construction and maintenance thereof are specific railroad machines based on mobile excavators.
- *Material handling and transshipment:* The Netherlands and Belgium serve as the ‘port of Europe’ due to their geographical locations and the infrastructure abounding in water. This results in high quantities of goods that can be and are transshipped. Equipment used in this segment is mainly used in local ports and include material handling equipment and wheel loaders.
- *Crushing and screening:* The principle end-market of crushing and screening can be described as the production of raw material necessary in most construction equipment. Crushing and screening equipment consists of equipment such as crawler excavators, crushers, screen decks, conveyers, and washing equipment used to reduce the size of the aggregate material and separate the material into sizes specified by equipment requirements.
- *Site development:* Site development covers preparing residential, commercial and industrial land for development purposes. Equipment used in this segment is similar to equipment used for road construction and also includes articulated dump trucks and dozers in various sizes.
- *Governmental:* Governmental markets can be identified as a specialized sub-market. In this market, maintenance equipment for governments and landscaping companies (or contractors) relates to the maintenance of roads, utility infrastructure and public areas. Equipment used in this segment includes utility equipment such as mini and midsize (mobile) excavators and small wheel loaders.

Construction – industry trends

The Group believes that its position as a distributor of both heavy and light construction equipment, and to a lesser extent its network of dealers, and its rental program allow the Group to provide end-users in the Netherlands and Belgium with equipment that meets their specific requirements. Major trends in Western European construction equipment industries are described below.

Increasing importance of ‘green technologies’

Growing demand for environmental friendly equipment is becoming less sensitive to economic cycles. ‘Green technologies’ present significant opportunities for the technical equipment and services sectors. As sustainable development becomes an increasing concern to national and local authorities, businesses and the public at large, and energy prices remaining historically at least at relatively high levels, energy efficient solutions in infrastructure and facilities are believed to continue to gain importance and influence customer demand for energy and environmental friendly systems. The need for advanced ‘green’ solutions has become a prime focus for industrial, commercial, infrastructure and public sector customers, as national and local authorities begin to impose more stringent requirements or offer incentives regarding the use of energy efficient systems, property, and renewable energies in response to growing concerns for sustainable development.

Growing equipment rental possibilities

In Western Europe, original equipment manufacturers, distributors and dealers started with short period rentals of equipment and equipment attachments to individuals or small contractors who needed specialized pieces of equipment for specific jobs or projects. In this environment, the mini-excavator has become one of the principal rental products, together with specialized pieces of equipment. As the rental market evolved, a greater variety of light and heavy equipment products has become available for rent. In addition, rental companies grew in both size and number and have allowed contractors to rent machines for longer periods instead of purchasing the equipment. This allows contractors to complete specific job requirements with greater flexibility and cost control.

Construction – competition overview

The construction equipment industry is highly competitive. The Group competes with large global full-line suppliers with a presence in every market and captive distribution networks with a broad range of products that cover most customer needs. Original equipment manufacturers typically market and distribute their products through (independent) distributors which in their turn supply to (independent) dealers or to end-users directly. When supplying directly to the end-user, the distributed equipment can generally be categorized as ‘client-specific’, which means that these types of equipment are not supplied in large quantities. Independent equipment dealers are able to market and distribute the original equipment manufacturers’ products because of their knowledge of local markets and their familiarity with customary business contacts in the region. Equipment dealers may carry products from a single manufacturer, or may carry equipment lines from several manufacturers on an exclusive or non-exclusive basis. When an equipment distributor offers equipment lines from several manufactures, such equipment distributor is usually able to offer a broader range of equipment products to the local market. Independent equipment distributors typically operate under distributor contracts with the original equipment manufacturers and significant connections exist relating to sales and marketing strategies, advertising, financing and product support.

Increasingly, independent equipment dealers are consolidating to form equipment dealership groups. These dealership groups operate on a larger scale, often owning and operating from multiple branch locations across a relatively wide geographic area. By doing so, these dealers are able to improve product offering, expand distribution capabilities, and reduce costs. The Group believes that original equipment manufacturers have benefited from dealership consolidation as larger independent dealership operations are generally more stable and better capitalized and the overall efficiency and effectiveness of the distribution of the manufacturers’ equipment products is improved through dealing with fewer distribution partners.

One of the Group’s main operated brands for heavy construction equipment is Atlas, a German based manufacturer which focuses its business especially on the Western and Northern European countries. Atlas is specialized in manufacturing mobile excavators, material handling and railroad equipment and achieves good market share in its segments due to the focus on niche markets. The Group’s main competitors in the field of heavy construction equipment are among others Pon Equipment B.V. (which operates mainly Caterpillar), Kuiken N.V. (which mainly operates Volvo), Bia B.V. (which mainly operates Komatsu) and Hitachi Construction Machinery (Europe) N.V. (which operates its own brand, also in the light construction equipment industry).

The Group’s main operated brands in the field of light construction equipment are Terex, IHI and Ditch Witch (through Jean Heybroek), which mainly provides compact crawler excavators, wheel excavators and directional drills and pipe bursters. The Group mainly competes with distributers such as Wynmalen & Hausman N.V. and Matermaco S.A. (which both mainly operate Liebherr), RoAd Benelux B.V. (which mainly operates Doosan) and Verhoeven Grondverzetmachines B.V. (which operates mainly Takeuchi).

Material handling equipment market

Material handling – overview

The Group distributes and/or services a wide range of material handling products from Linde, including electrical and diesel or LPG powered forklift trucks, hand pallet trucks, warehouse lifting, stacking, storage, order picking and internal transport equipment and container handlers such as reach trucks or heavy duty trucks for the harbor environment. Materials handling products are used by most manufacturing and distribution companies and for a vast variety of goods. They are present during the entire lifecycle of goods, from manufacturing to distribution, consumption and to disposal.

The main buyers of material handling equipment are active in a wide variety of sectors. All of them operate some sort of warehouse or other logistical facilities. Increasingly, end-users of material handling equipment judge investments in equipment on the basis of total cost of ownership, thereby shifting focus from purchase price to efficiency and quality of the machines. In addition, the European market increasingly makes use of more automated and more integrated systems in order to operate more efficiently. The Group’s customers are mainly focused on industries such as food retail, non-food retail, transport contractors, chemicals, coldstore, food production and waste and recycling.

The global and European material handling equipment market is dependent on global economic developments as investments in warehouses and logistical buildings. The demand for related equipment is driven by global trade levels and general investment climate. In the European Union, the developments in the material handling equipment industry can be measured by production value. Since the outbreak of the financial crisis in

2008, the Group has experienced that the market has been under pressure as production value (including repair and maintenance) shrank. As of 2011, the Group believes that the market experienced growth again.

Material handling – subdivision of markets

Material handling equipment covers a wide range of products and systems. The European Materials Handling Federation has classified the material handling industry into seven categories, being: conveyors for bulk handling, cranes and lifting equipment, elevating equipment, industrial trucks, intralogistic systems, mobile elevating work platforms, and racking and shelving. The most relevant categories to the Group are described below.

- *Industrial trucks:* This important segment of the material handling industry provides for a link between palletizing and logistics equipment, such as trucks-mounted forklift and heavy-duty loading equipment (*e.g.*, container handlers and cranes). A further subdivision in three main segments can be made, with the first two being internal combustion trucks and electric trucks, which both have counter-balance features for handling heavier loads. The third segment covers warehouse trucks, which tend to be smaller, nonpolluting electric powered 'pallet lifter' machines for indoor use. They can be driverless (so-called automated guided vehicles) or pedestrian-propelled manual and semi-manual trucks. Industrial trucks are used in nearly every production process on several levels.
- *Intralogistic systems:* The intralogistic system category entails automation, control and information technologies and integration of several types of material handling equipment into one system. To enable processes in the various value chains to become more efficient, logistical systems are becoming more integrated resulting in more efficient inventory control, waste management and production control through on time delivery.
- *Racking and shelving:* The racking category consists of adjustable pallet racking, drive-in racking, gravity live storage racking and plastic storage containers. Pallet racking is a system designed to store materials on pallets in horizontal rows with multiple levels. It is an essential element in warehouses, manufacturing facilities and distribution and logistics centers.

Material handling – industry trends

Material handling equipment is used for, among others, loading and unloading, linking production steps, moving pallets in logistics centers and transferring containers in ports. This makes the material handling industry largely dependent on global economic growth, capital expenditure levels and expansion projects. The Group believes several trends and industry characteristics have been and are ongoing within the Western European material handling equipment market.

Global demand for material handling is rising

The Group believes that the global sales of material handling products shall increase. Despite its good long-term growth prospects, the industrial truck market is likely to see a moderate growth in 2013. Thereafter, the market is expected to experience a long-term growth path.

The highest growth rates are expected to be reached in emerging markets. The level of capital investment and the growth in global trade is crucial to the level of sales. The Group has seen that due to the current economic downturn, customers tend to delay purchasing new trucks whereas the level of replacement has historically increased during upturns. The Group believes that the Western Europe's ongoing crisis will cause the region's growth prospects to fall.

European demand mainly based on replacement

Mature markets are generating strong demand for trucks to replace old trucks. The Western European material handling market is to a large extent dependent on the replacement market. Around 90% of total annual sales in Western Europe is estimated to come from replacement investments.

Continuous changes in various truck segments

The distribution of forklifts by product type varies significantly across countries and regions. The Group has experienced that the current crisis led to a shift in product type mix with a significant increase of the distribution of warehouse trucks.

In general, the Group sees that emerging markets use more internal combustion trucks and developed or mature regions source more warehouse trucks, while both use electric trucks to varying degrees. It is expected that, due to growth in emerging markets, growth of internal combustion trucks will slightly increase the share of internal combustion trucks and decrease the share of warehouse trucks up to 2017. It is not anticipated that any radical shift will occur in the regional product mix during the coming five-years.

Increase of automated solutions

The Group believes that in the next five year period opportunities will be good for sales of advanced equipment such as automated conveyors and automated guided vehicles. Automated products reduce the required labor input in operating machinery, helping to curtail labor costs. It is also expected that the rising importance of internet-sales will increase demand for automated equipment, as business of customers is increasingly conducted in large, lightly staffed centralized warehouses to store and ship goods.

The Group further sees that pricing is determined by technological advances in the components and subsystems from which they are constructed. Current advanced material handling systems have benefited from next-generation systems, which are characterized by steadily improving levels of performance at comparable or lower costs.

Continuing globalization and technological advances

As a result of continuing globalization, individual steps in value chains are increasingly centralized, causing greater demand for transport services and logistic solutions. As a result of the technology becoming more complex, the Group believes that customers are more likely to outsource service functions for material handling equipment.

Material handling – competition overview

The material handling equipment industry is highly competitive.

Original equipment manufacturers typically market and distribute their products through (independent) distributors which in their turn supply to (independent) dealers or to end-users directly. When supplying directly to the end-user, the Group aims to provide full solutions for the customer, which means that the types of equipment the Group distributes should be complementary to each other. Due to the competitive nature among the several global original equipment manufacturers, distributors generally do not supply material handling equipment of similar nature of two brands at the same time.

In the material handling equipment market several global original equipment manufacturers supply a full line of equipment and (spare- or additional) parts worldwide. The Group competes with large global full-line suppliers present in almost every market with captive distribution networks. The Group operates this market with the Linde brand which is owned and manufactured by the Kion Group. The other major manufacturers of lift trucks in the industry are considered to be Toyota, Kion Group, Jungheinrich, Hyster-Yale Materials Handling, Anhui Heli, Hangcha, Crown Equipment Corp, MCF, UniCarriers Americas and Komatsu by market share. Toyota is generally considered to be the market leader in the material handling equipment industry worldwide, and is also the market leader in North America. Overall, the Group considers Kion Group to be the market leader in Europe.

Industrial Market

The Group identifies the ‘industrial market’ as an overarching principle that can generally be subdivided into the steel construction and manufacturing industry, the personal protective products market and the hydraulic components and systems market.

Steel construction and manufacturing industry

Steel construction and manufacturing – general overview

The Group is active in the steel construction and manufacturing industry as an integrated supplier of intermediate steel products, such as girders, pipes, bars, profiles and sheets, delivering these products to the building and manufacturing industry. Based on customer specifications, the Group mainly supplies Dutch based customers with products which it processed by for example zigzagging, sawing (including mitre sawing), drilling, cutting, blasting or coating the steel.

The Group identifies a wide range of customers in the steel construction and manufacturing industry, varying from construction companies to equipment and machine manufacturers, which are active in various industries.

Reesink Staal has experienced difficult market conditions since 2008. Overall market conditions remain tough and as a result, a repositioning of the activities has been necessary. Continued strong demand from emerging markets for commodities including metallurgical coal, iron ore and scrap metals have driven raw material prices necessary for steel production. As a result, steel prices in Europe have been maintained at relatively high levels since 2008. Meanwhile, due to a continued lack of demand in Europe and fierce competition, the relatively high prices have not been passed on to consumers. As a result, the contribution margin per ton of steel traded has for a considerable period of time been low, and currently still remains low.

The steel trading and handling industries are important adjacent industries for the Group and are connected with the overall conditions of the building and construction sector, a sector which has been experiencing negative economic situations over the past years. The level of new houses being built is low. This is mainly due to the general macroeconomic conditions. In addition, the fact that it is currently generally harder to obtain mortgage financing has negatively influenced the residential construction industry as less home buyers appear to be active in the market. Commercial construction has also declined substantially, mainly due to overinvestments in earlier periods and general economic conditions.

Steel construction and manufacturing – subdivision of markets

The Group identifies a wide range of customers in the steel construction and manufacturing industry. The entire group of customers is diverse, including construction companies and agricultural equipment and machine manufacturers.

Steel construction and manufacturing – industry trends

The Group sees overcapacity in the market and pressure on the prices, however demand for steel for industrial activities remains relatively stable. The Group therefore believes that it is important for the Group to have a distinctive edge. The Group believes it does this by providing all sorts of processing services, extending the steel range, and by making an effort to attract industrial customers. Major trends in Dutch steel and manufacturing industries include the following.

Dependency on the building industry

Businesses active in the steel construction and manufacturing industries are highly dependent on (the trends in) the building industry, more specifically the housing and construction sector. As this sector has been experiencing negative economic conditions since 2009 and the opportunities and potential commercial success in this sector remain limited, the margins for the Group are also experiencing pressure. Moreover, pricing and margins on base products correlate with raw product price levels (which are linked to the price of scrap metals as well as iron ore) which also influence the margins for the Group. The Group believes that value (and margins) can be added through specialized handling of products.

Mortgage financing issues affect the building industry

The Group believes that the discussions within the Dutch parliament regarding mortgage interest deductibility influenced residential construction negatively. In addition, the fact that it is currently generally harder to obtain mortgage financing than in the past negatively influences residential construction as less home buyers appear to be active in the market.

Steel construction and manufacturing – competition overview

Steel processing companies obtain their raw material from raw material producers. There are only a few raw material producers in the steel industry which are substantial in size. These are among others ThyssenKrupp Steel Europe AG, ArcelorMittal, Salzgitter AG (Peiner Träger GmbH), Voestalpine Stahl GmbH, Tata Steel Europe and Dillinger Hutte GTS GmbH & Co.KG. These companies produce raw materials like blooms, billets, slabs, rods and tube rounds which are used by steel processing companies such as Reesink Staal.

The Group competes in the Dutch market as one of the 55 midsized companies processing steel. This makes this market highly competitive. The larger businesses active in the steel processing market, such as Bressers Metaal B.V., MCB Nederland B.V., Van Raak Staal Oss B.V., Geurt-Janssen B.V. and Reesink Staal, offer a wide range of finishes. Some of the steel suppliers have specialized in certain areas with a clear focus on just a few steel products for niche markets. The market of steel processing furthermore consists of among others privately (family) owned businesses such as Douma Staal B.V., Geerstema Staal B.V., B.V. IJzerleeuw, Joseph van de Loo B.V., Felix Philips Staal & Metaal B.V., ODS B.V., Van Raak Staal Oss B.V., Geurts-Janssen B.V. and Vlietjonge B.V. Suppliers of processed steel products are, unlike the steel producers mentioned above, focused on the domestic market. Most of the midsized companies provide their customers with roughly the same products as the Group does. The distinction between the competitors comes with the added value they are able to deliver. Besides adding value by customizing products to client standards and demands, in time delivery is also of great importance. Some of the steel processing companies focus on transport, allowing delivery of steel beams and products up to a length of over 30 meters. Almost all of the midsized steel suppliers are equipped with a versatile delivery program, allowing clients to order up to one day in advance, meaning all of them maintain a substantial amount of products in stock.

Besides competing with processing companies, competition in the steel construction and manufacturing industry also comes from the raw material producers such as Arcelor Mittal Holland II B.V. (with five distribution sites), Deltastaal B.V. (Salzgitter) and ThyssenKrupp Materials Nederland B.V.

Personal protective products industry

Personal protective products – general overview

The Group is active as a distributor and wholesaler of work shoes, work gear and other personal protective products related to health and safety in the Netherlands. These items are used by customers who are active in the construction industry, in industrial settings, and elsewhere such as ports and docks.

The demand for personal protective products is mainly driven by general economic conditions and the overall economic situation in the industries that use personal protective products such as the industrial or construction industry. In addition, rules and regulations regarding safety on the work floor influence the demand for personal protective products.

Personal protective products – subdivision of markets

For the Group, the market of personal protective products is divided in subdivisions in which the Group has products available. The relevant subdivisions, including the main brands that are supplied in these subdivisions, are outlined below:

- *Safety footwear:* This subdivision covers all sorts of safety footwear from brands such as Bata, Bekina, Mammoet and Netco.
- *Safety work wear:* Safety work wear varies from protective helmets to jackets from brands such as ProJob, Craft, Mammoet.
- *Personal protective products:* This subdivision covers protective products such as gloves and safety glasses from brands such as Mapa, MSA.
- *Safety services:* Safety services include training and education via electronic learning in the field of health and safety in the work environment, such as the VGM Box.

Personal protective products – industry trends

The Group sees a trend that governments are increasingly adopting new rules and regulations for safety on the work floor, which could result in the sale of additional personal protective products. However, the Group also sees that the quantitative number of work force using personal protective products and safety wear has been constantly decreasing over the last years. This is mainly caused by the fact that a lot of the Group's customers are wholesalers in the construction and industry segments, which markets continue to experience economic downturn.

Personal protective products – competition overview

Typically, suppliers of personal protective products distribute their products through distributors which in their turn supply to independent wholesalers. The Group's main suppliers for personal protective products are Bata, Craft Functional Wear, ProJob Swedish Workwear and Bekina Safety Boots.

There are only a few competitors for the Group in the Dutch personal protective product distribution market, being Intersafe, Majestic, ALL Shoes and Mascot. Due to the fact that this market experiences economic downturn, the Group believes the total market is decreasing and heavy competition makes it difficult to maintain margins. In addition, there is competition from smaller competitors with products in a lower segment and with lower pricing, for instance from Chinese manufacturers.

Hydraulic components and systems market

Hydraulics – general overview

Since the completion of the Acquisition, the Group is active in the hydraulic components and systems market. The Group offers a wide range of hydraulic components and systems, which vary from solutions from the simplest drives through complete power packs or integrated hydraulic, mechanical or electrical systems to products such as pumps, hydro motors and hydro pumps, valves and drives.

The Group's customers in the hydraulic market are diverse and are active in various industries such as the agricultural, maritime, offshore and mining. The Group also serves customers that are active in the material handling equipment manufacturing industry.

Hydraulics – subdivision of markets

The hydraulic components and systems market can be segmented into the mining and earth moving industry, offshore and marine industry, automotive industry, and the industrial and agricultural industries. The hydraulic solutions and products distributed vary among these industries.

Hydraulics – industry trends

The Group believes that its position in the hydraulic components and systems market allows the Group to provide end-users with solutions and products that meet their specific requirements. Major trends in the Dutch hydraulic solutions and product industry include the following.

Customers are asking for full solutions

One of the main trends the Group sees is that industry demand evolves from a pure hydraulic solution demand to a mechatronic demand (*i.e.*, a combination of hydraulics, mechanics and electronics). As these systems become more complex, more technical expertise is required. As a result, midsize original equipment manufacturers tend to outsource the engineering to a full line components and systems provider and start to focus solely on the functional specifications.

Strict legislation

(Stricter) legislation becomes of more importance for risk management of suppliers active in the hydraulics market. The Group believes that this could drive small suppliers of hydraulic components and parts to merge in order to be able to mitigate these risks properly.

Market consolidation is taking place

The Group believes that the above-mentioned trends have resulted in specialized hydraulic companies merging to combine all different expertise fields needed to become a full-line hydraulic components and systems provider as is requested by the market. These integrated types of companies move from playing one specific role in the value chain to a multidisciplinary role, called system integrators. They are providing full solutions, services and wholesale activities. Therefore they are able to realize relative higher revenues growth and maintain margin levels. Integrators earn these premiums by offering added value with their full solutions, eliminating value chain steps and leveraging wholesale scale advantages in purchasing.

Hydraulics – competition overview

The Group is active as a full-line provider for hydraulic components and systems. The Group's main activities in this industry stretches from calculating, designing, testing and building until the hydraulic solution requested by its customers is created. The Group also provides service packages and maintenance for created hydraulic solutions. The Group maintains a stock of pumps, motors and components from system partners such as Linde Hydraulics, Eaton, Bucher Hydraulics and Völkel Mikro Elektronik in order to be able to deliver hydraulic components and systems quickly.

The key competitors in the hydraulic components and systems market are Rexroth (Bosch Group), Parker Hannifin and Sauer Danfoss. These competitors dominate the hydraulic components and systems market in the relevant areas in which the Group is active with a collective market share of approximately 45%. The market share that is not captured in these three companies is very fragmented, thereby indicating that there might be room for expansion by the Group.

Based on its size and customer profiles, the Group believes it is a mid-market player (within the €5-50 million revenues range). Based on the size of the Netherlands, the Group can be considered as one of the larger players in the Dutch hydraulic components and systems market.

DIY market

Apart from the divisions and industries described above, the Company holds 36% of the issued depositary receipts in THR. THR is a company specialized in the wholesale distribution of DIY products to DIY stores and landscaping retail store chains. THR is the Group's main tenant for the Ecofactorij 20, Apeldoorn (the Netherlands) location.

THR (on behalf of the Company) exploits, together with DGN Retail B.V., the franchise formula Fixet and also provides warehousing activities on behalf of the associated retailers. The largest competing Dutch DIY formulas are named 'Gamma', 'Karwei' (both Intergamma) and 'Praxis' (Maxeda). Together with other DIY formulas such as Formido and Hornbach, these chains consist of megastore formulas. The Fixet formula does not hold a substantial market share in the Netherlands.

The DIY market is strongly connected to the housing market as most customers engage in DIY-projects upon moving. As a result, the condition of the housing market reflects upon the DIY market. Transactions in the housing market have dropped considerably over the past years, therefore the DIY market also has experienced (and is still experiencing) the economic downturn. The Dutch Central Bureau of Statistics reported that during the first seven months of 2013 roughly 55,000 houses were sold, which is approximately 17% less than the same period a year earlier. The production of new houses has also fallen, and the continuous drop of building permits does not indicate a recovery on short term. Therefore, forecasts of the Group and competitors active in the DIY market do not show (major) improvement on short term. According to the Dutch Central Bureau of Statistics, the number of building permits for new owner occupied housing has dropped by more than 75% from roughly 18,000 houses in first quarter of 2008 to 2,900 houses in the first quarter of 2013. Overall average housing prices have dropped by 20% since the spike in prices in 2008. In July 2013, the average price of an owner occupied house is the same as it was in January 2003. The Group further believes that, due to the overall economic conditions (and the uncertainties with regard to the discussions within the Dutch parliament regarding mortgage interest deductibility), potential DIY customers are cancelling or postponing their DIY-projects and investments.

DIVIDENDS AND DIVIDEND POLICY

General

The Company may make distributions to its Shareholders only if its shareholders' equity exceeds the sum of the paid-up and called up part of the share capital plus the reserves required to be maintained by Dutch law. The profit and the distributable reserves are at the disposal of the General Meeting.

The Company may make a distribution of dividends to its Shareholders only after the adoption of its annual accounts demonstrating that such distribution is legally permitted. The Management Board is permitted, subject to certain requirements and approval of the Supervisory Board, to decide to pay interim dividends.

Provisions in the Articles

Subject to the approval of the Supervisory Board, the Management Board is authorized to retain as much profit earned during the most recent financial year as it deems necessary. From the profits remaining, a fixed dividend of 4.5% shall be distributed on the Cumulative Preference Shares A. On the Cumulative Preference Shares B a dividend shall be distributed equal to the average deposit rate of the European Central Bank, plus a maximum mark-up or discount of 4%, weighted by the number of days from which the distribution is paid and calculated for the paid-up portion of the nominal amount of the Cumulative Preference Shares B. The aforementioned dividend percentages of the Preference Shares shall be adjusted for partial capital reductions, new issuances and, with respect to the Cumulative Preference Shares B, a resolution for additional payments. If the profit made in any financial year is not sufficient to distribute the percentage of dividend on the Preference Shares as mentioned, distributions in following years may only be made provided that such shortfall has been redressed.

Any profits remaining after reservation and after dividends have been distributed on the Preference Shares, shall be at the disposal of the General Meeting for distribution to holders of Ordinary Shares, either in full or in part, in proportion to their ownership of Ordinary Shares, or added to the reserves, provided that if possible out of the amount remaining after the reservations and distributions referred to in the previous paragraph at least an amount equal to 5% of the nominal amount of the Ordinary Shares is distributed to the holders of these Ordinary Shares.

Profits are distributed after the adoption by the General Meeting of (i) the annual accounts from which it appears that said distributions are permitted and (ii) a resolution to resolve upon such distribution. Pursuant to the Articles, dividends to Shareholders will be payable within 14 days of the corresponding resolution of the General Meeting.

Dividend Policy Ordinary Shares

Taking into account the Company's growth objectives and the financial resources this requires, the Company's dividend policy in principle involves distribution of 40-55% of the profit placed at the Shareholders' disposal. This is based on shareholders' equity of at least 40% of the Group's balance sheet total. Under certain circumstances, the Company may be willing to distribute a higher percentage. The Company has only distributed cash dividends to date, although it does not rule out providing Shareholders with the option to choose stock dividend in future distributions.

Dividends for Holders of DRs

STAAR shall collect the net dividends and other distributions payable on the Ordinary Shares which it receives in its capacity as Shareholder. Upon receipt, STAAR shall pay out these dividends and distributions to the holders of DRs without any deductions.

Dividend History

The following table sets forth the Company's distribution of dividends relating to the financial years indicated.

Ordinary Shares and DRs

Financial year	Number of (registered) Ordinary Shares and DRs	Dividend in cash (€ per Ordinary Share/DR)
2010	670,948	€7.00
2011	670,948	€6.00
2012	775,691	€-

Cumulative Preference Shares A

Financial year	Number of Cumulative Preference Shares A	Dividend in cash (€ per Cumulative Preference Share A)
2010	260,000	€0.18
2011	260,000	€0.18
2012	260,000	€-

Cumulative Preference Shares B

Financial year	Number of Cumulative Preference Shares B	Dividend in cash (€ per Cumulative Preference Share B)
2010	-	€-
2011	-	€-
2012	-	€-

Taxation on Dividends

Dividend payments made to holders of Ordinary Shares (excluding STAAR) are generally subject to withholding tax in the Netherlands. The Company is responsible for the withholding of dividend withholding tax at source; the dividend withholding tax is for the account of the holder of the Ordinary Shares.

Dividend payments made to holders of DRs are generally subject to withholding tax in the Netherlands. The Company is responsible for the withholding of dividend withholding tax at source; the dividend withholding tax is for the account of the holder of the DRs. See "Taxation – Taxation in the Netherlands – Withholding tax".

Uncollected Dividends

A claim for any declared dividend lapses five years and one day after the date those dividends were released for payment. For a Shareholder or holder of DRs whose place of residence is not in the Netherlands, this period will be increased by the period during which it is unable to collect a dividend to which it is entitled because of war, the immediate danger of war, revolution or comparable extraordinary circumstances. In respect of holders of DRs any dividend that is not collected within this period reverts to STAAR. In respect of Shareholders any dividend that is not collected within this period reverts to the Company.

Financing Facility and (Earn-Out) Loan Agreement

According to the Financing Facility, the Company is only allowed to pay any dividend or other distributions if it provides evidence under the Financing Facility that it complies with certain set ratios for a certain period of time.

The Loan Agreement does not prohibit the Company to directly or indirectly make any cash dividend or other distributions. However, the payment of an extraordinary dividend being any cash dividend or other distributions in excess of an amount which, combined with other dividends paid relating to the same financial year, exceeds 5.5% of the average closing price of DR's on NYSE Alternext Amsterdam during a period of 20 business days immediately preceding the date by reference to which an entitlement to dividend for such financial year has occurred, will lead to an adjustment of the conversion price according to the Loan Agreement.

According to the Earn-Out Loan Agreement, the Company is not allowed to directly or indirectly make any cash dividend or other distributions in excess of an amount which, combined with other dividends paid relating to the same financial year, exceeds 5.5% of the average closing price of DR's on NYSE Alternext Amsterdam during a period of 20 business days immediately preceding the date by reference to which an entitlement is determined for such financial year in case of any Earn-Out payment. Dividend payments in violation with this arrangement will cause the Earn-Out Loan Agreement, together with accrued interest thereon and all other amounts accrued or due under the Earn-Out Loan Agreement to become immediately due and payable upon payment of the dividend.

OPERATING AND FINANCIAL REVIEW

The following discussion and analysis should be read in conjunction with the rest of this Prospectus, including the information set forth in "Selected Historical Financial Information" and the Group's audited consolidated financial statements and the accompanying notes, and the Group's unaudited consolidated condensed interim financial information, which are incorporated by reference in this Prospectus.

For a discussion of the presentation of the Group's historical financial information included or incorporated by reference in this Prospectus, see "Important Information – Presentation of Financial and Other Information". Except as otherwise stated, this Operating and Financial Review is based on the consolidated financial statements and unaudited consolidated condensed interim financial information of the Group prepared in accordance with Dutch GAAP.

The unaudited consolidated condensed interim financial information of the Group for the six-month periods ended 30 June 2013 and 30 June 2012 as well as the Group's audited consolidated financial statements for each of the years ended 31 December 2012, 31 December 2011 and 31 December 2010 are included in this Prospectus by reference, see "Documents Incorporated by Reference".

Overview

The Group believes it is a leading distributor of strong brands and strong concepts in the equipment industry in the Netherlands, Belgium and parts of Germany. The Group is active in the agricultural, turf care, landscape maintenance (including golf course maintenance) and construction (including earth-moving) equipment industries. Since the Acquisition, the Group believes it is also a leading distributor in the material handling equipment industry. To a lesser extent, the Group distributes cleaning equipment.

The Group distributes equipment to end-users through independent dealers, through dealers in which the Group holds an equity interest and directly to end-users. The Group promotes cross-selling between its different business segments as the equipment segments in which it is active are adjacent. For instance, a customer interested in agricultural equipment such as tractors may also be interested in earth-moving equipment sold in the construction segment such as wheel loaders or forklift trucks sold in the material handling segment. As part of its strategy, the Group is expanding these cross-selling opportunities with a view to becoming a major full line equipment distributor of strong brands and strong concepts in the relevant markets, see "Business – Strategy". The Group conducts promotional and marketing activities on national, regional and local levels. The Group has rental concepts for construction and material handling equipment and is in the process of expanding its rental concepts to its green equipment segment.

The Group believes it has a strong presence with strong concepts in the Dutch steel products industries. Furthermore, it believes it is a leading distributor of personal protective products in the Netherlands. Since the Acquisition, the Group believes it has a sizeable presence in the hydraulics components and systems markets in the Netherlands, Belgium and Germany, meaning that it also provides engineering of hydraulic solutions for machinery. In its steel business segment, the Group believes it differentiates itself by adding value to and processing the steel products it distributes with a view to becoming an integrated part of its end-users' production processes. The Group distributes its industrial products either directly to end-users or, in the case of the personal protective products, through an extensive network of independent wholesalers.

In addition to the activities described above, the Group provides a full range of (after-sales) services to its customers in all segments.

The Group's pro forma combined annual revenues over 2012 and the pro forma combined revenues over the first half of 2013 (unaudited), which illustrates the impact of the Acquisition as if it occurred at the start of 1 January 2012, was approximately €403 million, respectively €222 million, see "Pro Forma Financial Information". The Group's annual revenues over 2012 was approximately €185 million (2011: €173 million, 2010: €189 million), and over the first half of 2013 €112 million.

The Group mainly operates in the Netherlands, Belgium and Germany. In 2012, approximately €141 million, or 76% of the Group's revenues were generated in the Netherlands (2011: €141 million respectively 81%; 2010: €160 million respectively 84%), €36 million, or 20% in Belgium (2011: €25 million respectively 14%; 2010: €23 million respectively 12%) and €8 million, or 4% in Germany (2011: €7 million respectively 4%; 2010: €6 million respectively 3%). The Company believes that the Group's presence in Belgium and Germany has been strengthened by the Acquisition.

The Group's operations are divided among two functional divisions:

- *Reesink Equipment* – In this division, the relevant Group Distributor operates as a distributor of machinery for agriculture, turf care, landscape maintenance and construction equipment. Since the Acquisition, the Reesink Equipment division is also a distributor of material handling equipment. The businesses in this division also distribute cleaning equipment. The Group sources new equipment from original equipment manufacturers.

Where the Group operates without dealers, it generally sources used equipment from its end-users and occasionally from third parties. The Group also obtains used equipment in the context of trade-ins of the equipment it rented out. The Group's products are mainly supplied to farmers, agricultural contractors, landscape contractors, (operators of) golf courses, municipal authorities, governments, water boards, forestry services and a wide variety of companies, all of which operate some sort of warehouse or other logistical facilities. The Group nearly exclusively focuses on the distribution of strong brands and strong concepts. According to the Group's annual revenues over 2012, approximately €137 million respectively 74% of the Group's revenues was generated in the Reesink Equipment division (2011: €111 million respectively 64%; 2010: €85 million respectively 45%), and over the first half of 2013 €93 million respectively 84%. Reesink Equipment consists of three different segments:

- *Reesink Green Equipment*: Kamps de Wild, Reesink Technische Handel, Stierman, Packo Agri, Packo & Heybroek and Jean Heybroek operate as distributors and the Group Dealers operate as dealers of products related to agricultural, turf care and landscape maintenance. Jean Heybroek also has a minor position in the cleaning equipment industries. Reesink Green Equipment carries brands such as Claas, Kuhn, Toro, Amazone, Kaweco and Rauch.
- *Reesink Construction Equipment*: The Kemp Group and Hans van Driel operate as distributors of construction equipment, including earth-moving, transshipment, industrial and railroad equipment. The Reesink Construction Equipment segment has a rental concept "Huur & Stuur" that allows customers to rent construction equipment for a short period of time. Reesink Construction Equipment carries brands such as Atlas, Terex, IHI and Kato. Furthermore, the Reesink Construction Equipment segment distributes underground construction products of the Ditch Witch brand from the locations in De Meern (the Netherlands) and Hamme (Belgium).
- *Reesink Material Handling Equipment*: This is a new segment of the Group that was established as a result of the Acquisition. This segment focuses on an installed base model (*i.e.*, machinery for which the Group can provide services and components apart from just distributing equipment). Motrac Intern Transport, Motrac Handling & Cleaning, and Pelzer Fördertechnik operate as distributors of material handling equipment. The Reesink Material Handling Equipment focus industries are food retail, non-food retail, transport contractors, chemicals, coldstore, food production and waste and recycling. Motrac Handling & Cleaning and Pelzer Fördertechnik also operate as distributors of cleaning equipment (opportunistically). The Reesink Material Handling Equipment segment carries brands such as Linde and Tennant.
- *Reesink Industries* – Within the Reesink Industries division, Reesink Staal and Safety Centre International operate as supplier of (processed) steel products, respectively as distributor of personal protective products related to the construction industry, equipment manufacturers, system manufacturers, technical wholesalers and the agricultural industry. Since the Acquisition, the Group is also active in the hydraulics components and systems industry through Motrac Hydraulics (Motrac Hydrauliek for the Netherlands and Belgium and Motrac Hydraulik for Germany). The Group focuses on carrying strong concepts in the steel products industry and on the distribution of strong brands in the personal protective products industry and hydraulics components and systems industry. According to the Group's annual revenues over 2012, approximately €48 million respectively 26% of the Group's revenues was generated in the Reesink Industries division (2011: €58 million respectively 33%; 2010: €57 million respectively 30%) and for the first half of 2013 €18 million respectively 17%.

The Company acts as a holding company and focuses on the management of the Group. The Operating Companies are largely responsible for developing their own strategy, incentivized by and with the support of the Company. The Group's headquarters are located in Apeldoorn (the Netherlands).

Material Factors Affecting Results of Operations

The Company believes that the following factors have contributed significantly to the development of its business and results of operations. It believes that they will continue to have a significant effect thereon in the future.

Commodity and agricultural products prices and weather conditions

The Group distributes, among other activities, equipment and (processed) steel products either to end-users through (independent) dealers or to end-users directly and it provides a variety of related (after-sales) services. Many of the end-users of the products distributed by the Group are directly or indirectly affected by fluctuations in commodity prices (*e.g.*, steel) and agricultural products prices (*e.g.*, milk and corn), often as a result of weather conditions. Consequently, the demand for the Group's products is also indirectly or directly affected by fluctuations in those prices and weather conditions.

The Group believes that 2012 was a good year for crop farmers, who according to estimates from the Dutch Agricultural Economics Institute (LEI Wageningen UR) saw their average income rise in 2012 to the same record levels as in 2010. Prices of all vegetable raw materials on the global market increased sharply due to the extreme drought in the United States. Dairy farmers saw their income decline in 2012 after two years of increases. Farmers are likely to reflect back on 2011 as a mediocre year, marked by major income disparities between agricultural and turf care companies due to a difference in crop revenues and price developments. 2011 was a strong year for dairy farmers, resulting in higher milk prices and higher proceeds for calves and fat stock compared to 2010. One point of concern was the substantial price increase in feed concentrate and fertilizer in 2011 compared to 2010. The other segments of cattle farming, including pig farming and goat farming, were faced with challenges in 2011, with revenues falling behind. The spring of 2011 was exceptionally dry, followed by excessive rainfall during the summer months in the Netherlands. As a result, consumption potatoes and onions, in particular, grew so abundantly that this created a surplus leading to record-low prices. Consequently, revenues in crop farming were substantially lower than in 2010.

Over the last years (2010-2012) steel prices remained high, despite significantly lower sales volumes resulting in lower gross margins for Reesink Industries. The steel prices remained high as a result of a consistent high demand for raw materials used in steelmaking – including iron core and scrap – in emerging markets.

Economic crisis

The credit crisis that began in the summer of 2008 and the ensuing economic recession have, among other things, negatively affected the Groups' revenues and margins and the value of its real estate. In an economic downturn, the customers of the Group spend less on the Group's products and services. This applies to a certain extent to all of the sectors and countries in which the Group is active.

The current economic downturn has especially negatively affected the building industry and thereby the related construction and industrial industry. The Dutch building industry is experiencing a prolonged economic down cycle as a result of the macro-economic environment, which negatively impacts sales of steel products and construction equipment. The effect of the current economic turmoil on the Group's markets may lead to a delay in or a cancellation of orders. Unemployment, the lack of consumer trust and the (reduced) availability of residential mortgage financing or credit and funds in general have impaired, and may continue to impair, consumers to purchase homes. The low sales volume of homes in the Netherlands has lead and may continue to lead to development projects – and more importantly related infrastructure projects – being postponed or cancelled.

The poor economic conditions in Europe have impacted, and continue to affect, government budgets, which may also be a threat to the continuation of certain public investments that have historically benefited the Group's business, in particular in the Dutch construction, agriculture, turf care and landscaping markets. Continued reductions in government budgets are likely to have an adverse impact on the Group's business, results of operations, financial condition and prospects as the Group generates revenues from the ability to sell and rent equipment to governmental entities.

During periods of economic downturn, the Group has also experienced additional difficulties maintaining favorable pricing and payment terms and certain customers are taking longer to pay the Group's invoices. A decreased demand for the products sold by the Group has led to competitors competing more heavily to provide their own products to the same customers, which has put additional pressure on prices.

The economic crisis has had and continues to have an adverse effect on the valuation of real estate over the years commencing in 2011. Especially the Group's investment property has been influenced negatively by fair value adjustments and a downwards adjustment of the rent of the Ecofactorij 20 in Apeldoorn (the Netherlands) as agreed with THR. Those fair value adjustments have a direct impact on the Group's profit and loss account ('non-realized fair value adjustments of investment property'). Land and buildings for the Group's own use were also negatively influenced by the poor economic conditions, but to a lesser extent. The fair value adjustments related to land and buildings used by the Group do not influence the Group's profit and loss account unless the relevant revaluation reserve (in equity) had been fully utilized in the past.

Acquisitions and divestments

Over the past years, the Group has expanded its business through organic growth and through acquisitions. The Group intends to continue its acquisition activities. Acquisitions and divestments influence the Group's results of operations. Furthermore, acquisitions increase the Group's finance expenses to the extent they are financed through debt.

During 2010, the acquisition of Jean Heybroek impacted the results of operations as of the effective date of the transaction (9 July 2010). In addition, as of 1 October 2011, Bruggeman Mechanisatie became part of the Group's scope of consolidation. In 2012, the acquisition of the Kemp Group influenced the results of operations as of the effective date of the transaction (8 May 2012). Finally, the results of operations in the first half of 2013 were affected by the acquisition of Hans van Driel on 28 January 2013.

On 17 February 2011, the Group transferred its DIY-activities to THR, a wholesaler in DIY-products and professional construction materials resulting in deconsolidation of those activities as from that date.

Since the Group's results of operations are affected by several acquisitions and divestments, the (financial) information mentioned in the comparisons below also include organic figures which represent the Group's performance including the acquisitions as from the second year after the acquisition (but only to the extent reliable financial information is available) and excluding the divestments. The organic figures do not include the performance of acquired companies in the year of acquisition. These figures are unaudited.

Exceptional items

The Group's performance over the recent years is influenced by exceptional items. The Group's results were positively impacted in 2010, 2011 and 2012 by €0.6 million (settlement non-compete violation), €2.3 million (settlement Municipality of Apeldoorn) and €0.2 million respectively, and negatively impacted in 2012 as a result of costs associated with the restructuring of the steel business (€0.4 million).

Seasonality

The Group's net revenues and operating income are subject to seasonal fluctuations as a result of weather conditions and crop season. Seasonal fluctuations primarily influence Reesink Equipment, normally resulting in weaker results in the second half of the year compared to the first half of the same year.

Organizational Structure and Segmentation

The Company is a holding company and focuses on the management of the Group. The Group has a functional organizational structure with two divisions, being Reesink Equipment and Reesink Industries. The Reesink Equipment division is subdivided into the three segments, being Reesink Green Equipment, Reesink Construction Equipment and Reesink Material Handling Equipment. The former green and industrial divisions were redefined into the Reesink Equipment and Reesink Industries divisions as of 2013.

The Operating Companies may all be found within this functional organizational structure. In addition, several Group Companies provide additional (supporting) services within the Group (e.g., Reesink Support B.V. provides shared services to certain Group Companies such as administration, human resources, IT, personnel, control and finance).

The Group's divisions are accounted for in a manner consistent with Dutch GAAP. Segment information under Dutch GAAP is limited to net revenues. Accordingly, the comparative discussions in this chapter Operating and Financial Review are limited to the contribution to Group net revenue by Reesink Equipment and Reesink Industries, and, for the year-to-year comparisons, by the various geographical areas in which the Group is active.

Description of Line Items

Set forth below is a brief description of the composition of the line items of the Group's consolidated income statement. This description must be read in conjunction with the significant accounting policies elsewhere in this chapter and in the annual accounts of the financial years 2012, 2011 and 2010.

Net revenue: This line item includes net revenues derived from the sale of goods and service (*i.e*,. sale of equipment and parts, sale of steel (processing), servicing and rental income) taking into account payment discounts, trade discounts and volume discounts.

Cost of sales: This line item includes the cost of sales related to the cost of goods and services sold and also includes the cost of personnel and other direct costs related to the purchase, servicing and warehousing of the goods and services sold.

Gross operating income: This line item consists of net revenues minus cost of sales.

Selling expenses: This line item includes expenses related to the selling function and represents the cost of *e.g.*, sales employees, account management, company cars and cost of the related back office.

Administrative expenses: This line item includes expenses relates to general and administrative expenses.

Exceptional items: This line item includes income or expenses that arise from the restructuring of activities or the settlement of claims. These events or transactions are clearly distinguishable from the ordinary operating activities of the Group and have a highly incidental character and are therefore not expected to recur frequently or regularly.

Total expenses: This line item represents selling and administrative costs as well as exceptional items as mentioned above.

Net operating income: This line item consists of gross operating income minus total expenses as mentioned above.

Other operating income: This line item mainly represents income generated from the rent of Ecofactorij 20 in Apeldoorn (the Netherlands) to THR.

Operating result: This line item consists of net operating income and other operating income as mentioned above.

Revenues from receivables included in fixed assets and from securities: This line item includes revenues related to receivables as included in fixed assets and from securities such as dividend income derived from the Group's participating interest in VIBA.

Income from financing activities and similar income: This line item includes interest income and mainly represents interest income from current receivables.

Changes in the value of receivables included in fixed assets, and of securities: This line item includes impairments of receivables and of securities such as the impairment of the loan provided to THR.

Expenses relating to financing activities and similar charges: This line item includes interest charges related to financing facilities. This line item also includes the amortization costs of the financing facilities' related transaction costs.

Non-realized fair value adjustments of investment property: This line item includes the fair value adjustments of investment property owned by the Group.

Taxation of results from ordinary activities: This line item includes taxes on results from ordinary activities in a particular year and comprises current and deferred taxes.

Share in results from participating interests: This line item represents the Group's share in the profits or losses of its participating interests in THR (including impairment), De Kruyf Mechanisatie, De Vries Mechanisatie and Fixet Valkenswaard B.V.

Results after taxation: This line item consists of results from ordinary activities before taxation minus taxation of results from ordinary activities minus share in results from participating interests as mentioned above.

Minority interest in profit: This line item represents the third-party minority interest of 25% in the net results of Bruggeman Mechanisatie.

Net results: This line item consists of the results after taxation minus the minority interest in profit as mentioned above.

Consolidated income statement
(x €1,000, except for weighted average number of Ordinary Shares)

	Half year ended 30 June 2013 unaudited	% of net revenue	Half year ended 30 June 2012 unaudited	% of net revenue	Year ended 31 December 2012 audited	% of net revenue	Year ended 31 December 2011 audited	% of net revenue	Year ended 31 December 2010 audited	% of revenue
Net revenues	111,546	100.0	110,537	100.0	185,222	100.0	173,364	100.0	189,658	100.0
Cost of sales	-96,148	-86.2	-95,638	-86.5	-162,595	-87.8	-152,678	-88.1	-165,229	-87.1
Gross operating income	**15,398**	**13.8**	**14,899**	**13.5**	**22,627**	**12.2**	**20,686**	**11.9**	**24,429**	**12.9**
Selling expenses	5,667	5.1	5,069	4.6	9,292	5.0	8,987	5.2	9,150	4.8
Administrative expenses	4,837	4.3	4,336	3.9	8,717	4.7	6,504	3.8	9,060	4.8
Exceptional items	–	–	–	–	229	0.1	-2,300	-1.3	-630	-0.3
Total expenses	**10,504**	**9.4**	**9,406**	**8.5**	**18,238**	**9.8**	**13,191**	**7.6**	**17,580**	**9.3**
Net operating income	**4,894**	**4.4**	**5,493**	**5.0**	**4,389**	**2.4**	**7,495**	**4.3**	**6,849**	**3.6**
Other operating income	883	0.8	1,107	1.0	2,315	1.2	2,043	1.2	147	0.1
Operating results	**5,777**	**5.2**	**6,600**	**6.0**	**6,704**	**3.6**	**9,538**	**5.5**	**6,996**	**3.7**
Revenues from receivables included in fixed assets, and from securities	–	–	182	0.2	182	0.1	132	0.1	–	–
Income from financing activities and similar income	55	0.0	123	0.1	343	0.2	149	0.1	295	0.2
Changes in the value of receivables included in fixed assets and of securities	–	–	–	–	-3,215	-1.7	–	–	-46	-0.0
Expenses relating to financing activities and similar charges	-734	-0.7	-518	-0.5	-905	-0.5	-543	-0.3	-443	-0.2
Non-realized fair value adjustments of investment property	–	–	–	–	-2,878	-1.6	-246	-0.1	1,111	0.6
Results from ordinary activities before taxation	**5,098**	**4.6**	**6,387**	**5.8**	**231**	**0.1**	**9,030**	**5.2**	**7,913**	**4.2**
Taxation of results from ordinary activities	-1,442	-1.3	-1,737	-1.6	-626	-0.3	-2,235	-1.3	-2,057	-1.1
Share in results from participating interests	–	–	-746	-0.7	-3,922	-2.1	-1,300	-0.7	–	–
Results after taxation	**3,656**	**3.3**	**3,904**	**3.5**	**-4,317**	**-2.3**	**5,495**	**3.2**	**5,856**	**3.1**
Minority interest in profit	-35	-0.0	-32	-0.0	-14	-0.0	68	0.0	–	–
Net results	**3,621**	**3.2**	**3,872**	**3.5**	**-4,331**	**-2.3**	**5,563**	**3.2**	**5,856**	**3.1**
Weighted average number of Ordinary Shares										
Basic	827,743		680,989		704,022		670,948		670,948	
Fully diluted	846,214		680,989		714,842		670,948		670,948	
Net income per Ordinary Share										
Basic (in €)	4.35		5.65		-6.22		8.22		8.66	
Fully diluted (in €)	4.25		5.65		-6.12		8.22		8.66	

Comparison Results of Operations for the Six-Month Periods Ended 30 June 2013 and 30 June 2012

The Group's consolidated results of operations in the six-month period ended 30 June 2013 compared to the six month period ended 30 June 2012 are discussed below.

Net revenues

Consolidated net revenues for the first half of 2013 were €111.5 million, an increase of €1.0 million or 0.9% compared to €110.5 million in the first half of 2012. Organic net revenues fell by €6.4 million (unaudited).

The following table illustrates how net revenues of the equipment and industrial divisions contributed to the Group's results in the first half of 2013 and the first half of 2012.

Net revenues by divisions (x €1,000)	**Half year ended 30 June 2013**	**% of net revenue**	**Half year ended 30 June 2012**	**% of net revenue**
Reesink Equipment	93,178	83.5	83,236	75.3
Reesink Industries	18,368	16.5	27,301	24.7
	111,546	100.0	110,537	100.0

Reesink Equipment's net revenues increased by €10.0 million or 12.0% to €93.2 million compared to €83.2 million in the first half of 2012. Reesink Equipment's organic net revenues decreased by €6.4 million (unaudited) due to poor economic conditions and unfavorable weather conditions. For the determination of organic net revenue, the net revenues of the Kemp Group (consolidated since May 2012) were included for the first six months of 2012. The net revenues of Hans van Driel (consolidated since February 2013) were not included. The year 2013 was off to a slow start due to the long winter and cold spring. An additional factor was reluctance among dairy farmers to invest, resulting in lower sales of machines for hay making and feed generation and lower tractor sales. Reduced government spending in the biogas market also had an adverse effect. Sales of earth-moving equipment in the Netherlands were weak, but this was offset by growth in Belgium and the Group's rental concept Huur & Stuur.

Reesink Industries' net revenues fell from €27.3 million during the first half of 2012 to €18.4 million in the first half of 2013. This decline was due to the restructuring of the steel business in the second half of 2012 and the disposal of Stalutech Benelux B.V. in June 2012. Due to the concentration of the Group's steel business in Zutphen, net revenues at Reesink Staal increased while there was a considerable reduction in the total tonnage of the steel business. Sales of personal protective products decreased and demand, including replacement demand, for items such as safety shoes was in line with the overall economic trends (*i.e.*, decline in volume in the building industry and overall unemployment).

Gross operating income

In the first half of 2013, gross operating income rose by €0.5 million to €15.4 million, representing an increase of 3.4%. Organic gross operating income fell by 10% (unaudited). Reesink Equipment's gross operating income increased by €1.0 million or 7.2%, while organic gross operating income fell by 8.7% (unaudited). Reesink Industries' gross operating income fell by €0.5 million or 34.7%, representing an organic decrease of 25.6% (unaudited).

Selling expenses

Selling expenses increased from €5.1 million in the first half of 2012 to €5.7 million in the first half of 2013. The increase of 11.8% was mainly the result of the acquisition of Hans van Driel in 2013 and the first full six months contribution of the Kemp Group. The concentration of the Group's steel business in Zutphen and the disposal of Stalutech Benelux B.V. resulted in reduced costs.

Administrative expenses

In the first half of 2013, administrative expenses rose by €0.5 million to €4.8 million, representing an increase of 11.6%. Comparable to the selling expenses, the increase in administrative expenses was mainly the result of the acquisition of Hans van Driel in 2013 and the first full six months contribution of the Kemp Group. The concentration of the Group's steel business in Zutphen and the disposal of Stalutech Benelux B.V. resulted in reduced costs.

Other operating income

In the first half of 2013, the Group generated €0.9 million in other operating income. This represented external rental income. The €0.2 million decline compared to the first half of 2012 was entirely due to the rent reduction agreed with THR effective 1 January 2013.

Operating results

EBITDA decreased on average by €0.3 million or 3.9% to €7.3 million in the first half of 2013 (unaudited, see "Important Information – Presentation of Financial and Other Information – Non-Dutch GAAP information" for a description of EBITDA). The Kemp Group's depreciation charges were high due to its rental fleet. For the first six months of 2013, €0.7 million in depreciation of the rental fleet was included in the Group's consolidation, versus €0.2 million for the months May and June in 2012. As a result of this and other factors, operating results (EBIT) decreased by €0.8 million to €5.8 million compared to the same period in 2012.

Revenues from receivables included in financial fixed assets and from securities

In 2013 no dividend was (and will be) distributed by VIBA resulting in a €0.2 million lower revenue from securities compared to the first half of 2012.

Income and expenses from financing activities and similar income and charges

The balance of financing income and expenses and similar income and charges rose by €0.3 million in the first half of 2013 compared to the first half of 2012. Financing expenses increased mainly due to higher credit levels. The acquisition of the Kemp Group, in particular, resulted in higher credit levels. The refinancing costs are being amortized over a three-year period.

Non-realized fair value adjustments of investment property

Investment property is, in accordance with Dutch GAAP as applied, appraised on an annual basis only. Therefore, no non-realized fair value adjustments are recognized during the first half of 2013 and 2012.

Taxation of results from ordinary activities

The weighted average applicable tax rate in the first half of 2013 was 28.3% versus 27.2% in the first half of 2012. The increase was a direct result of the Group's further geographical expansion in Belgium where a higher tax rate is applicable than in the Netherlands.

Share in results from participating interests

The share in results from participating interests in the first half of 2013 was €0.0 million against a loss of €0.8 million in the first half of 2012. The loss in 2012 was entirely due to the negative performance of THR in that period.

Minority interest in profit

The minority interest in profit represents the third-party minority interest of 25% in the net results of Bruggeman Mechanisatie. The net results of Bruggeman Mechanisatie in the first half of 2013 were almost equal to the net results in the first half of 2012 (€ 0.1 million).

Net results

The Group's net results were €3.6 million, a decline of €0.3 million compared to the first half of 2012. In 2012, the Group's net results were affected by the negative performance of THR. Taking this into account the results from ordinary activities after taxation declined from €4.7 million in the first half of 2012 to €3.7 million in the first half of 2013. This decline was mainly driven by prolonged poor economic conditions and investment reluctance which was only partly offset by the acquisition of the Kemp Group and the concentration of the Group's steel business in Zutphen (the Netherlands).

Comparison Results of Operations for the Years Ended 31 December 2012 and 31 December 2011

The Group's consolidated results of operations for the year ended 31 December 2012 compared to the year ended 31 December 2011 are discussed below.

Net revenues

In 2012, the Group generated net revenues of €185.2 million, an increase of €11.8 million or 6.84% compared to €173.3 million in 2011. The increase was mainly caused by the acquisition on 8 May 2012 of the Kemp Group. The Kemp Group generated €18.8 million in net revenues for the Group after the acquisition.

Without the contribution of the Kemp Group, organic net revenues in the Reesink Equipment division grew by €7.8 million (unaudited) although this was offset by a €9.7 million (unaudited) decline in net revenues in Reesink Industries. The Group's total organic net revenues therefore decreased by €1.9 million, representing a decrease of 1% compared to 2011 (unaudited).

The following table illustrates how net revenues of the equipment and industrial divisions and geographic areas contributed to the Group's results in 2012 and 2011.

Net revenues by divisions (x €1,000)	**Year ended 31 December 2012**	**% of net revenue**	**Year ended 31 December 2011**	**% of net revenue**
Reesink Equipment	137,173	74.1	110,587	63.8
Reesink Industries	48,049	25.9	57,719	33.3
Former DIY division	-	0.0	5,058	2.9
	185,222	100.0	173,364	100.0

Net revenues by geographic area (x €1,000)	**Year ended 31 December 2012**	**% of net revenue**	**Year ended 31 December 2011**	**% of net revenue**
The Netherlands	140,667	75.9	140,632	81.1
Belgium	36,073	19.5	24,956	14.4
Germany	7,708	4.2	7,109	4.1
Other European Union	564	0.3	658	0.4
Non-European Union	210	0.1	9	0.0
	185,222	100.0	173,364	100.0

Net revenues in Reesink Equipment increased by €26.6 million to €137.2 million in 2012. Operating Companies focusing on the agricultural industry increased their net revenues by €9.6 million. Forward integration in the distribution chain and the expansion of the dealer network initiated in 2011 had increased Kamps de Wild's net revenues in 2012. Belgian-based Packo Agri also saw its net revenues rise substantially in 2012 as a result of a large number of orders that were commissioned at the bi-annual Agribex trade fair at the end of 2011. In addition, the high grain prices translated into increased sales of ploughs by Packo Agri. Despite an increase in market share, Reesink Technische Handel's net revenues decreased slightly in 2012 due to the negative market conditions in the Netherlands. Income from turf care and landscape maintenance declined by €1.8 million in 2012 compared to 2011. Even though Packo & Heybroek and Stierman performed according to expectations, it was Jean Heybroek that was affected by the decline in this industry due to government measures. As a result thereof there are fewer funds available for the maintenance of public parks and recreational areas. In addition, reduced utilization of golf courses caused net revenues from golf courses to decline, which has a negative impacted on the investment appetite in this industry. It should be noted that Jean Heybroek received the largest order in its history in 2011, which is the main driver for the decline in its net revenues in 2012. Net revenues of the Kemp Group for the full year 2012 were higher than for 2011, driven in particular by increased activities of its rental concept Huur & Stuur and increased sales in Belgium.

In 2012, Reesink Industries was faced with further deteriorating markets. This not only affected the steel business but also Safety Centre International, which saw its net revenues decline slightly as a result of lower sales of personal protective products. Although sales prices per ton of the rolled steel products remained high in 2012, sales in tonnage again showed a steep decline. The market shift to customers in the industrial segment has had a positive effect, but it could not sufficiently compensate for the decline in sales in tonnage to construction-related customers. At the same time, the number of 'high-volume customers' decreased since the steel business was transferred to Zutphen (the Netherlands) in 2012.

Gross operating income

Consolidated gross operating income increased by €1.9 million to €22.6 million, while organic gross operating income (without the contribution of the Kemp Group) fell by 0.8% (unaudited). Gross operating income expressed as a percentage of total net revenues increased from 11.9% to 12.2%.

Organic gross operating income in Reesink Equipment was 7% higher compared to 2011 (unaudited). Margins on sales in the Reesink Equipment division increased marginally. Costs allocated to the cost of sales decreased organically by nearly 5% (unaudited).

Gross operating income in the Reesink Industries division fell by 50% compared to 2011. The 13% savings on costs allocated to the cost of sales was insufficient to compensate for the significant decrease in margins and substantial decline in tonnage at the steel companies. Gross operating income from personal protection products was significantly lower, while the margins on sales of personal protection products fell slightly.

Selling expenses

Selling expenses increased from €9.0 million in 2011 to €9.3 million in 2012. Selling expenses of Reesink Equipment increased by €0.8 million in 2012 compared to 2011. This increase was mainly caused by the integration of the Kemp Group, the further launch and structuring of the Packo & Heybroek sales organization and the first full year of dealer participation in Bruggeman Mechanisatie (75%). Selling expenses at the other

Operating Companies remained virtually stable. Selling expenses of Reesink Industries fell by €0.3 million in 2012 compared to 2011. The year 2011 still included €0.2 in selling expenses relating to the former DIY division.

Administrative expenses

Administrative expenses increased from €6.5 million in 2011 to €8.7 million in 2012. The increase in administrative expenses in the Reesink Equipment division was €1.6 million as a result of the integration of the Kemp Group, the organization of Packo & Heybroek and the first full year of dealer participation. Administrative expenses in the Reesink Industries division were €0.1 million lower in 2012, while costs at Reesink Support B.V. and the Company increased by €0.8 million overall.

Exceptional items

Exceptional items for 2012 resulted in expenses of €0.2 million versus €2.3 million in income in 2011. In 2012, two minor lawsuits were settled which led to €0.2 million in compensation for the Group from its counterparties. Costs associated with the restructuring of the steel business (€0.4 million) were recognized as an exceptional item in 2012.

Other operating income

In 2012, the Group generated €2.3 million in other operating income, €2.1 million represented external rental income (compared to €2.0 million in 2011) and €0.2 million consisted of a management fee charged to THR.

Operating results

EBITDA – excluding exceptional items – increased slightly by 6.7% from €8.6 million to €9.2 million (unaudited, see "Important Information – Presentation of Financial and Other Information – Non-Dutch GAAP information" for a description of EBITDA). Operating results (EBIT) – excluding exceptional items – fell slightly by 4.2% from €7.2 million to €6.9 million. Including exceptional items, operating results decreased sharply by 29.7% from €9.5 million to €6.7 million. Operating results in the Reesink Equipment division increased in 2012. During their first year, the Kemp Group and Packo & Heybroek contributed significantly to the Group's operating results. The lower net revenues generated by Reesink Technische Handel and the remainder of Jean Heybroek on the other hand translated into lower operating results for these companies. In the Reesink Industries division, Safety Centre International's operating results were equal to 2011. However, the steel business operated at a loss.

Revenues from receivables included in fixed assets and from securities

The Group received €0.2 million in dividend from its participating interest in VIBA compared to €0.1 million in 2011.

Income and expenses from financing activities and similar income and charges

The balance of financing income and expenses and similar income and charges fell by €0.2 million in 2012 compared to 2011. Financing expenses increased mainly due to the higher credit levels. The acquisition of the Kemp Group in particular resulted in higher credit levels. The refinancing costs are being amortized over a three-year period.

Changes in the value of receivables included in fixed assets and of securities

In 2012, the value of the loans provided by the Group to THR were written down in full for an amount of €3.2 million. In 2012, there were no changes in the value of receivables compared to 2011.

Non-realized fair value adjustments of investment property

The write-down of investment property in 2012 amounted to €2.9 million versus €0.2 million in 2011. €2.3 million of this substantial write-down related to the distribution center at Ecofactorij 20 in Apeldoorn (the Netherlands) which is leased to THR. Other properties on which the Group took write-downs included the land at De Kar (€0.4 million) located in Apeldoorn (the Netherlands).

Taxation of results from ordinary activities

The weighted average applicable tax rate in 2012 was 25.0% versus 25.0% in 2011. In 2012, the Group realized a modest profit before tax (€0.2 million). A portion of the impairment and guarantee by THR are treated as non-deductible costs which resulted in a higher tax burden in 2012 compared to 2011. In addition, the further geographical expansion to Belgium increased taxation in 2012.

Share in results from participating interests

The share in results from participating interests was €-3.9 million in 2012, mostly as a result of the negative performance of THR. The Group's share in THR's loss for 2012 was €2.2 million. The decline in investment value of the participation in THR to nil resulted in the Group taking on additional expenses of €1.7 million.

Minority interest in profit

The minority interest in profit represents the third-party minority interest of 25% in the net results of the Bruggeman Mechanisatie. The net results of Bruggeman Mechanisatie went from a loss in 2011 of €0.3 million to a profit of € 0.1 million in 2012 mainly due to start-up costs in 2011 (the change to the Claas brand) and the successful execution of this brand change in 2012.

Net results

The Group's net loss for 2012 was €4.3 million, versus net profit of €5.6 million in 2011. This net loss was the result of the negative results of THR, depreciation of the Group's investment property, losses from the steel business and, to a lesser extent, higher interest charges. These losses fully offset the net profits realized in Reesink Equipment.

Comparison Results of Operations for the Years Ended 31 December 2011 and 31 December 2010

The results of the Group's consolidated results of operations for the year ended 31 December 2011 compared with the year period ended 31 December 2010 are discussed below.

Net revenues

In 2011, the Group generated net revenues of €173.3 million compared with €189.7 million in 2010. The lower net revenues were primarily the result of the restructuring of the former DIY division. The organic growth or net revenues, without the contribution of Jean Heybroek, Bruggeman Mechanisatie and THR, were 9% (unaudited).

The following table illustrates how net revenues of the equipment, industrial and former DIY divisions, and the geographic areas, contributed to the Group's results in 2011 and 2010.

Net revenues by divisions (x €1,000)	**Year ended 31 December 2011**	**% of net revenue**	**Year ended 31 December 2010**	**% of net revenue**
Reesink Equipment	110,587	63.8	85,132	44.9
Reesink Industries	57,719	33.3	57,014	30.1
Former DIY division	5,058	2.9	47,512	25.0
	173,364	100.0	189,658	100.0

Net revenues by geographic area (x €1,000)	**Year ended 31 December 2011**	**% of net revenue**	**Year ended 31 December 2010**	**% of net revenue**
The Netherlands	140,632	81.1	159,653	84.2
Belgium	24,956	14.4	22,805	12.0
Germany	7,109	4.1	6,430	3.4
Other European Union	658	0.4	401	0.2
Non-European Union	9	0.0	369	0.2
	173,364	100.0	189,658	100.0

In the former DIY division, Reesink Retail B.V. generated net revenues of €47.5 million in 2010, while its net revenues for 2011 until 17 February 2011 were €5.1 million. On 17 February 2011, the transfer of the shares in Reesink Retail B.V., Interlogica B.V. and FRG Retail B.V. to THR formalized the restructuring of the DIY business.

Net revenues in Reesink Equipment increased by €25.4 million to €110.6 million. €14 million of this increase was organic growth (unaudited). There was a significant increase in net revenues at the Group Distributors Kamps de Wild, Packo Agri and Reesink Technische Handel. The high prices of milk, calves and fat stock in 2011 improved the willingness among dairy farmers to invest. Sales to crop farmers were lower than in 2010, in particular due to the low prices of consumption potatoes and onions. The extension of the Kamps de Wild dealer organization helped increase net revenues in Reesink Equipment. During the fourth quarter of 2011, Bruggeman Mechanisatie's contribution to net revenues was modest (€1.4 million). The contribution of Jean Heybroek to net revenues in its first full year as Operating Company was positive, mainly due to the largest order in Jean Heybroek's history received in 2011. Net revenues generated by Stierman were virtually the same as in 2010.

Net revenues in Reesink Industries remained virtually stable at €57.7 million. Both steel companies saw a slight increase in net revenues in 2011. While the significantly higher sales prices per ton represented a positive development, the sales of rolled steel products per ton dropped considerably. At Reesink Staal, the decline in net revenues expressed in tons was only marginal, due to the shift towards customers in the manufacturing industry.

Nederlandse Staal Unie's sales in tons were significantly lower. The company's dependence on trends in the construction industry made it vulnerable. Net revenues from processed products offered by the steel companies as added value was significantly higher. At Stalutech Benelux B.V., net revenues remained at the same level as in 2010. After the marked increase in net revenues from personal protective products at Safety Centre International in 2010, net revenues for 2011 were slightly lower. Lower productivity in the building industry affected spending on personal protective products.

Gross operating income

Consolidated operating income declined by €3.7 million to €20.7 million in 2011, although organic growth was 7% (unaudited). The restructuring of the former DIY division into THR had a negative impact of €6.5 million on gross operating income due to the deconsolidation of the DIY business as from 17 February 2011.

Organic growth in gross operating income in the Reesink Equipment division was 24% compared to 2010 (unaudited). Margins on sales in Reesink Equipment increased marginally in 2011. Expenses attributed to cost of sales increased marginally as well (organic growth) due to higher distribution costs.

Gross operating income in the Reesink Industries division was 14% lower compared to 2010. Margins on sales in Reesink Industries were significantly lower. The 9% cost savings on expenses attributed to cost of sales were not sufficient to offset the significantly lower margins at the steel companies. Margins in Reesink Industries have been under strong pressure as a result of rising prices and lower volumes. The gross operating income from personal protective products remained stable in 2011. On a consolidated level, gross operating income as a percentage of net revenues declined by 1.0 percentage point to 11.9% in 2011.

Selling expenses

Total selling expenses declined from €18.2 million in 2010 to €15.5 million in 2011. Total selling expenses increased organically (without the contribution of Jean Heybroek, Bruggeman Mechanisatie and THR) by 1% in 2011 (unaudited).

Selling expenses in Reesink Equipment increased organically (without the contribution of Jean Heybroek) by 6% (unaudited) due to increased expenses for trade fairs and exhibitions, furnishings and fittings, the launch of Packo & Heybroek and an increase in sales staff. Selling expenses in the Reesink Industries division dropped by 14% as a result of a lower addition to the bad-debt provision and a more critical review of the need to fill vacancies.

Administrative expenses

Total administrative expenses declined by 13% (organically) in 2011 compared to 2010 (unaudited). The Group was faced with high expenses in 2010 due to fees paid to external consultants (including legal counsel) for the restructuring of the DIY business.

Exceptional items

In 2011, a legal action involving a claim for compensation against the Municipality of Apeldoorn (the Netherlands) was settled. The Arnhem Court of Appeal ordered a settlement of €2.3 million in additional compensation. In 2010, the settlement of a legal action regarding the violation of the non-compete clause was recognized as an exceptional item of €0.6 million.

Other operating income

In 2011, the Group generated €2.0 million in other operating income, all of which represented external rental income, resulting from the lease contract with THR signed in 2011.

Operating results

In 2011, operating results increased considerably from €7.0 to €9.5 million, an increase of €2.5 million or 36.3% compared to 2010. Operating results – excluding exceptional items – increased significantly by 13.7% from €6.4 million to €7.2 million in 2011. The increase was primarily the result of profits in the Reesink Equipment division, where all relevant Operating Companies performed well in 2011. The lower profits in Reesink Industries were due to the continued decline in the construction industry.

Revenues from receivables included in fixed assets and from securities

The Group received €0.1 million in dividend from its participating interest in VIBA in 2011. In 2010 the dividend was nil.

Income and expenses from financing activities and similar income and charges

Income from financing activities and similar income declined in 2011. The decline was a result of the fact that the Group terminated the financing of retail equipment and provided less financing to franchisees.

Expenses relating to financing activities and similar expenses increased due to the higher floating interest rates based on EURIBOR.

Changes in the value of receivables included in fixed assets and of securities

In 2011, there were no changes in the value of receivables. In 2010, the changes in the value of receivables were minor (less than €0.1 million).

Non-realized fair value adjustments of investment property

The write-down of investment property in 2011 amounted to €0.2 million, compared to an increase of €1.1 million in 2010. At the end of 2010, an agreement was signed with Havenbedrijf Rotterdam N.V. regarding the sale of property resulting in 2010 in a non-realized fair value adjustment of investment property of €1.1 million which was realized in 2011.

Taxation of results from ordinary activities

The weighted average applicable tax rate in 2011 was 25.0% versus 25.5% in 2010. The tax burden in the profit and loss account for 2011 was €2.2 million compared to €2.1 million in 2010. This represents 24.8% of the results from ordinary activity before taxation (2010: 26.0%).

Share in results from participating interests

The share in the results from participation interests was €1.3 million negative in 2011 and represented the participation in THR.

Minority interest in profit

Since the establishment of Bruggeman Mechanisatie on 1 October 2011, the minority interest of 25% in the net results of Group Company Bruggeman Mechanisatie was included in the consolidated income statement. The total net results of Bruggeman Mechanisatie in 2011 were €0.3 million negative.

Net results

In 2011, the Group's net results were €5.6 million compared to €5.9 million in 2010. The increase in operating results was fully offset by the Group's participation in THR's negative result for 2011 and by a loss due to a not realized fair value change of €0.2 million. Taxes and expenses related to financing activities were higher in 2011 compared to 2010 as explained above**.**

Capital Expenditures

The following table tracks the Group's historical level of capital expenditures.

(x €1,000)	**Half year ended 30 June 2013**	**Half year ended 30 June 2012**	**Year ended 31 December 2012**	**Year ended 31 December 2011**	**Year ended 31 December 2010**
Land and buildings	430	59	118	5,364	117
Equipment	414	620	945	1,724	761
Rental equipment	1.341	253	1,428	-	-
Vehicles	356	197	329	189	444
Total	**2,541**	**1,129**	**2,820**	**7,277**	**1,322**

Land and buildings: This category represents land and buildings for the Group's own use.

Equipment: Equipment includes office and warehouse equipment, machines and equipment, and non-motorized vehicles.

Rental equipment: Rental equipment includes a full range of (mechanical) road building equipment and accessories and, to a lesser extent, agriculture equipment such as tractors.

Vehicles: Vehicles include trucks, cars and motorized vehicles used for internal transport.

Investments and Divestments

The most significant acquisitions and divestments during the period covered by this Operating and Financial Review up to the date of this Prospectus are the following:

Investments

- **The Acquisition – 2013**. For a description of the Acquisition, see "Acquisition".
- **Establishment of Landtech Zuid – 2013**. In October 2013, the Groups newly incorporated dealer Landtech Zuid reached final agreement with the shareholders of Jans-vanGemeren Mechanisatie B.V. on

the acquisition of certain assets and liabilities of Jans-vanGemeren Mechanisatie B.V. The acquisition of the operations complements and strengthens the Group's dealer network of Claas equipment.

- **Acquisition of Hans van Driel – 2013**. The Company reached final agreement on 28 January 2013 with the shareholder of Hans van Driel on the acquisition of 100% of the shares in Hans van Driel. The Group believes that the acquisition of Hans van Driel complements and strengthens the Group's earth-moving activities, strengthens the Dutch and Belgian organization for the Atlas and Terex brands, expands cross-selling opportunities within the Group due to the wider product range and contributes the earth-moving activities. The Company used the Private Placement Equity Facility to finance the acquisition of all shares in the share capital of Hans van Driel. On the basis of the Private Placement Equity Facility, the Company issued 59,300 DRs in a private placement. The proceeds of the private placement were €4,388,200. The settlement of the private placement took place on 23 January 2013.
- **Acquisition of the Kemp Group – 2012**. The Group acquired the Kemp Group on 8 May 2012. The benefits and risks of the shares in Ben Kemp Holding B.V., and with that the benefits and risks of the Kemp Group, have been for the account of the Group since 1 January 2012. The figures of the Kemp Group have been included in the consolidation since 8 May 2012. The purchase price of €17.6 million was financed by the issuance of Ordinary Shares (€2.8 million) and the remainder was paid in cash. The goodwill paid on the acquisition was €2.8 million. As of 1 January 2012, the balance sheet total of Ben Kemp Holding B.V. was €22.8 million, with shareholders' equity of €15.0 million.
- **Establishment of Bruggeman Mechanisatie – 2011**. Effective 1 October 2011, Kamps de Wild Participaties B.V. holds 75% of the issued share capital of the newly established dealer Bruggeman Mechanisatie B.V. The remaining 25% of the issued share capital is held by Bruggeman Onroerend Goed and Exploitatiemaatschappij Broekland B.V., a company owned by the Bruggeman family. Bruggeman Mechanisatie acquired the operations of Bruggeman Mechanisatie Broekland B.V. and Bruggeman Mechanisatie Lemele B.V. for a total of €1.9 million (assets and liabilities) and was added as a new Claas dealer to Kamps de Wild's dealer network. Bruggeman Mechanisatie became part of the Group's scope of consolidation on 1 October 2011.
- **Acquisition of Jean Heybroek – 2010**. On 9 July 2010, the Company acquired 100% of the shares of Jean Heybroek. Jean Heybroek distributes several brands in the Netherlands and Belgium in the green engineering, ground engineering and cleaning technology industries. The purchase price amounted to €5.4 million of which €3.0 million was related to goodwill. As of 1 January 2010, the balance sheet total of Jean Heybroek was €9.4 million, with shareholders' equity of €2.2 million.

Divestments

- **Restructuring of steel business – 2012**. On 29 June 2012, the sale of the operations of Stalutech Benelux B.V. was completed. The assets were sold for a total of €0.2 million, equal to the book value. For 2012, this business still generated €0.7 million in revenue. The steel operations have been relocated to Zutphen since the third quarter of 2012 and clients are serviced by Reesink Staal. The Stampersgat site was closed, and a total of 27 positions were eliminated. The €0.4 million in restructuring costs was recognized as an exceptional item.
- **Participation in THR – 2011**. On 17 February 2011, the transfer of the shares in Reesink Retail B.V., and Interlogica B.V. to the joint venture THR formalized the restructuring of the former DIY division. The Company holds 36% of the depositary receipts in THR (issued by Stichting Administratiekantoor THR). The Company provided €5.1 million shareholders' equity and received €3.5 million worth in capital distributions and current-account repayments. Prior to the transaction, Reesink Retail B.V. and Interlogica B.V. transferred the operations of the Fixet franchise to FRG Retail B.V., which was established especially for that purpose. The shares in this company were transferred by THR to the retail company DGN retail B.V. THR and DGN retail B.V. entered into a preferred supplier contract. The Company will remain the franchiser until all franchise agreements have been taken over by DGN retail B.V. or have expired. The assets and liabilities related to activities in respect of finance and accounting, human resources and IT on behalf of the other Group Companies were sold to the newly established company Reesink Support B.V. As of 31 December 2010, the balance sheet total of Reesink Retail B.V. and Interlogica B.V. totaled €16.2 million, the equivalent of 11.4% of the Group's total capital. Reesink Retail B.V. and Interlogica B.V. were part of the scope of consolidation until 17 February 2011. Unlike Reesink Support B.V., THR is not included in the scope of consolidation as from that date.

Announced Project

- **Acquisition of certain assets and liabilities of CT Agro GmbH and all shares in CT Agro TOO – 2014**. Reesink Agricultural Equipment GmbH (an indirect subsidiary of the Company) is in the finalizing stages of entering into an agreement relating to the acquisition of (i) certain assets (including the name of CT Agro GmbH) and liabilities, and (ii) all issued and outstanding shares in the share capital of CT Agro TOO. Completion of the acquisition is expected to take place in the beginning of January 2014 with an effective date of 1 January 2014. Obtaining financing for the acquisition by the Company is a condition precedent for completion. Upon completion of this transaction Reesink Agricultural Equipment GmbH will be renamed CT Agro GmbH. Reesink Agricultural Equipment GmbH will be mainly involved in the sale of agricultural equipment in Kazakhstan, supported by a representative office in Astana, Kazakhstan. The principal suppliers involved are Claas (described above), Horsch, Morris, Summers and MacDon. CT Agro TOO, a Kazakh based company, is responsible for the after-sales of equipment sold and in some cases the sale of equipment. It also provides equipment, and parts and services for the engines of Caterpillar, MTU and Cummins. The contact between the current owner of CT Agro GmbH and the Company was initiated by Claas.

Financing of announced project

The Group is expected to make a capital expenditure investment of approximately €13.5 million for its announced project. This capital expenditure investment is to be financed by a combination of:

- a cash payment of €6.0 million currently available on the Company's escrow account; and
- an additional amount of €7.5 million to be financed with debt of which €4.5 million shall be financed by seasonal working capital financing;

Off-Balance Sheet

Tax entity

Along with Dutec Beheer B.V. and Reesink Construction Equipment B.V., Recobel constitutes a tax entity for corporation tax. The other Group Companies, based in the Netherlands, and the Company together also form a tax entity for the same purpose. In addition, there is a tax entity for V.A.T. for the majority of the Dutch Group Companies. On this basis, the companies included in the tax entities are jointly and severally liable for the tax debt of the tax entity as a whole. In the remainder of 2013, the tax entities will, as a consequence of the legal restructuring of the Group, be merged into one entity.

Liability and guarantees

The Company has filed a declaration in accordance with section 403, Book 2 of the DCC at the offices of the Chamber of Commerce for certain of its Group Companies. On this basis, the Company is jointly and severally liable for the debts arising from the legal acts of these Group Companies.

Conditional commitments

The Company issued repurchase commitments on 30 June 2013 for contractors' financiers in relation to trading goods delivered, up to an amount of €0.2 million.

The share purchase agreement relating to the acquisition of Jean Heybroek

In 2010, the Company acquired all the shares of Jean Heybroek. Up to 2016, the former owner will receive an additional payment for the shares sold, which will be related to the profit earned by Jean Heybroek, based on the condition that annual profit must be sufficient in order to offer the Company, as a shareholder, a reasonable basic return.

The share purchase agreement relating to the acquisition of the Kemp Group

In 2012, the Company acquired the Kemp Group. Up to 2016, the former owner will receive an additional payment for the shares sold, which will be related to the profit earned by Ben Kemp Holding, based on the condition that annual profit must be sufficient in order to offer the Company, as a shareholder, a reasonable basic return.

The Private Placement Equity Facility

The Company and PHD agreed on the Private Placement Equity Facility on 5 November 2012. The Company has the option, at times to be determined by the Company, to issue a maximum of 70,523 DRs for a single Ordinary Share to PHD for the financing of acquisitions or mergers. On 18 January 2013, the Company drew down funds from the Private Placement Equity Facility in order to fund the acquisition of Hans van Driel. Finally, on 14 October 2013 the Company drew down the remaining available funds from the Private Placement Equity Facility, to finance the acquisition of the activities of Jans-VanGemeren Mechanisatie B.V. as announced on 18 October 2013.

Claims

The Company and its consolidated participations are involved in several lawsuits. The outcome of these lawsuits is not expected to result in any material adverse effects on the Group's financial position as presented in these financial statements.

Multi-year financial commitments

Commitments relating to leases and operational lease agreements totals €11.7 million as of 30 June 2013, of which €2.3 million is short-term and €3.4 million is longer than five years.

Multi-year financial rights

The Group and THR signed a 10-year lease in 2011 for the building at Ecofactorij 20 in Apeldoorn (the Netherlands). The annual rent, effective 1 January 2013, is €1.8 million. The rent is indexed on 1 January of each year.

Liquidity

Cash flow table

The following table sets forth the Group's cash flow for the six-months ended 30 June 2013 and 2012 and the years ended 31 December 2012, 2011 and 2010.

Consolidated cash flow statement
(x €1,000)

	Half year ended 30 June 2013 (unaudited)	**Half year ended 30 June 2012 (unaudited)**	**Year ended 31 December 2012 (audited)**	**Year ended 31 December 2011 (audited)**	**Year ended 31 December 2010 (audited)**
Operating results	**5,777**	**6,600**	**6,704**	**9,538**	**6,996**
Adjustments for:					
- Depreciation	1,470	955	2,276	1,394	1,814
- Changes in provision	453	1,121	-805	354	759
- Changes in working capital	9,995	-1,657	1,657	-6,427	-14,059
Cash flow from business operations	17,695	7,019	9,832	4,859	-4,490
- Income received from financing activities	55	123	155	322	386
- Dividend received	–	182	182	132	–
- Expenses relating to financing activities	-734	-518	-978	-686	-654
- Income tax paid	-1,442	-1,736	-637	-1,869	733
Net cash flow from operating activities	**15,574**	**5,070**	**8,554**	**2,758**	**-4,025**
Acquisition/disposal of Group Companies	-1,722	-15,188	-14,864	-2,288	-5,748
Investments in:					
- Tangible fixed assets	-2,541	-1,129	-2,820	-7,332	-1,266
- Investment property	–	–	–	–	-38
- Financial fixed assets	-1,260	-750	-920	–	-386
Disposals:					
- Tangible fixed assets	451	82	146	1,362	180
- Investment property	–	–	–	1,125	–
- Financial fixed assets	–	–	405	2,681	–
Net cash flow from investing activities	**-5,072**	**-16,985**	**-18,053**	**-4,452**	**-7,258**
Changes in debts to credit institutions	-13,943	16,600	-1,566	2,821	13,990
Income from non-current liabilities	86	65	14,936	177	–
Repayment of non-current liabilities	-533	-114	-308	–	–
Revenues from the issue of Shares/DRs	4,383	–	4,936	–	–
Changes in own Shares and DRs	–	–	–	3,443	2
Dividend paid	–	-4,243	-4,243	-4,702	-2,521
Net cash flow from financing activities	**-10,007**	**12,308**	**13,755**	**1,739**	**11,471**
Increase/decrease in net cash position	**495**	**393**	**4,256**	**45**	**188**
Net cash position at beginning of the year	4,631	375	375	330	142
Net cash position at period-end	5,126	768	4,631	375	330
Increase/decrease in net cash position	**495**	**393**	**4,256**	**45**	**188**

Liquidity for the six-month periods ended 30 June 2013 and 30 June 2012

Cash flows from operating activities

Cash flows from operating activities increased by €10.5 million to €15.6 million in the first half of 2013 despite a decline of €0.8 million in operating results, higher depreciation costs following the acquisition of the Kemp Group (rental fleet related) and higher financing expenses. The increase was primarily the result of working capital improvements related to lower inventory levels and increased supplier financing and the acquisition of Hans van Driel on 28 January 2013.

Cash flows from investing activities

Cash flows from investing activities declined by €11.8 million to €5.1 negative in the first half of 2013 mainly due to the acquisition of the Kemp Group in the first half of 2012. In January 2013, Hans van Driel was acquired resulting in a cash outflow of €1.7 million. In the first half of 2013, the Group spent cash on a new office building for Reesink Staal located in Zutphen (€0.4 million) and regular rental fleet investments at Kamps de Wild and Kemp Group (together €1.3 million).

Cash flows from financing activities

Cash flows from financing activities decreased from €12.2 million positive in the first half of 2012 to €10.0 million negative in the first half of 2013. The €12.2 million in the first half of 2012 million was primarily the result of the acquisition of the Kemp Group which was (at first) financed through debts to credit institutions (€15.2 million), which was partly offset by the Company's dividend distribution of €4.2 million. The €10.0 million negative in the first half of 2013 was primarily the result of lower debts to credit institutions, which was partly offset by the proceeds related to the Private Placement Equity Facility in January 2013.

Liquidity in the years ended 31 December 2012, 31 December 2011 and 31 December 2010

Cash flows from operating activities

2012 – 2011. Cash flows from operating activities increased from €2.8 million in 2011 to €8.6 million in 2012 despite a €2.8 million decline in operating results and corresponding lower tax payments. Higher depreciation costs following the acquisition of the Kemp Group (rental fleet related), working capital improvements related to market conditions and restructuring activities related to the Group's steel business mainly contributed to this positive change.

2011 – 2010. Cash flows from operating activities increased from €4.0 million negative in 2010 to €2.8 million in 2011 mainly due to a €2.5 million increase in operating results and lower negative changes in working capital as a result of a one-off increase of inventory levels at Nederlandse Staal Unie due to business related working capital requirements.

Cash flows from investing activities

2012 – 2011. Cash flows from investing activities increased by €13.6 million to €18.1 million negative in 2012. The Kemp Group was acquired in 2012 and cash expenses related to this acquisition were the main driver for the €14.9 million investments in Group Companies. Investments in fixed assets were €4.5 million lower in 2012 compared to 2011 as a result of an investment in a new office, showroom and warehouse for Reesink Technische Handel and Stierman in 2011. The divestments in 2011 were €4.6 million higher compared to 2012. This change mainly related to the sales of investment property located in Rotterdam (The Netherlands), tangible fixed assets located in Den Bosch (The Netherlands) and the divestment of the DIY business in 2011.

2011 -2010. Cash flows from investing activities amounted to €4.5 million negative in 2011 compared to €7.3 million negative in 2010. The cash outflow of €7.3 million in 2010 was mainly the result of the acquisition of Jean Heybroek (€5.4 million) and regular investments in fixed assets. The investments in tangible fixed assets were in 2011 significantly higher compared to 2010 as a result of an investment in a new office, showroom and warehouse for Reesink Technische Handel and Stierman. This investment in 2011 was partly offset by the sales of investment property located in Rotterdam (The Netherlands), tangible fixed assets located in Den Bosch (The Netherlands) and the divestment of the DIY business.

Cash flows from financing activities

2012 – 2011. Cash flows from financing activities amounted to €13.8 million in 2012 compared to €1.7 million in 2011. Key changes were the financing of the acquisition of the Kemp Group through the drawdown of a bank loan and the €4.9 million in proceeds generated by a private placement in November 2012. A total of €4.2 million was distributed by the Company as dividends in 2012 (2011: €4.7 million).

2011 – 2010. Cash flows from financing activities changed from €11.5 million in 2010 to €1.7 million in 2011. In 2010 the Group spent cash on the financing of the acquisition of Jean Heybroek and the increase of inventory levels at Nederlandse Staal Unie due to business related working capital requirements.

Capital Resources

The following table provides an overview of the capital resources utilized by the Group as of 30 June 2013.

Capital resources as of 30 June 2013 (x €1,000)	**Non-current**	**Current**	**Total**
Mortgage bank loan (Financing Facility)	13,425	900	14,325
Mortgage bank loan (Kemp BVBA)	566	76	642
Subordinated loan	177	–	177
Financial lease obligations	96	94	190
Capitalized costs	-93	-69	-162
Debt to credit institutions	–	20,204	20,204
	14,171	**21,205**	**35,376**
Maturity			
< 1 year			21,205
≥ 1 year – ≤ 5 years			13,748

> 5 years	423
	35,376

Mortgage bank loan (Financing Facility). The mortgage bank loan was drawn (€15 million) in 2012 to refinance the acquisition of the Kemp Group. The yearly repayment amounts to €0.9 million, resulting in a remaining debt of €12.3 million at the refinancing date 31 October 2015. The mortgage loan contains certain ratios and other conditions described under "Covenants".

Mortgage bank loan (Kemp BVBA). This loan divided into two tranches, both with a 15 year term, was attracted by the Group in 2003 and 2007 respectively to finance the premises of Kemp BVBA in Kemp (Belgium). The interest rate on these tranches is 4.92% and 5.2%, respectively, and the remaining term is 5.1 years and 9.8 years, respectively. An amount of €0.1 million is repaid on the mortgage bank loan each year.

Subordinated loan. The subordinated loan was provided by the minority shareholder in Bruggeman Mechanisatie. Interest on this loan is based on the interest for current-account facilities plus a spread of 150 basis points. The loan is being repaid in quarterly installments starting on 1 April 2013, provided that the solvency ratio of Bruggeman Mechanisatie is at least 30%.

Financial lease obligations. Financial lease obligations relate to the financing of company cars by the Belgian based Operating Companies Packo Agri and Packo & Heybroek. Average interest on these loans is 2.1% and the remaining term is 2.1 years.

Capitalized costs. The refinancing costs related to the Financing Facility are capitalized and amortized over the three year term of the Financing Facility starting at 31 October 2012.

Debt to credit institutions. Debt to credit institutions consists of the outstanding debt under the credit facilities that form part of the Financing Facility and of credit facilities related to the financing of the Belgian activities and Bruggeman Mechanisatie on a separate (local) basis as described below under "Financing Facility" and "Other Financing Facilities", respectively.

Acquisition facility. To be able to fulfill the Group's growth strategy a €30.0 million euro term loan facility for acquisitions (the "**Acquisition Facility**") was agreed under the Financing Facility. Since the acquisition of Hans van Driel was fully paid with equity contributions a contingent claim of €2.6 million exists on this Acquisition Facility. Therefore as of 30 June 2013, an amount of €27.4 million is available for future acquisitions under this facility.

Facilities

Financing Facility. On 31 October 2012, the Company and certain Group Companies (obligors) have entered into a credit facility with ABN AMRO and Rabobank for three years, which credit facility was amended and restated on 16 October 2013 after the Acquisition (the "**Financing Facility**").The Financing Facility amounts in total to €90.0 million, split between a €15.0 million euro term loan facility to Recobel used for refinancing indebtedness with ABN AMRO and Rabobank, the Acquisition Facility for acquisitions as permitted by the Financing Facility and a €45.0 million euro revolving loan facility for general corporate and working capital purposes (the "**Revolving Loan Facility**") excluding acquisitions of companies, businesses or enterprises unless with the prior approval of the Lenders (being ABN AMRO, Rabobank and any other bank, financial institution, trust, fund or other entity which shall become a party to the Financing Facility).

The Financing Facility contains an obligation for the Company and the Lenders to agree upon conditions on or before 31 December 2013 for a re-allocation of the funds that were drawn under the Acquisition Facility to the Revolving Loan Facility. The amount of €90.0 million of the Financing Facility will remain unchanged.

Interest is based on 3-months EURIBOR plus a spread of between 210 and 275 basis points. The Company and the Group Companies that are party to the Financing Facility have granted a guarantee to the Lenders for the punctual performance by each of them of all their obligations under the Financing Facility. In addition, the Company and the Group Companies that are party to the Financing Facility have granted a first ranking right of mortgage on all real estate with the exception of Commercial Real Estate (being the properties owned by the Group in the Netherlands at De Kar in Apeldoorn, De Hoge Veste in Valkenswaard, Amperestraat in Zevenaar, Contrescarp in Zutphen and Ecofactorij in Apeldoorn and, if any, other real estate owned by the Group for investment purposes) and a first ranking right of pledge of bank accounts, moveable assets and receivables (including intercompany and insurance receivables), both for the benefit of the Lenders. Upon an event of default which is continuing each Group Company is required to grant security over its Commercial Real Estate on the first request of the facility agent under the Financing Facility.

Other Financing Facilities. The operations in Belgium (Packo Agri, Packo & Heybroek and Kemp BVBA) and Bruggeman Mechanisatie are financed on a separate (local) basis. The operations in Belgium and Bruggeman Mechanisatie make use of a short term credit facility of €7.3 million (of which €1.5 million represents seasonal funding). The Group has provided security in the form of pledges on inventories, machinery and equipment, and receivables. Interest is mainly based on 1-month EURIBOR plus an average spread of 110 basis points.

Covenants

The Group is bound by qualitative and quantitative covenants, including financial ratios, under its Financing Facility which are in line with what it believes to be customary in the industry. The covenants are based on the performance of the Group taken as a whole. The most important ratios under the Financing Facility are a leverage ratio, an interest coverage ratio, a solvency ratio and obligor covers. These covenants place restrictions on, among other things, the amount of interest costs incurred and distributions made relative to cash flow, the amount of credit relative to earnings, the amount of capital investment. In addition the covenants restrict the ability of the Company and its Group Companies to encumber or dispose of assets, to acquire companies or businesses or merge, to substantially change the general nature of the business, to attract additional financial indebtedness, to provide guarantees or indemnities and to pay out dividends or other distributions. The Group may, as a consequence of these covenants, be restricted in responding to changing market conditions or in pursuing favorable business opportunities. In addition, the Group will have to dedicate a substantial share of its cash flow from operations to service debt, which in turn will reduce the amount of cash flow it will have available for dividend distributions, capital investment, working capital and other general corporate purposes.

The Group complied with all ratios as of 30 June 2013. All ratios are calculated on a bi-annual basis with the test dates being 30 June and 31 December of each year. The balance sheet items in the ratios are half year and year-end figures. The items derived from the profit and loss account are 12-month rolling figures taking into account like-for-like adjustments driven by acquisitions and divestments and one-offs (if any).

The financial ratios as described above are as follows:

Covenant reporting as of 30 June 2013	**Calculation**	**Norm**	**30 June 2013**
Leverage	net senior debt/EBITDA*	≤4.0	3.5
Interest coverage	debt service/cashflow	≥1.3	5.4
Solvency	consolidated net worth/adjusted balance sheet total	≥35%	53%
Obligor cover - assets	assets obligors/assets Group	≥70%	86%
Obligor cover – EBITDA*	EBITDA* obligors/EBITDA* Group	≥70%	71%

* Unaudited, see “Important Information – Presentation of Financial and Other Information – Non-Dutch GAAP information” for a description of EBITDA.

The above table contains the ratios as of 30 June 2013. The leverage ratio fluctuates during the year predominantly as a result of net debt fluctuations. Net debt fluctuations are, to a large extent, correlated to seasonal patterns of the Group’s working capital. The permitted leverage ratio was set at a higher level in order for the Group to be able to finance acquisitions, and will be lowered to 3.6 as of 31 December 2013. The permitted leverage ratio will be further gradually lowered to 3.0 as of 30 June 2015. Due to the funding structure of the Acquisition (largely capital base) the actual leverage ratio shall be positively influenced.

Working Capital

The Group believes that its working capital is sufficient for its present requirements, that is for at least twelve months following the date of this Prospectus.

Financial Risk Management

The Company formally meets with the director of the Operating Companies on a periodic basis, during which the parties discuss market trends, the Group’s financial results, forecasts, working capital, investments, the organization and risks. The Company recognizes financial risks with regard to credit risk, liquidity risk, market risk, interest-rate risk, currency risk and capital management. These risks are not exceptional or different in nature from those that are customary in the industry. The Company believes that the Group’s internal risk management and monitoring system is adequate and effective and that the financial reports are free of material misstatement. Despite the Group’s day-to-day involvement in risk management, there is no absolute certainty that material misstatement, errors, fraud, losses or unlawful acts can be prevented.

Credit risk

Credit risk represents the risk of financial loss for the Group if a customer fails to comply with the contractual obligations entered into. The Group’s exposure to credit risk is determined primarily by customers’ individual characteristics. Close contact with customers, either as part of the dealer organization or otherwise, is important in reducing credit risk. This risk is further reduced through the Group’s credit checks of (new) customers based on factors such as external reports, annual reports and payment history or by insuring credit risk. Internal credit limits, which are determined based on the Group’s own research, are reviewed at least once per year. Customers for whom no credit limit was issued (either within the Group or by the insurer) can only conduct business with the Group based on guaranteed payment. Credit insurance was taken out on behalf of Kamps de Wild and Reesink Staal. Goods are delivered under retention of title, which ensures that, in the event of default, the Group usually has a preferred debt, provided the goods are still available. In the Reesink Equipment division, there is some concentration of credit risk with debtors, which is mitigated in part by credit insurance.

Liquidity risk

Liquidity risk represents the risk that the Group is (temporarily) unable to meet its financial obligations. The Group maintains a number of credit facilities with several banks in order to make investments, as well as for the day-to-day management of working capital and liabilities (*i.e.*, letters of credit). These represent short-term financing facilities. The Group reduces this risk by assuming a minimum solvency rate of 40%, in order to be able to raise additional capital if necessary (on a temporary basis).

Market risk

Market risk represents the risk that the Group's income or the value of the financial instruments held by the Group is adversely affected by shifts in market prices, such as interest rates and exchange rates. The market value of the financial instruments recognized in the balance sheet, including liabilities, securities, cash and cash equivalents, non-current liabilities and current liabilities is close to the book value of these instruments.

Interest-rate risk

The interest-bearing debts consist mainly of non-current liabilities and debts to credit institutions, which have a floating interest rate consisting of (mostly) one-month or three-month EURIBOR plus a fixed interest premium. In consultation with the Supervisory Board, the risk of an interest rate increase is not hedged. The remaining interest-rate risk is limited to any changes in the market value of loans issued. The majority of these loans have floating interest rates plus a fixed interest premium. Since the loans are held until maturity, it is the Group's policy not to use any derivative financial instruments to manage (interim) interest rate fluctuations.

Currency risk

Currency risks are relatively limited, and the policy is to hedge this risk for each separate order.

Capital management

The Group's capital management policy is aimed at maintaining a strong capital position. The financial norm is to achieve a return of 15% on adjusted shareholders' equity (the equivalent of 40% of the Group's balance sheet total). Factoring in the Group's growth targets, between 40 and 50% of the profits at the disposal of the Shareholders will generally be distributed. This ensures that the trust of investors, creditors and the market is preserved and that there will continue to be room for acquisitions. 'Capital' is here defined as the portion of shareholders' equity allocated to the Shareholders. The Company has hired SNS Securities N.V. as a liquidity provider in order to increase liquidity in the trading of its DRs. In this capacity, SNS Securities acts as a permanent liquidity provider. This means that SNS Securities N.V. shall issue a continuous quote in the order book, as from 15 minutes prior to the opening auction, up to and including the closing auction. The terms under which SNS Securities N.V. does so include amongst others a certain spread between the bid and the ask quotes, a certain euro size of the bid and ask quotes and a maximum position held by SNS Securities N.V. in the DRs.

Significant Accounting Policies

For a description of the Group's accounting policies, see the section "Accounting Principles" of the Group's audited financial statements for the year 2012. In addition to these accounting principles, certain critical accounting policies that the Group applies are discussed below.

Critical accounting policies

General. In applying accounting policies, the Group makes estimates and assumptions that affect the application of principles and the reported value of assets and liabilities, and of income and expenses. The actual outcome may vary from these estimates. The estimates and underlying assumptions are evaluated on a continuous basis. Revised estimates are recognized for the period for which the estimate is being revised and during future periods affected by the revision.

Land and buildings. Land and buildings used by the Group are valued in accordance with the Fair Value Resolution (*Besluit Actuele Waarde*) at replacement cost or a lower enterprise value or (in the event of a decision to sell) realizable value. Due to changes in market conditions the replacement cost of an asset by asset basis may vary from year to year resulting in fair value changes impacting the revaluation reserve through equity (taking into account deferred taxation) or directly impacting results when no revaluation reserve is present or the revaluation reserve had been fully utilized in the past.

Investment property. Land and buildings not used for business operations but held for the purpose of generating rental income or value increases, or both, qualify as investment property. Properties are valued at market value, in accordance with the Fair Value Resolution (*Besluit Actuele Waarde*). The market value is the amount for which an asset may be traded between parties that possess sufficient relevant information regarding the transaction, that are willing to enter into a transaction and are independent from one another. Due to changes in market conditions or the underlying rental agreement, the market value on an asset by asset basis may vary from year to year resulting in fair value changes. Any adjustments to appraisals are taken directly to the profit and loss account ('non-realised changes in the value of investments').

Inventory valuation. Rolled steel products are valued at replacement cost. The value of these products is highly sensitive to fluctuations in the prices of basic materials. Changes in replacement cost are added to or deducted from the reserve for price differences on inventories, taking into account the necessary addition to/withdrawal from the provision for deferred tax liabilities. By applying this accounting policy the price volatility does not impact the profit and loss account in a direct manner.

Goodwill. The residual goodwill that arises from acquisitions is deducted from equity and therefore does not have an impact on the profit and loss account through amortization or impairment adjustments, or both.

Provisions. The Group accounts for provisions mainly related to obsolete inventory, bad debt, warranty cost, jubilee expenses and deferred taxes. These provisions are calculated based on a number of estimates and assumptions. Estimates will, by definition, seldom be identical to the actual results. The actual results may therefore lead to extra income and expenses in the consolidated financials. Estimates are based on historical experience and other factors, including expectations of future events that may occur based on the current situation. Estimates and judgements are continuously evaluated.

MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

This chapter summarizes certain information concerning the Management Board, the Supervisory Board and the Group's employees, as well as certain provisions of the Articles in respect of the Management Board and Supervisory Board. This summary of the above-mentioned provisions of the Articles is based on, and qualified in its entirety by reference to, the full text of the Articles, which are incorporated by reference herein.

Management Structure and Structure Regime

The Company has a two-tier board structure consisting of a Management Board and a Supervisory Board. The Management Board is the statutory executive body (*bestuur*) and is responsible for the day-to-day management of the Company, which includes, among other things, formulating the Company's strategies and policies and setting and achieving the Company's objectives. The Management Board currently consists of one member, Mr. G. van der Scheer. See "Management Board and Management Team". The Supervisory Board (*raad van commissarissen*) supervises and advises the Management Board.

The Company is subject to the provisions in the DCC referred to as 'structure regime' (*structuurregime*). Under Dutch law, a 'structure company' (*structuurvennootschap*) is a public company with limited liability (*naamloze vennootschap*) that meets the following criteria: (i) according to the balance sheet with explanatory notes the sum of the issued share capital of the company and its reserves amounts to at least €16,000,000; (ii) the company or a dependent company has, pursuant to a legal obligation, established a works council and; (iii) the company and its dependent companies together normally employ at least 100 employees in the Netherlands. As a result of the Company qualifying as a structure company, the members of its Management Board are appointed, suspended and dismissed by the Supervisory Board. The members of the Supervisory Board are appointed according to a special procedure (see "Supervisory Board – Appointment, term and removal") in which not only the Supervisory Board and the General Meeting, but also the Company's works council (*ondernemingsraad*; the "**Works Council**") plays an important role. A number of important resolutions of the Management Board are mandatorily subject to the approval of the Supervisory Board (*e.g.*, resolutions related to: (i) the issuance or acquisition of equity or debt instruments, (ii) the cooperation in the issue of DRs; (iii) the application for the admission of trading of instruments; (iv) the entering into or terminating of a material alliance; (v) the acquisition, increase or decrease of an interest in a major (*i.e.*, value of at least 25% of the issued share capital plus reserves of the Company) participation; (vi) major investments; (vii) a proposal for an amendment of the Articles; (viii) a proposal for the dissolution of the Company; (ix) the filing of a bankruptcy or suspension of payments petition; (x) the termination of the employment contracts of a substantial number of employees at once or within a short period of time; (xi) a substantial amendment of employment conditions of a substantial number of employees; and (xii) a proposal for reduction of the issued capital).

In addition to the statutory Management Board and the Supervisory Board, the Company has a Management Team consisting of three non-statutory 'directors', being Mr. G.T.M. Linnenbank, Mr. B. Kemp and Mr. M. de Bos working alongside the single member of the Management Board for the day-to-day business of the Company.

Management Board and Management Team

Powers and function

The Management Board is responsible for the management of the Company, the general affairs of the business of the Company, under the supervision of the Supervisory Board. The Management Board is ultimately responsible for determining the Company's strategy and long-term planning in particular, as well as its internal control systems. The Management Board annually notifies the Supervisory Board in writing of the strategic policy, the general and financial risks and the internal management and control systems. In addition, the Management Board periodically provides the Supervisory Board with a report setting out detailed information on, *inter alia*, finance, marketing, business developments, ongoing projects, investments and human resources accompanied by an explanation of, and comments on, the aforementioned subjects as well as information concerning its policies. The Management Board may perform all acts necessary or useful for achieving the Company's corporate purposes, except for those expressly attributed to the General Meeting or the Supervisory Board as a matter of Dutch law or pursuant to the Articles.

The Management Board submits all relevant information to the Supervisory Board in good time and is accountable to the Supervisory Board and the General Meeting. In accordance with the Articles and Dutch law certain resolutions of the Management Board are subject to the approval of the Supervisory Board or the General Meeting. See "Management Structure and Structure Regime" and "Management Board – Board meetings and decisions". The lack of such approval, however, does not affect the authority of the Management Board to represent the Company.

The Management Board as a whole, as well as each member of the Management Board is independently authorized to represent the Company. Pursuant to the Articles, the Management Board may, subject to the approval of the Supervisory Board, divide its duties among its members, if more than two members of the Management Board are in function. As there is currently only one member of the Management Board in function, no such division has been made.

Management Board and Management Team regulations

As per the date of this Prospectus, neither the Management Board nor the Management Team has adopted by-laws governing its internal proceedings.

Appointment, term and removal

The Management Board must consist of one or more members, with the total number to be determined by the Supervisory Board. Currently, the number of Management Board members is one. The members of the Management Board are appointed by the Supervisory Board, with an absolute majority of the votes cast, unless determined otherwise by the Articles or the Supervisory Board Regulations (as defined below). The Supervisory Board must notify the General Meeting of an intended appointment of a member of the Management Board.

The Supervisory Board may suspend and dismiss a member of the Management Board, with an absolute majority of the votes cast, provided that it may not dismiss a member of the Management Board before it has consulted the General Meeting about the intended dismissal. A member of the Management Board shall be afforded the opportunity to justify himself or herself at the General Meeting, which is consulted about the intended dismissal, and to be assisted by a legal adviser. A member of the Management Board must resign at the end of the month in which, after reaching the age of 65, the annual General Meeting is held, except where his or her appointment is extended by virtue of an agreement with the Supervisory Board on the grounds of special circumstances.

Qualifications

Newly adopted Dutch legislation that took effect on 1 January 2013 requires a Dutch public limited liability company which meets at least two of the three criteria referred to in section 2:397 subsection 1 DCC (which criteria are: (i) the value of the company's assets according to its balance sheet is, on the basis of the purchase price or manufacturing costs more than €17,500,000; (ii) the net turnover is more than €35,000,000; and (iii) the average number of employees is 250 or more) (such a company a "**Large Company**"), to pursue a policy of having at least 30% of the seats on the management board held by men and at least 30% of the seats on the management board held by women to the extent these seats are held by natural persons. Based on the Company's assets and turnover, this rule also applies to the Company. Pursuant to this new legislation, the Company will be required to take this allocation of seats into account in connection with the (nomination for the) appointment of members of the Management Board. In addition, if the Company does not comply with these gender diversity rules, it must explain in its annual report (i) why the seats are not allocated in accordance with this ratio, (ii) how the Company has attempted to achieve a well-balanced allocation; and (iii) how the Company aims to achieve a well-balanced allocation in the future. These rules will automatically lapse on 1 January 2016. Currently, there are no women on the Management Board.

In addition this newly adopted legislation provides for restrictions with respect to the overall number of members of the management board (including one tier board) positions and supervisory board positions that a member of the management board of a Dutch public limited liability company or a Dutch private company with limited liability may hold. Based on the Company's assets and turnover, this rule also applies to the Company. Pursuant to this new legislation, a person may not be a member of the Management Board if (i) he or she holds more than two supervisory positions with a Large Company, or (ii) if he or she acts as chairman of the supervisory board or, in the case of a one-tier board, serves as chairman of the board of a Large Company. The term 'supervisory position' refers to the position of supervisory director, non-executive director in case of a one-tier board, or member of a supervisory body established by the articles of association. The new legislation does not apply to members of the management board who were appointed prior to 1 January 2013. As the sole member of the Management Board was appointed prior to 1 January 2013, the Company currently complies with this legislation.

Board meetings and decisions

Pursuant to Dutch law and the Articles, the Management Board may adopt resolutions by an absolute majority of the votes cast. In the event of a tie vote, the Supervisory Board will decide. The Management Board may also adopt resolutions without holding a meeting.

Pursuant to Dutch law and the Articles, the Management Board must obtain the approval of the General Meeting and the Supervisory Board for resolutions regarding an important change of identity or character of the Company or its business. This includes in any event: (i) the transfer of its business or nearly its entire business to a third party; (ii) entering into or terminating the long-term collaboration of the Company or a subsidiary with another legal person or company or as a fully liable partner in a limited partnership or general partnership if such collaboration or the termination has far reaching implications for the Company; (iii) assuming or disposing of a participation interest in the capital of a company amounting to at least one-third of the amount of the assets according to the consolidated balance sheet with explanatory notes according to the most recently adopted financial statements of the Company, either by the Company or a subsidiary.

Pursuant to the Articles, in addition to the resolutions which require the approval of the Supervisory Board as a consequence of the applicability of the structure regime, see “Management Structure and Structure Regime”, certain (other) important resolutions of the Management Board are subject to the approval of the Supervisory Board (*e.g.*, resolutions to (i) take out money loans divided into bonds and other long-term loans; (ii) bind the Company as surety; (iii) acquire, alienate or encumber immovable property and encumber or transfer the ownership of movable property by way of security; (iv) establish or otherwise acquire or participate in undertakings and companies and alienate or encumber such undertakings and companies; (v) perform legal acts as referred to in section 2:94 DCC; and (vi) make individual pension provisions or collective ones at the discretion of the Company.

The Management Board shall, at least four times a year, hold joint meetings with the Supervisory Board.

Conflict of interest

Pursuant to newly adopted Dutch legislation that took effect on 1 January 2013, Dutch law no longer contains restrictions on the powers of members of the management board of a Dutch public limited liability company or a Dutch private company with limited liability to represent such company in case of a conflict of interest, but provides that a member of the management board may not participate in the adoption of resolutions (including deliberations in respect of these) if he or she has a direct or indirect personal conflict of interest. This rule applies to the Company. As a consequence a member of the Management Board shall not participate in the discussions or decision-making process in relation to a topic or transaction with respect to which he or she has a direct or indirect personal conflict of interest with the Company. If no resolution can be adopted by the Management Board as a consequence hereof, the resolution concerned will be adopted by the Supervisory Board. In addition, if a member of the Management Board does not comply with the provisions on conflicts of interest, the resolution concerned is subject to nullification (*vernietigbaar*) and this member may be held liable towards the Company.

Clause 8 paragraph 6, second sentence, of the Articles still refers to Dutch legislation that was applicable before 1 January 2013 in case of a conflict of interest. As a consequence of the newly adopted Dutch legislation this clause no longer applies.

Members of the Management Board

At the date of this Prospectus, the Management Board is composed of the following member:

Name	Date of birth	Position	Appointed	Term
Mr. G. van der Scheer	24 March 1960	CEO of the Company	9 May 2009	Indefinite

The Company’s registered address serves as the business address for the member of the Management Board. See “Description of Share Capital – General”.

Mr. G. van der Scheer

Profession/main position:	CEO of the Company
Significant (former) positions/other positions:	Member of the board of Stichting Administratiekantoor THR, member of the supervisory board of THR. From November 2003 until November 2012 Mr. Van der Scheer was a board member (chairman) of the StaalFederatie Nederland.

Members of the Management Team

At the date of this Prospectus, the Management Team is composed of the following members:

Name	Date of birth	Position	Appointed	Term
Mr. G.T.M. Linnenbank	1 July 1974	CFO of the Company	18 March 2008	Indefinite
Mr. B. Kemp	14 March 1961	Member of the Management Team	16 October 2013	Indefinite
Mr. M. de Bos	11 September 1971	Member of the Management Team	16 October 2013	Indefinite

The Company's registered address serves as the business address for all members of the Management Team. See "Description of Share Capital – General".

Mr. G.T.M. Linnenbank

Profession/main position:	CFO and compliance officer of the Company.
Member of the board of directors of:	Member of the board of Stichting De Eendragt Pensioen.

Mr. B. Kemp

Profession/main position:	Managing director of Ben Kemp Holding, managing director of Barend Kemp, managing director of Hans van Driel, managing director of Vacu-Rent B.V., managing director of Kemp Hoogwerkers B.V. and managing director of Huur & Stuur B.V.
Member of the board of directors of:	Gepak Holding B.V., Bebricks Nederland B.V., Bebricks Beleggingen B.V., Stichting Administratiekantoor Gepak Holding.

Mr. M. de Bos

Profession/main position:	Vice-president PMH-E, managing director Motrac Intern Transport.
Significant (former) positions/other positions:	Board member of Pon Car B.V., managing director SEAT, marketing director SEAT, former managing director Skoda (*ad interim*), various positions within General Motors such as marketing director.

Mr. G.T.M. Linnenbank is registered with the Trade Register as proxy holder of the Company and as such authorized to represent the Company within the limits of the power of attorney.

Potential conflict of interest

The Company is not aware of any potential conflict between any duties of the Management Board members to the Company or of the Management Team to the Company and their respective private interest or other duties. There is no family relationship between any member of the Management Board, Management Team or Supervisory Board.

During the last five years, the member of the Management Board and the members of the Management Team have not: (i) been convicted of fraudulent offenses, (ii) served as a director or officer of any entity subject to bankruptcy proceedings, receivership or liquidation, or (iii) been subject to any official public incrimination or sanctions by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory body of an issuer, or from acting in the management or conduct of the affairs of any issuer.

The Company is not aware of any arrangement or understanding with major Shareholders, customers, equipment manufacturers or others pursuant to which any member of the Management Board or Management Team was selected as a member of the administrative or management bodies, or as a member of senior management.

Supervisory Board

Powers and function

The Supervisory Board is responsible for supervising the policy pursued by the Management Board, the general course of affairs of the Company and the Company's business. The Supervisory Board will also provide the Management Board with advice. In performing their duties, the members of the Supervisory Board must serve the interests of the Company and its business as a whole. The Management Board must provide the Supervisory Board with the information necessary for the performance of its duties at a regular basis. At least once a year the Management Board informs the Supervisory Board in writing of the main features of the strategic policy, the general and financial risks and the Company's management and control systems. In addition, the Management Board periodically provides the Supervisory Board with a report setting out detailed information on, *inter alia*, finance, marketing, business developments, ongoing projects, investments and human resources accompanied by an explanation of, and comments on, the aforementioned subjects as well as information concerning its policies.

The Supervisory Board must appoint a chairman and a vice-chairman from among its members. The Supervisory Board may appoint a secretary from among its members or elsewhere.

Supervisory Board regulations

On 24 March 2006, the Supervisory Board has adopted its current by-laws governing its internal organization (the "**Supervisory Board Regulations**"). The Supervisory Board Regulations may be amended from time to time by resolution of the Supervisory Board to that effect. The Supervisory Board Regulations are published on and can be downloaded from the Company's website (www.reesink.com).

Appointment, term and removal

The Supervisory Board must consist of at least three members. Only natural persons (not legal entities) may be appointed as members of the Supervisory Board.

A member of the Supervisory Board is appointed for a maximum period of four years, and unless a member of the Supervisory Board resigns earlier, his appointment shall end on the day of the first annual General Meeting, which will be held four years after his appointment. A retiring member of the Supervisory Board may be reappointed. Unless the General Meeting resolves otherwise, a member of the Supervisory Board shall resign no later than the date on which the annual General Meeting is held in the financial year in which he or she held that position for twelve years. The members of the Supervisory Board retire periodically in accordance with a rotation plan prepared by the Supervisory Board.

The members of the Supervisory Board are appointed by the General Meeting on the nomination of the Supervisory Board. The General Meeting and the Works Council may recommend to the Supervisory Board persons to be nominated for appointment as members.

For one-third of the number of members of the Supervisory Board, a person recommended by the Works Council shall be put on the nomination list by the Supervisory Board, unless the Supervisory Board raises objections against the recommendation, based on the expectation that the person recommended will be unsuitable for the duties of a Supervisory Board member, or that the appointment in accordance with the recommendation will result in an unacceptable composition of the Supervisory Board. If the number of members of the Supervisory Board cannot be divided by three, the next lower figure which can be divided by three shall be taken into account, in order to establish the number of members to whom such right of recommendation applies. If the Supervisory Board raises objections against a person recommended by the Works Council, the Supervisory Board shall notify the Works Council of its objections, stating its reasons. The Supervisory Board shall at the same time enter into consultation with the Works Council in view of achieving agreement concerning the nomination. If the Supervisory Board finds that no agreement can be achieved, a representative of the Supervisory Board appointed to this effect shall request the Enterprise Chamber to uphold the objections. The request shall not be filed earlier than after expiration of four weeks after the commencement of the consultation with the Works Council. The Supervisory Board shall put the person recommended on the nomination list, if the Enterprise Chamber declares the objections unfounded. If the Enterprise Chamber upholds the objections, the Works Council may submit a new recommendation.

The General Meeting may reject the nomination by an absolute majority of votes cast, representing at least one-third of the issued share capital. If the General Meeting rejects the nomination with an absolute majority of the votes cast, but this majority does not represent at least one-third of the issued share capital, a new General Meeting can be convened, in which meeting the nomination can be rejected by an absolute majority of the votes cast (regardless of the issued capital represented at this second meeting). If the nomination is rejected, the

Supervisory Board shall submit a new nomination. If the General Meeting does not appoint the person nominated and does not resolve to reject the nomination, the Supervisory Board appoints the person nominated.

The Supervisory Board has adopted a profile of its size and composition, taking into account the character of the business, its activities and the desired expertise and background of the members of the Supervisory Board. With each appointment of a member of the Supervisory Board, the profile must be taken into account.

The Enterprise Chamber may, following a request to this effect, dismiss a Supervisory Board member for neglecting his duties, for other serious reasons, or for major changes of the circumstances on which grounds maintaining him or her as a Supervisory Board member cannot reasonably be required of the Company. The request may be submitted by the Company, in this matter represented by the Supervisory Board, as well as by a representative of the General Meeting or of the Works Council appointed to this effect.

A Supervisory Board member may be suspended by the Supervisory Board; the suspension will terminate by operation of law, if the Company has not, within one month after the commencement of the suspension, submitted a request to the Enterprise Chamber.

With an absolute majority of the votes cast representing not less than one-third of the issued capital the General Meeting may pass a motion of no confidence in the Supervisory Board. The resolution resulting in the dismissal of the Supervisory Board shall state the reasons, and such a resolution shall not be passed before the Management Board has informed the Works Council about the proposal for the resolution and the reasons for it. Notification shall be effected at least 30 days before the General Meeting dealing with the proposal. If the Works Council defines a position about the proposal, to which it is entitled according to Dutch law, the Management Board shall inform the Supervisory Board and the General Meeting about it. The Works Council may have its position explained in the General Meeting.

Qualifications

Similar to the gender diversity rules for the composition of the Management Board described above (see "Management Board and Management Team – Qualifications"), newly adopted Dutch legislation that took effect on 1 January 2013 requires Large Companies to pursue a policy of having at least 30% of the seats on the Supervisory Board held by men and at least 30% of the seats on the Supervisory Board held by women. This rule also applies to the Company because it qualifies as a Large Company. Pursuant to this new legislation, the Company is required to take this allocation of seats into account in connection with the following actions: (i) the (nomination for the) appointment of members of the Supervisory Board; (ii) drafting the criteria for the size and composition of the Supervisory Board, as well as the designation, the appointment, the recommendation and the nomination for appointment of members of the Supervisory Board; and (iii) drafting a profile for the members of the Supervisory Board. In addition, if the Company does not comply with the gender diversity rules, it is required to explain in the annual report (i) why the seats are not allocated in accordance with this ratio, (ii) how the Company has attempted to achieve a well-balanced allocation; and (iii) how the Company aims to achieve a well-balanced allocation in the future. Currently there are no women on the Supervisory Board.

Similar to the rules for the composition of the Management Board described above (see "Management Board and Management Team – Qualifications"), restrictions apply as to the overall number of management board positions and supervisory board positions that a member of the supervisory board of a Dutch public limited liability company may hold. This rule also applies to the Company. Pursuant to this legislation, a person may not be a member of the Supervisory Board if he or she holds more than five supervisory positions with Large Companies. Acting as a chairman of the supervisory board or a supervisory body established by the articles of association or, in case of a one-tier board, chairman of the management board, of a Large Company will count twice. The term 'supervisory position' refers to the position of supervisory director, non-executive director in case of a one-tier board or member of a supervisory body established by the articles of association. The new legislation does not apply to members of the Supervisory Board who were appointed prior to 1 January 2013. As all current members of the Supervisory Board were appointed prior to 1 January 2013, the Company complies with the applicable legislation. All newly appointed members of the Supervisory Board will comply with the legislation.

Meetings and decisions

The Supervisory Board holds at least four meetings per year, and additionally the Supervisory Board shall meet as often as the chairman decides or in case two members of the Supervisory Board so require. Meetings of the Supervisory Board are attended by the members of the Management Board, unless the Supervisory Board decides otherwise.

If no larger majority is stipulated by Dutch law or pursuant to the Articles or the Supervisory Board Regulations, the Supervisory Board may adopt resolutions with an absolute majority of the votes cast. In the event of a tied vote, the chairman of the Supervisory Board has a casting vote.

The Supervisory Board may also adopt resolutions without having a meeting, provided such resolutions are adopted in writing, by fax, or by other written electronic means of communication that can be reproduced on paper and provided all members of the Supervisory Board have expressed themselves in favor of the proposal concerned. The Supervisory Board shall hold joint meetings with the Management Board at least four times a year.

Conflict of interest

Any conflict of interest or apparent conflict of interest between the Company and members of the Supervisory Board shall be avoided. Decisions to enter into transactions under which members of the Supervisory Board would have conflicts of interest that are of material significance to the Company, its subsidiaries or to the relevant member of the Supervisory Board require the approval of the Supervisory Board. A Supervisory Board member shall not participate in the discussions or decision-making process in relation to such topic or transaction with respect to which he or she has a conflict of interest with the Company. Such transaction must be concluded on terms that are customary in the sector concerned and shall be subject to the approval of the Supervisory Board.

Similar to the rules for the composition of the Management Board described above (see "Management Board and Management Team – Conflict of interest"), newly adopted Dutch legislation that took effect on 1 January 2013 provides that a member of the supervisory board (including a one tier board) of a Dutch public limited liability or a Dutch private company with limited liability may not participate in the adoption of resolutions (including deliberations in respect of these) if he or she has a direct or indirect personal conflict of interest. This rule also applies to the Company. Pursuant to this new legislation, if no resolution can be adopted as a consequence hereof, the resolution concerned will be adopted by the General Meeting. If a member of the Supervisory Board does not comply with the provisions on conflicts of interest, the resolution concerned is subject to nullification (*vernietigbaar*) and this member may be held liable towards the Company.

Members of the Supervisory Board

At the date of this Prospectus, the Supervisory Board was composed of the following members:

Name	Date of birth	Position	Appointed	Term until
Mr. C.P. Veerman	8 March 1949	Chairman	8 May 2008	2016
Mr. F.L.H. van Delft	3 February 1946	Member	11 May 2004	2014
Mr. L.H. Lievens	6 June 1957	Member	24 May 2012	2016
Mr. B. Vos	30 August 1939	Member	11 May 2004	2015

The Company's registered address serves as the business address for all members of the Supervisory Board. See "Description of Share Capital – General".

Mr. C.P. Veerman

Profession/former profession/main position:	Former CEO Bracamonte B.V., Professor Tilburg University and Wageningen University and former Minister of Agriculture and Fisheries.
Significant positions/other positions:	Project Authority Noord/Zuidlijn (chairman), VEWIN (chairman), supervisory board Deltares, supervisory board NCB Naturalis and supervisory board member Prominent.
Other supervisory board memberships:	Rabobank Nederland, Barenburg Holland B.V., USG People (chairman), VU University Amsterdam-VU University Medical Centre (chairman), KDS Cargo B.V., Netherlands Organisation for Scientific Research (NWO) and Ikazia Rotterdam hospital (chairman).

Mr. F.L.H. van Delft

Profession/former profession/main position:	Former CFO Commit Beheer B.V., director Bibiana Beheer B.V. and director Delon Air B.V.
Significant positions/other positions:	Board member Stichting Administratiekantoor Aandelen Recopart.

Mr. L.H. Lievens

Profession/main position:	Partner/chairman Lievens&CO (accountant/tax consultant, Tax & Legal Consultancy Firm).
Significant positions/other positions:	De Speyebeek N.V. (chairman), Groep Verhelst (chairman), lecturer Brugge Business School (ROL), lecturer Foundation of Financial Estate Planning and member of the School Authority of Flemish University of Applied Sciences for Business Studies (VLEKHO).
Member of the board of directors of:	VOKA (Vlaams Netwerk van Ondernemingen – Flemish Business Network) and International Club of Flanders.
Member of the advisory boards of:	Ardo Holding N.V., Fun Belgium N.V., Stroke Fund CVBA and Stedeke Fund CVBA.

Mr. B. Vos

Profession/former profession/main position:	Former managing director TCA, former member of the board of directors Unigro, former chairman of the board of Hema and former chairman Landelijke Huisartsen Vereniging (National Association of General Practitioners).
Significant positions/other positions:	Board member Stichting Administratiekantoor Aandelen Recopart and chairman of the supervisory board Kempen Capital Management N.V.
Other supervisory board memberships:	PC Emerging Europe Property Fund N.V., PC Emerging Europe Equity Fund N.V. (chairman), PC Russian Midcap Fund N.V. (chairman) and Tsjechië en Slowakije Fonds (Czech Republic and Slovakia Fund) (chairman).

Potential conflicts of interest

Except for the board positions of Mr Vos and Mr Van Delft at Stichting Administratiekantoor Aandelen Recopart, the sole board member of Recopart B.V. which is a major Shareholder of the Company, and Mr Van Delft's indirect holding of DRs through Bibiana Beheer B.V., and the fact that the firm Lievens & Co, at which Mr Lievens is partner/chairman, occasionally provides (legal) advice to Packo Agri, the Company is not aware of any potential conflict between any duties of the members of the Supervisory Board to the Company and their private interest or other duties. There is no family relationship between any member of the Management Board, Management Team or Supervisory Board.

During the last five years, none of the members of the Supervisory Board (i) have been convicted of fraudulent offenses, (ii) have served as a director or officer of any entity subject to bankruptcy proceedings, receivership or liquidation, or (iii) have been subject to any official public incrimination or sanctions by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory body of an issuer, or from acting in the management or conduct of the affairs of any issuer.

The Company is not aware of any arrangement or understanding with major Shareholders, customers, equipment manufacturers or others pursuant to which any member of the Supervisory Board was selected as a member of the supervisory body.

Supervisory Board Committees

Audit committee, remuneration committee, selection and appointment committee

The Dutch Corporate Governance Code (the "**Code**") formally applied to the Company until the switch to NYSE Alternext Amsterdam in 2006. As part of an agreement with the Shareholders, the Company still applies the Code as the Company believes it is important to include the main features of its corporate governance structure on its website, in compliance with the amendments to the Code adopted by the Corporate Governance Monitoring Committee (Frijns Committee) in December 2008, after which the current Code entered into force on 1 January 2009. The Code provides that if the Supervisory Board consists of more than four members, it shall appoint from among its members an audit committee, a remuneration committee and a selection and appointment committee. At the date of this Prospectus, the Company does not have the committees referred to in this section in place (*i.e.*, audit committee, remuneration committee, selection and appointment committee). The provisions of the Code that are relevant will be complied with in case the size of the Supervisory Board is expanded to more than four members.

Remuneration

Management Board remuneration and benefits

The table below provides the remuneration of the Management Board for the financial year ended 31 December 2012.

Name	Fixed salary (gross)	Variable remuneration	Pension	Other	Total
Mr. G. van der Scheer	€350,000	€0	€63,100	€0	€413,100

The member of the Management Board, Mr. Van der Scheer, is entitled to an annual bonus, to be determined at the discretion of the Supervisory Board. This bonus is in practice at least 30% of the current fixed gross salary. For the financial year ended 31 December 2012, Mr. Van der Scheer informed the Supervisory Board that due to the current economic conditions, he chose to waive his bonus. Therefore, Mr. Van der Scheer did not receive any variable remuneration for the financial year ended 31 December 2012.

Management Team remuneration and benefits

The table below provides the aggregate amount of remuneration of the Management Team for the financial year ended 31 December 2012.

Aggregate fixed salary (gross)	Aggregate variable remuneration	Aggregate pension	Aggregate other	Total
€150,000	€70,000	€16.824	€0	€236.824

Supervisory Board remuneration and benefits

The table below provides the remuneration of each member of the Supervisory Board for the financial year ended 31 December 2012. The total remuneration of the Supervisory Board for the financial year 2012 (including Mr. Van der Weerden, who retired from the Supervisory Board on 24 May 2012) was €109,500. The Company has not provided any personal loans, advances or guarantees to Supervisory Board members. The remuneration of the current members of the Supervisory Board for the financial year 2012 was as follows:

Name	Fixed remuneration (gross)
Mr. C.P. Veerman	€35,000
Mr. F.L.H. van Delft	€24,000
Mr. L.H. Lievens	€14,500 (as of 24 May 2012)
Mr. B. Vos	€24,000
Mr. B. van der Weerden	€12,000

Pursuant to the Articles, the General Meeting determines the remuneration of the members of the Supervisory Board. According to the Supervisory Board Regulations, the Supervisory Board will submit proposals to the General Meeting in respect of the remuneration of the individual members of the Supervisory Board.

Pursuant to the Code, the remuneration of the Supervisory Board may not be made dependent on the Company’s performance. Also, none of the members of the Supervisory Board may receive Ordinary Shares or DRs, options for Ordinary Shares or DRs or similar rights to acquire Ordinary Shares or DRs as part of their remuneration. None of the members of the Supervisory Board may hold Ordinary Shares or DRs, options for Ordinary Shares or DRs (or similar securities) other than as a long-term investment. The members of the Supervisory Board may also not hold such securities other than in accordance with the rules on holding/transactions in the Company’s securities. Members of the Supervisory Board may not accept personal loans or guarantees from the Company, other than in the normal course of business and subject to the prior approval of the Supervisory Board.

Pensions for the Supervisory Board

At the date of this Prospectus, there are no amounts reserved or accrued by the Company or its subsidiaries to provide pension, benefit, retirement or similar benefits in relation to 2012 for current members of the Supervisory Board.

Equity holdings

The number of Shares and DRs owned by members of the Management Board and the Management Team at the date of this Prospectus is set forth in the table below.

Name	Ordinary Shares	Preference Shares	DRs
Mr. G. van der Scheer	0	0	85
Mr. G.T.M. Linnenbank	0	0	0
Mr. M. de Bos	0	0	0
Mr. B. Kemp	0	0	34,290

The number of Shares and DRs owned by members of the Supervisory Board at the date of this Prospectus is set forth in the table below.

Name	Ordinary Shares	Preference Shares	DRs
Mr. C.P. Veerman	0	0	0
Mr. F.L.H. van Delft	0	0	56,000
Mr. L. Lievens	0	0	0
Mr. B. Vos	0	0	0

Members of the Management Board, Management Team and Supervisory Board do not have any options for DRs or Shares.

Employment agreements and severance agreements

Management Board and Management Team employment contracts are governed by Dutch employment law, and are generally entered into for an indefinite period of time. The employment contract of Mr. Linnenbank does not contain severance arrangements. Mr. Van der Scheer’s employment contract contains severance provisions which provide for a compensation for the loss of income resulting from a non-voluntary termination of employment. The amount of severance is limited to two years' salary for severance, unless this termination is due to misconduct or resignation of Mr. Van der Scheer. For Mr. Kemp, a maximum gross amount of €325,000 of severance was agreed upon, unless termination is due to misconduct or resignation of Mr. Kemp. Mr. Bos' employment contract contains severance provisions according to which the amount of severance is limited to two years' base plus an amount equal to two years' of employers pension contribution for severance, unless this termination is due to misconduct or resignation of Mr. Bos. The full terms and conditions of employment of the members of the Management Board and Management Team are recorded in individual employment contracts. The members of the Supervisory Board do not have an employment or service contract with the Company.

Indemnification and Insurance

Under Dutch law, members of the Management Board, Supervisory Board and certain other officers may be held liable for damages in the event of improper or negligent performance of their duties. They may be held jointly and severally liable for damages of the Company and of third parties for infringement of the Articles or of certain provisions of the DCC. In certain circumstances, they may also incur additional specific civil and criminal liabilities. Members of the Management Board, Supervisory Board and certain other officers are insured under an insurance policy taken out by the Company against damages resulting from their conduct when acting in their capacities as members of the Management Board, Management Team or Supervisory Board. There shall, however, be no entitlement to reimbursement if and to the extent that the act or failure to act of the person concerned may be characterized as willful misconduct (*opzet*), or gross negligence (*grove schuld*).

Employees

At 16 October 2013 and 31 December of the years 2012, 2011 and 2010 the Group employed the following FTEs.

	31 December 2010	31 December 2011	31 December 2012	16 October 2013
Actual number of FTEs	386	253	291	1,013
Average number of FTEs	364	236	293	1,010

During the year 2012 an average number of 40 FTEs were employed outside the Netherlands (mainly in Belgium). For the period as of 1 January 2013 and up to 16 October 2013, the average number of FTEs employed outside the Netherlands was 425, of which on average of 234 FTEs were employed in Germany and 191 in Belgium. Since 16 October 2013 there was no significant change in the number of employees employed by the Group measured in FTEs.

Pension Schemes

The Company offers a number of pension schemes. The Dutch schemes are financed with payments to pension providers, *i.e.*, insurance companies and industry pension funds. The foreign pension schemes are comparable to the structure and operation of the Dutch pension schemes. The pension commitments from both the Dutch and the foreign schemes are valued in accordance with the 'obligation to the pension provider' approach. This approach means the premium paid to the pension provider is accounted for as a charge in the profit and loss account.

Corporate Governance

In 2003, the Dutch Corporate Governance Committee, also known as the Tabaksblat Committee, issued the Code. The Code applies to all companies whose registered offices are in the Netherlands and whose shares or depositary receipts for shares have been admitted to listing on a stock exchange, or more specifically to trading on a regulated market or a comparable system, and to all large companies whose registered offices are in the Netherlands (with a balance sheet value exceeding €500 million) and whose shares or depositary receipts for shares have been admitted to trading on a multilateral trading facility or a comparable system. The Code therefore formally applied to the Company until the transfer to NYSE Alternext Amsterdam in 2006. As part of an agreement with its Shareholders, the Company still applies the Code as the Company believes it is important to include the main features of its corporate governance structure on its website, in compliance with the amendments to the Code adopted by the Corporate Governance Monitoring Committee (Frijns Committee) in December 2008, after which the current Code entered into force on 1 January 2009. The Code contains a number of principles and best practice provisions for Dutch listed companies in respect of their managing boards, supervisory boards, shareholders and general meetings of shareholders, financial reporting, auditors, disclosure, compliance and enforcement standards.

The Company is required to disclose in its annual report whether or not it applies the provisions of the Code and, if it does not apply those provisions, to explain the reasons why it does not apply those provisions. The Code states that a company is also in compliance with the Code if its general meeting of shareholders has approved the corporate governance structure and the deviations from the Code's principles.

Compliance with the Code

The Company fully endorses the underlying principles of the Code, and is committed to adhering to the best practices of the Code as much as possible. The Company has concluded that it satisfies the principles and best practice provisions of the Code, with the exceptions listed below. The Company provides an explanation for all deviations which it believes are in the best interest of its stakeholders.

Best practice provision II.1.1 (appointment of Management Board members for four years)

"A management board member is appointed for a maximum period of four years. A member may be reappointed for a term of not more than four years at a time."

In deviation from best practice provision II.1.1, the Company entered into an open-ended contract with Mr. Van der Scheer in May 2009, which means he was not appointed for a maximum period of four years. The member of the Management Board and the General Meeting have agreed that the former will resign if the latter so requests based on his performance, in a situation where there is no dominant Shareholder but a wish that is widely supported. If the member of the Management Board were to resign in this manner, this will be deemed to be a dismissal by the Company.

Best practice provision III.2.1 (independence of Supervisory Board members)

"All supervisory board members, with the exception of not more than one person, shall be independent within the meaning of best practice provision III.2.2."

Three members of the Supervisory Board, Mr. Vos, Mr. Van Delft and Mr. Lievens, do not currently satisfy all independence criteria of the Code, which in a strictly formal sense is not in accordance with this best-practice provision.

Best practice provision IV.2.2 (board member trust office)

"The managers of the trust office shall be appointed by the management of the trust office. The meeting of holders of depositary receipts may make recommendations to the management of the trust office for the appointment of persons to the position of manager. No management board members or former management board members, supervisory board members or former supervisory board members, employees or permanent advisers of the company should be part of the management of the trust office. "

The Company deviates from best practice provision IV.2.2. The Company believes that as long as the personal expertise of a potential board member makes such candidate an interesting candidate to take place on the board of STAAR, and there are no other objections from holders of DRs, one board member of the Company may possible be appointed as a board member of STAAR.

Best practice provision IV.2.5 (voting guided by interests of holders of DRs)

"In exercising its voting rights, the trust office shall be guided primarily by the interests of the depositary receipt holders, taking the interests of the company and its affiliated enterprise into account."

STAAR deviates from best practice provision IV.2.5, as the management of STAAR believes it is more advisable to maintain its current objects clause in the articles of association of STAAR. This objects clause provides that the voting rights on the Shares must be exercised such that 'the interests of the Company and the companies maintained by the Company and its affiliates are being represented in order to ensure that the independence or individual identities of the Company and the above-mentioned companies are continued to maximum capacity, provided that this does not conflict with the interests of any other parties involved'.

Best practice provision II.2.8 (maximum severance pay)

"The remuneration in the event of dismissal may not exceed one year's salary (the 'fixed' remuneration component). If the maximum of one year's salary would be manifestly unreasonable for a management board member who is dismissed during his first term of office, such board member shall be eligible for severance pay not exceeding twice the annual salary."

In deviation from this best practice provision II.2.8, the severance payment for Mr. Van der Scheer in case of his dismissal, will be fixed based on all relevant circumstances at that time and will be limited to twice his annual salary.

DESCRIPTION OF SHARE CAPITAL

Set forth below is a summary of certain relevant information concerning the Company's share capital and of certain material provisions of the Articles and applicable Dutch law.

This summary does not purport to give a complete overview and should be read in conjunction with, and is qualified in its entirety by reference to, the Articles and the relevant provisions of Dutch law as in force on the date of this Prospectus. This summary does not constitute legal advice regarding those matters and should not be regarded as such. The full text of the Articles is incorporated by reference into this Prospectus and is available, in Dutch and English, on the Company's website (www.reesink.com). See also "Management, Employees and Corporate Governance" for a summary of certain material provisions of the Articles and Dutch law relating to the Management Board and the Supervisory Board.

General

Koninklijke Reesink N.V., or the Company, is a public company with limited liability (*naamloze vennootschap*). In its dealings abroad, the Company may also use the name Royal Reesink N.V. Another trade name of the Company is Royal Reesink. The Company was incorporated under the laws of the Netherlands on 30 April 1930. The statutory seat of the Company is in Apeldoorn, the Netherlands, and its registered office is at 7325 WC Apeldoorn, the Netherlands, Ecofactorij 20. Its telephone number is: +31 (0)575 599 301.

The Company is registered in the Trade Register of the Chamber of Commerce for East Netherlands (*handelsregister van de Kamer van Koophandel en Fabrieken voor Oost-Nederland*) (the "**Trade Register**"), under number 08005560.

The Company is subject to the 'structure regime'. See "Management, Employees and Corporate Governance – Management Structure and Structure Regime".

Corporate Purpose

Pursuant to clause 1 paragraph 2 of the Articles, the corporate objects of the Company are to: (i) participate in and conduct the management of businesses, in particular businesses that have as their object the trade in metals and plastics and products (including half-finished products) thereof, in addition the trade in machines, equipment, tools, as well as technical components and systems and ancillary items and devices, and acquire, exploit and alienate registered property and make investments in such property; (ii) finance other businesses and provide security for debts of Group Companies; and (iii) perform anything related to the foregoing or which may be conductive thereto, all this in the broadest sense of the word.

Share Capital

Authorized and issued share capital of the Company

On the date of this Prospectus, the authorized share capital of the Company amounted to €24,000,000 and was divided into:

- 2,540,000 Ordinary Shares, each with a nominal value of €4.00
- 460,000 Cumulative Preference Shares A, each with a nominal value of €4.00
- 3,000,000 Cumulative Preference Shares B, each with a nominal value of €4.00.

On the date of this Prospectus a total of 1,460,573 Shares are issued and outstanding, of which 1,200,573 are Ordinary Shares and 260,000 are Cumulative Preference Shares A. The Shares are issued in accordance with Dutch law.

As of the date of the Prospectus, a total of 3,315 Ordinary Shares and 2,525 DRs are held by the Group against historical purchase price, with a total book value of EUR 153,195. Shares that are outstanding on the date of this Prospectus are fully paid up. On the date of this Prospectus no Cumulative Preference Shares B were issued.

History of share capital

The following table sets forth the issued share capital of the Company as per the date of this Prospectus, on 31 December 2012 and on 31 December 2011.

	Year ended 31 December 2010		**Year ended 31 December 2011**		**Year ended 31 December 2012**		**As per the date of this Prospectus**	
	Number of Shares outstanding	Amount of Shares outstanding (in €)	Number of Shares outstanding	Amount of Shares outstanding (in €)	Number of Shares outstanding	Amount of Shares outstanding (in €)	Number of Shares outstanding	Amount of Shares outstanding (in €)
Ordinary Shares	670,948	2,683,792	670,948	2,683,792	775,691	3,102,764	1,200,573	4,802,292
Cumulative Preference Shares A	260,000	1,040,000	260,000	1,040,000	260,000	1,040,000	260,000	1,040,000
Cumulative Preference Shares B	0	0	0	0	0	0	0	0
Total	930,948	3,723,792	930,948	3,723,792	1,035,691	4,142,764	1,460,573	5,842,292

Between 1999 and 2011, the issued and outstanding share capital did not change. In 2012, the issued capital changed with €418,972 following the issue of a total of 104,743 Ordinary Shares at a price of €4.00. For all these Ordinary Shares DRs were granted by STAAR. On 8 May 2012, a total of 34,290 Ordinary Shares were issued in order to finance the acquisition of the Kemp Group. The issue price per Ordinary Share was set at €80.52. On 5 November 2012, a total of 70,453 Ordinary Shares were issued to STAAR as part of a private placement transaction – this comprised 9.99% of the Ordinary Shares outstanding at that time. For these 70,453 Ordinary Shares 70,453 DRs were offered to certain Qualified Investors at an issue price of €74.00. Net proceeds from these issues and offerings were €7,697,000.

The Company and PHD agreed an equity facility on 5 November 2012. The Company had the option, at times to be determined by the Company, to grant – via STAAR – a maximum of 70,523 DRs for a single Ordinary Share to PHD for the financing of acquisitions or mergers ("**Private Placement Equity Facility**"). Statutory preferential rights in relation to this facility were excluded. The equity facility expires on the first of these two occasions: (i) the Company has used the equity facility in full, or (ii) 23 May 2013, *i.e.*, the day before the General Meeting. The term will be extended if the Company fails to use the equity facility in full and the Company is in talks with another party prior to 23 May 2013 regarding an acquisition or merger or has made preparations to this effect, and the transaction is completed after 23 May 2013 and prior to 24 November 2013. During the term of the equity facility, PHD has been granted the exclusive right to finance acquisitions or mergers in exchange for shareholders' equity. The issue price of a DR under the Private Placement Equity Facility is €74.00.

In January 2013, the Company drew down funds under the Private Placement Equity Facility in order to fund the acquisition of Hans van Driel. A total of 59,300 DRs were transferred to PHD. Finally, on 14 October 2013 the Company drew down the remaining available funds from the Private Placement Equity Facility, to finance the acquisition of the activities of Jans-VanGemeren Mechanisatie B.V. as announced on 18 October 2013. A total of 11,223 DRs were transferred to PHD.

On 14 October 2013, a total of 203,603 Ordinary Shares were issued to STAAR as part of the Private Placement, at a share price of €63.85 to finance part of the Acquisition. For all these Ordinary Shares, DRs were granted by STAAR to certain existing Shareholders that qualify as Qualified Investors. On 16 October 2013, a total of 150,756 Ordinary Shares were issued to Pon Holdings at a share price of €63.85 as part of the consideration for the Acquisition, which Ordinary Shares were directly transferred by Pon Holdings to STAAR in exchange for DRs.

Shareholders register

The Shares are in registered form (*op naam*) and are only available in the form of an entry in the Company's shareholders register. No share certificates (*aandeelbewijzen*) are issued. The shareholders register is kept by the Management Board.

The Company's shareholders register records the names and addresses of the Shareholders, the number of Shares held, the amount paid on each Share and the date of registration in the shareholders register. In addition, each transfer or passing of ownership and every discharge from liability for non-payment is registered in the shareholders register. The shareholders register also includes the names and addresses of persons and legal entities with a right of pledge (*pandrecht*) or a right of usufruct (*vruchtgebruik*) on those Shares.

Issuance of Shares

Subject to the approval of the Supervisory Board, the General Meeting, or the Management Board if authorized by the General Meeting, as the case may be, may resolve upon the issue of Shares. As long as the

Management Board is authorized to resolve to issue Shares, the General Meeting may not adopt a resolution to issue further Shares.

A resolution of the General Meeting to issue Shares or to designate the Management Board as being authorized to issue Shares, shall be valid only if accompanied by a prior or simultaneous resolution of approval by each group of Shareholders of the same class whose rights are prejudiced by the issue. If the Management Board has been designated to issue Cumulative Preference Shares B, the issue of Cumulative Preference Shares B (i) is subject to the prior or simultaneous approval of the General Meeting if the nominal amount of the Cumulative Preference Shares B to be issued exceeds more than half of the share capital of the Company issued previously; and (ii) if the nominal amount of the Cumulative Preference Shares B to be issued is half or less than the share capital of the Company issued previously, the Management Board must state the reason(s) for the issue at a General Meeting to be held within four weeks of those Cumulative Preference Shares B being issued, unless it had stated the reasons at a previous General Meeting.

If the Management Board has been designated as the body authorized to resolve upon further issues of Shares, the number and class of Shares must be specified in such designation. Upon such designation, the duration of the designation shall be set, which shall not exceed five years. The designation may be extended, from time to time, for periods not exceeding five years. Unless such designation provides otherwise, it may not be withdrawn. Although the duration of the designation as provided by law may be a maximum of five years, the Company adheres to the good practice of limiting this duration to 18 months. Ordinary Shares may be issued only against payment in full. Payment for Shares must be made in cash, unless another form of consideration has been agreed.

The rules described in this paragraph also apply to the granting of rights to subscribe for Shares, but do not apply to the issue of Shares upon the exercise of a right to subscribe for Shares.

During the annual General Meeting held on 23 May 2013, the General Meeting authorized the Management Board, subject to the approval of the Supervisory Board, for a period of 18 months, to issue Ordinary Shares up to 10% of the issued Ordinary Shares at the time of the issue and another 10% in the event of a merger or acquisition.

During the extraordinary General Meeting held on 2 July 2013, the General Meeting authorized the Management Board, subject to the approval of the Supervisory Board, for a period of 18 months, to (i) issue 250,589 Ordinary Shares to STAAR in connection with (a) the Private Placement of 203,603 DRs with certain Qualified Investors and (b) the Offering; (ii) issue 150,756 Ordinary Shares to Pon Holdings, under the obligation for Pon Holdings to immediately transfer such 150,756 Ordinary Shares to STAAR in exchange for a corresponding number of 150,756 DRs; and (iii) grant the right to subscribe for Ordinary Shares to Pon Holdings in connection with the Loan Agreement.

Pre-emption rights

Holders of Ordinary Shares have a pre-emptive right in the event of an issue of Ordinary Shares in proportion to the total amount of their Ordinary Shares. Holders of Ordinary Shares have no pre-emptive right in the event of an issue of Cumulative Preference Shares A and Cumulative Preference Shares B. Holders of Cumulative Preference Shares A and holders of Cumulative Preference Shares B have no pre-emptive right in the event of an issue of Shares. No pre-emptive right exists in respect of an issue of Shares for consideration other than in cash or in respect of Shares that are issued to employees of the Company or of the Group.

The General Meeting may resolve to restrict or exclude pre-emptive rights, which resolution requires a majority of at least two-thirds of the votes cast if less than one-half of the issued capital is represented at the General Meeting. If one-half or more of the issued capital is represented, the resolution can be adopted with an absolute majority of the votes cast. The General Meeting may authorize the Management Board to restrict or exclude pre-emptive rights if the Management Board is also authorized to issue Shares at that time. This authorization may be granted for a specific period of not more than five years and may be extended, from time to time, for no longer than five years and only applies as long as the authorization to issue Shares is in force. The Company adheres to the good practice of limiting this duration to 18 months. Once granted, the General Meeting cannot withdraw the authority of the Management Board, unless the initial resolution to authorize the Management Board provides expressly otherwise. A resolution of the Management Board to restrict or exclude pre-emptive rights is subject to the approval of the Supervisory Board.

The issue of Shares that is subject to pre-emptive rights and the period during which these rights can be exercised shall be announced in a national daily newspaper and the Netherlands Government Gazette (*Nederlandsche Staatscourant*). The period during which pre-emptive rights may be exercised is determined by the General Meeting, or if authorized, the Management Board subject to the approval of the Supervisory Board. This period is at least two weeks following the day of the announcement.

The rules described in this paragraph also apply to the granting of rights to subscribe for Shares, but do not apply to the issue of Shares upon the exercise of a right to subscribe for Shares.

During the annual General Meeting held on 23 May 2013, the General Meeting authorized the Management Board, subject to the approval of the Supervisory Board, for a period of 18 months, to limit or exclude pre-emptive rights in connection with an issue of Ordinary Shares up to 10% of the issued Ordinary Shares at the time of the issue and another 10% in the event of an issue related to a merger or acquisition.

During the extraordinary General Meeting held on 2 July 2013, the General Meeting authorized the Management Board, subject to the approval of the Supervisory Board, to limit or to exclude pre-emptive rights for a period of 18 months in connection with: (i) the issue of 250,589 Ordinary Shares to STAAR in connection with (a) the Private Placement of 203,603 DRs with certain Qualified Investors and (b) the Offering; (ii) the issue of 150,756 Ordinary Shares, under the obligation for Pon Holdings to immediately transfer such 150,756 Ordinary Shares to STAAR in exchange for a corresponding number of 150,756 DRs; and (iii) grant the right to subscribe for Ordinary Shares to Pon Holdings in connection with the Loan Agreement.

Capital reduction

The General Meeting may resolve to reduce the issued share capital of the Company by cancellation of Shares or by reducing the nominal value of Shares by amending the Articles. Under Dutch law, the resolution to reduce the issued share capital must specifically state the shares concerned and lay down rules for the implementation of the resolution. The resolution to cancel Shares may only concern Shares which are held by the Company or Shares for which the Company holds DRs.

Under Dutch law, a resolution to reduce the issued share capital requires a majority of at least two-thirds of the votes cast in the General Meeting if less than one-half of the issued share capital is represented at that General Meeting. A resolution to reduce the issued share capital in addition requires the prior simultaneous approval by each group of Shareholders of the same class whose rights are prejudiced.

Acquisition by the Company of its own Shares

The Company may acquire fully paid-up Shares for no consideration or if: (i) the Company's shareholders' equity less the payment required to make the acquisition does not fall below the sum of the called-up and paid-up part of the share capital and any statutory reserves; and (ii) the nominal value of the Shares which the Company acquires, holds or holds as pledgee or which are held by a subsidiary does not exceed half of the issued share capital. The Management Board requires the authorization by the General Meeting for the repurchase of Shares for consideration. The Company adheres to the good practice of limiting this duration to 18 months. As part of the authorization, the General Meeting specifies the number of Shares that may be repurchased, the manner in which the Shares may be acquired and the price range within which the Shares may be acquired. The authorization is not required for the acquisition of Shares for employees of the Company or another member of its Group, under a scheme applicable to such employees. The Management Board may resolve, subject to the approval of the Supervisory Board, to dispose of Shares acquired by the Company in its own capital.

Shares held by the Company in its own share capital shall be taken into account for the computation of the amount of profit to be distributed on each Share. No voting rights may be exercised at the General Meeting for Shares that belong to the Company or its subsidiaries or for Shares for which they hold DRs. Holders of a right of usufruct or a right of pledge to Shares belonging to the Company or its subsidiaries may, however, exercise their voting rights if the right of usufruct or right of pledge was established before the Share belonged to the Company or its subsidiaries. The Company or its subsidiaries may not exercise voting rights for Shares on which it holds a right of usufruct or right of pledge. In determining to what extent the Shareholders vote, are present or represented, or to what extent the share capital is provided or represented, no account is to be taken of Shares regarding which no voting rights may be exercised by law.

During the annual General Meeting held on 23 May 2013, the General Meeting authorized the Management Board, subject to the approval of the Supervisory Board, for a period of 18 months, to repurchase (i) Ordinary Shares up to no more than 10% of the issued share capital of the Company at the time of the repurchase for a price per Ordinary Share that is between the nominal value of the Ordinary Shares and 110% of the average price of a DR on NYSE Alternext Amsterdam during the five trading days prior to the day of the repurchase and (ii) Preference Shares up to 30% of the issued share capital of the Company at the time of the repurchase, for a price per Preference Share of 0% and 105% of the nominal value of the Preference Shares. The authorization also includes DRs.

During the extraordinary General Meeting held on 2 July 2013, the General Meeting authorized the Management Board, subject to the approval of the Supervisory Board, for a period of 18 months, to repurchase – in connection with the Acquisition – a maximum of (i) 203,603 Ordinary Shares or DRs and (ii) 46,986 Ordinary Shares or DRs by retail investors, for a price per Ordinary Share or DR of €63.85.

Form and transfer of Shares

All Shares are in registered form. A transfer of Shares or of a restricted right thereto requires a deed of transfer drawn up for that purpose.

Pursuant to the Articles, natural persons or legal entities may not hold, or be allocated, more than 1% of the issued Ordinary Shares in his or her name. If this does occur, the Shareholder in question is required to dispose of its excess Ordinary Shares, either by selling them or by exchanging them for DRs. A natural person or legal person may not have or have registered in his name more than 1% of the issued Ordinary Shares, taking account of his entitlement to undivided interests ("*onverdeeldheden*"); the determination of the said limit of 1% includes the Ordinary Shares of the companies in whose capital such shareholder participates either directly or indirectly for 50% or more, or in respect of which company such shareholder is to a considerable extent in a position to determine the profit appropriation. Holders of Ordinary Shares cannot be legal persons other than companies with share capital, unless the Management Board, subject to the Supervisory Board's approval, grants an exemption.

If a Shareholder acquires Ordinary Shares in breach of the above requirements, such Shareholder must alienate, within a month of such a situation arising, as many Ordinary Shares as necessary to comply with the requirement, either by exchanging them into DRs, to be issued by STAAR, or by sale, or by any other means. The Shareholder may exercise all the rights ensuing from his shareholding. If a Shareholder fails to comply with the foregoing, and, after having been notified of such failure by the Management Board by means of a registered letter or a process server's writ, continues to be in default of the foregoing for 14 days following the delivery of the registered letter by post or the service of the process server's writ, the Company is irrevocably authorized to transfer as many Ordinary Shares as necessary to STAAR, against the grant of DRs for such Ordinary Shares by STAAR, to comply with this requirement and to do everything necessary to do so, provided the Shareholder concerned agrees to it. If the Shareholder concerned does not agree to it, the Company is irrevocably authorized to alienate as many Ordinary Shares as necessary to comply with the foregoing requirement and to do everything necessary to do so. If the Company has not availed itself of this authorization within six months, the Shareholder concerned will be deemed to have been irrevocably granted dispensation, provided that the percentage of Ordinary Shares that he or she owns at that point may not be increased. The price at which those Ordinary Shares are alienated will be determined in consultation with the Shareholder concerned. If no agreement on the price is reached within four weeks, it will be determined by an expert appointed by the District Court of Gelderland, hearing location Zutphen, on the request of either party.

The foregoing requirements do not apply to (i) Shareholders who owned over 1% of the issued Ordinary Shares on 23 April 1976 (upon the conclusion of the amendment to the Articles effectuated in that calendar year) provided that the percentage of Ordinary Shares that they owned at that time may not be increased; these Shareholders may acquire new Ordinary Shares upon the issue of Ordinary Shares, in order to may maintain their holding percentage at the percentage prior to such issue, to be calculated at that time with regard to the newly increased issued share capital; (ii) natural persons or legal persons permitted to own a higher percentage of Ordinary Shares by resolutions of the Management Board, subject to the Supervisory Board's approval, all this however solely where the Company issues Ordinary Shares to these natural persons or legal persons to acquire shares in other companies or to acquire other businesses; (iii) natural persons or legal persons permitted to own a higher percentage of Ordinary Shares by a resolution of the General Meeting, subject to the prior nomination by the Management Board and the Supervisory Board's approval; (iv) STAAR; and (v) the Company.

No title may be transferred in breach of the foregoing requirements.

A Shareholder may only transfer its Preference Shares to a third party if it has first offered its Preference Shares to the Company. A Shareholder must offer all its Preference Shares to the Company in case of (i) a holder of Preference Shares deceases; (ii) the spouse of a holder of Preference Shares with whom the deceased was married under a community of property regime, of which those Preference Shares formed part, deceases ; (iii) the marriage of a holder of Preference Shares, who was married under a community of property regime of which those Preference Shares formed part, is dissolved by divorce or if a legal separation is pronounced or if the community is dissolved; (iv) bankruptcy/insolvency or a moratorium of a holder of Preference Shares; or (v) dissolution of a holder of Preference Shares (legal person), unless it coincides with the introduction of its business into a new or existing legal person that continues its business.

Exchange Controls and Other Provisions Relating to Non-Dutch Shareholders

Under Dutch law, there are no exchange control restrictions on investments in, or payments on, Shares. There are no special restrictions in the Articles or Dutch law that limit the right of Shareholders who are not citizens or residents of the Netherlands to hold or vote on Shares.

Dividends and Other Distributions

The Company may make distributions to the holders of Shares and other persons entitled to distributable profits only to the extent that its equity exceeds the sum of the amount of the paid-in and called up share capital plus the reserves which must be maintained under Dutch law or the Articles. Profits are distributed after the adoption by the General Meeting of the annual accounts from which it appears that said distributions are permitted. Pursuant to the Articles, dividends to Shareholders will be payable within 14 days of the corresponding resolution of the General Meeting.

Pursuant to the Articles, the Management Board, with the approval of the Supervisory Board, decides how much of the profit will be reserved. After reservation by the Management Board, any remaining profits must first be applied to pay a dividend on the Preference Shares, before distribution of any remaining distributable profits to the other Shareholders. If the profit made in any financial year is not sufficient to distribute a dividend on the Preference Shares, distributions in following years may only be made provided that such shortfall has been redressed. There are no Cumulative Preference Shares B outstanding at the date of this Prospectus. Any profits remaining after such reservation and dividend payment on the Preference Shares will be at the disposal of the General Meeting. The General Meeting may, upon the proposal of the Management Board, such proposal having been approved by the Supervisory Board, resolve that payment of dividend may be made wholly or partly in Ordinary Shares. Subject to Dutch law and the Articles, the General Meeting may resolve to distribute an interim dividend upon the proposal of the Management Board. Any entitlement to a dividend distribution by a holder of Shares expires five years after the date those dividends were released for payment. See also "Dividends and Dividend Policy".

Dissolution and Liquidation

The General Meeting may resolve to dissolve the Company by an absolute majority of votes at the proposal of the Management Board thereto with the approval of the Supervisory Board. If no such proposal has been made by the Management Board, the General Meeting may adopt a resolution to dissolve the Company by a two-third majority of the votes cast in a General Meeting in which at least three-fourth of the issued share capital is represented.

In the event of the dissolution of the Company, the Company will be liquidated in accordance with statutory provisions. During liquidation, the provisions of the Articles will remain in full force as far as possible. The balance of the Company's assets remaining after all liabilities have been paid shall, if possible, (i) first, the entitled holders of Preference Shares will receive the nominal amount paid up on their shareholdings or a lesser amount in accordance with the available balance; (ii) secondly, following this payment, holders of Preference Shares will receive the shortfall in cumulative preferred dividend enjoyed by them in the period between the issue of these Preference Shares and redemption of the nominal amount of these Preference Shares in relation to the percentage of the paid-up nominal amount of their Preference Shares agreed with these holders prior to the issue, or a lesser amount in accordance with the available balance; and (iii) any amount remaining after this will be paid out to holders of Ordinary Shares in proportion to the nominal value of their shareholdings.

General Meetings and Voting Rights

The annual General Meeting must be held within six months after the start of each financial year. Typical agenda items are: the report of the Management Board concerning the Company's affairs and the management as conducted during the previous financial year, the report of the Supervisory Board and its committees, the adoption of the Company's annual accounts, the allocation of profits in so far as this is at the disposal of the General Meeting and if applicable, the proposal to pay dividend, delegation of authority to issue shares, delegation of authority to restrict or exclude pre-emption rights, the discharge of members of the Management Board and Supervisory Board, the (re)appointment of the external auditor, the delegation of authority to purchase own Shares and the composition of the Supervisory Board and the Management Board.

Extraordinary General Meetings can be held whenever the Management Board or the Supervisory Board deem desirable. In addition, Shareholders and holders of DRs (alone or acting in concert) holding at least 10% of the outstanding share capital of the Company may request the Management Board or the Supervisory Board in writing to convene an extraordinary General Meeting, which request should include a clear and detailed agenda. The Management Board may set further conditions in respect of such a request.

General Meetings must be convened by the Management Board or the Supervisory Board by sending a convening notice, which must be given no later than the 15^{th} day before the date of the General Meeting. Such notice must include the location and the time of the meeting, an agenda indicating the items for discussion and any proposals for the agenda. General Meetings must be held in the municipality of Apeldoorn, Houten, Zutphen, Amsterdam or Utrecht, the Netherlands. The notice of a General Meeting is given in such manner as shall be authorized by Dutch law including, but not limited to, a written notice, a legible and reproducible message by electronic means and an announcement published by electronic means as well as an announcement in a daily newspaper.

Proposals of Shareholders and other persons entitled to attend the General Meetings will only be included in the agenda, if such proposal is made in writing to the Management Board no later than 60 days before the General Meeting and the Shareholders or other persons entitled to attend General Meetings, solely or jointly holding Shares representing at least 3% of the issued share capital.

Each holder of Shares is entitled to attend the General Meeting, to address the General Meeting and to exercise voting rights pro rata to its shareholding, either in person or by proxy, provided he or she has signed the attendance list in advance.

Each holder of DRs is entitled to attend the General Meeting and address the General Meeting. In addition, a holder of DRs is entitled to exercise voting rights insofar such DR holder has:

(i) been granted a power of attorney by STAAR (see below under "Stichting Administratiekantoor van Aandelen Reesink – Voting rights"); and

(ii) filed a written statement from an affiliated institution (*aangesloten instelling*) as referred to in the Act On Giro Transfer of Securities (*Wet giraal effectenverkeer*) with the Company's office. This statement must state that the number of DRs referred to in it:

  a) forms part of its collective deposit as referred to in the Act On Giro Transfer of Securities and that the person referred to in the statement is and will remain a joint owner of the stated number of DRs in its collective deposit (*verzameldepot*) until after the meeting; or

  b) the certificates for those DRs are in the custody of that affiliated institution and will remain in it until after the meeting has been held.

Members of the Management Board and members of the Supervisory Board may attend a General Meeting. In these General Meetings, they have an advisory vote. Each holder of Shares may cast one vote per Share held. Resolutions of the General Meeting are passed by an absolute majority of votes cast unless Dutch law or the Articles explicitly and mandatorily prescribe a larger majority.

Amendment of Articles

A resolution to amend the Articles may be adopted by the General Meeting by an absolute majority of votes, if a proposal to that extent has been made by the Management Board and approved by the Supervisory Board. If no such proposal has been made by the Management Board, the General Meeting may adopt a resolution to amend the Articles by a two-third majority of the votes cast in a meeting in which at least three-fourth of the issued share capital is represented.

Stichting Continuïteit Reesink

Stichting Continuïteit is a foundation (*stichting*) incorporated under Dutch law and was established on 23 September 1988. Stichting Continuïteit has its statutory seat (*statutaire zetel*) in Zutphen, the Netherlands, and its registered office at Ecofactorij 20, 7325 WC Apeldoorn, the Netherlands. Stichting Continuïteit is registered with the Trade Register, the Netherlands under the number 41040492.

Stichting Continuïteit's objects are to promote the interests of the Company and the businesses maintained by the Company and its Group Companies in a way that the interests of the Company and those businesses and all involved are as far as possible safeguarded. These objects include protection of the continuity or independence or own identity of the Company and its Group Companies insofar not contrary to the interest of all others involved, to the fullest extent possible.

Stichting Continuïteit endeavors to achieve these objects by acquiring Cumulative Preference Shares B and by exercising the rights attaching to those Shares. The possibility of issuing Cumulative Preference Shares B is an anti-takeover measure.

On 3 May 2012, the Company and Stichting Continuïteit entered into a call option agreement which replaced all earlier agreements dated 21 September 1988 and 23 October 1989. Under the call option agreement, Stichting Continuïteit has the right to acquire up to a maximum of 2,300,000 Cumulative Preference Shares B. Stichting Continuïteit has a credit facility to enable it to pay the amount to be paid up on the Cumulative Preference Shares B. The Cumulative Preference Shares B must be paid up for 25% of the nominal value. The Company and Stichting Continuïteit agreed that the number of votes cast on Cumulative Preference Shares B will not exceed the number of Ordinary Shares outstanding at that time and the Cumulative Preference Shares A combined. The call option agreement will be amended in accordance with the latest amendment of the Articles, in which the Company's authorized share capital was increased, as a result of which the maximum number of Cumulative Preference Shares B will be adjusted. Stichting Continuïteit will perform its role, and take all actions required, at its sole discretion. In the exercise of its functions it will however be guided by the interests of the Company and the business enterprises connected with it, and all other stakeholders, including Shareholders and employees. The Company has committed itself to Stichting Continuïteit to compensate all reasonable expenses to be incurred.

Stichting Continuïteit is managed by a board, the composition of which is intended to ensure that an independent judgment may be made as to the interests of the Company. The board consists of a number of experienced and reputable former senior executives of multinational companies. To be kept informed about the business and interest of the Company, the Management Board is invited to attend the meetings of Stichting Continuïteit to address this. The board of Stichting Continuïteit consists of: Mr. R. van Dam (chairman), a former member of several managing boards and currently member of the board of, among others, Stichting Administratie kantoor Prosensa Holding B.V. (chairman), Mr. J. Reesink a former managing director of C.G. Sieben & Co B.V. and Mr. H.A.A. Kienhuis a former attorney and managing partner of KienhuisHoving N.V.

Stichting Administratiekantoor van Aandelen Reesink

The following description summarizes certain provisions of the articles of association as most recently amended on 22 April 2013 and the terms and conditions of administration (*administratievoorwaarden*) of STAAR as most recently amended on 15 December 2011. This summary does not purport to be complete, and is subject to, and qualified in its entirety by reference to these documents (which are incorporated by reference herein), as well as to the applicable provisions of Dutch law.

Overview

STAAR is a foundation (*stichting*) incorporated under Dutch law and was established on 31 October 1983. STAAR has its statutory seat (*statutaire zetel*) in Apeldoorn, the Netherlands, and its registered office at Ecofactorij 20, 7325 WC Apeldoorn, the Netherlands. STAAR is registered with the Trade Register, the Netherlands under the number 41039553.

STAAR is governed by its articles of association and by the terms and conditions of administration (*administratievoorwaarden*) as these may read from time to time. The corporate purpose of STAAR includes, among others, acquiring and administering registered Shares in the share capital of the Company by way of fiducia cum amico (*ten titel van beheer*), in exchange for exchangeable DRs and also (if the case may be) to exercise voting rights and the right to of dividends which are attached to the Shares. The full corporate purpose can be found in clause 2 of the articles of association of STAAR. The DRs are negotiable instruments under Dutch law. Each of the DRs represents a financial interest in one Ordinary Share held by STAAR.

DRs

When first issued, the DRs shall be in bearer form. The DRs will be represented by a global certificate which will be deposited with a central institute as defined in the Act On Giro Transfer of Securities (the "**Central Institute**").

Holders of DRs are entitled to receive dividends or other distributions to Shareholders. STAAR shall collect the net dividends and other distributions payable on the Ordinary Shares which it receives in its capacity as Shareholder. Upon receipt, STAAR shall pay out these dividends and distributions to the holders of DRs without any deductions.

In the event of an option between a distribution in cash or other assets, STAAR shall inform the holders of DRs thereof in advance and it shall, to the extent possible, enable the holders of DRs to exercise their own option up to the second day prior to the day on which the foundation must have notified its chosen option. In the event that the holders of DRs wishes have not been notified to the foundation two days prior to the day on which the option should have been notified by STAAR, STAAR shall take a decision that shall deem to be in the interests of that of the holder of DRs. The entitlement to dividend lapses in case five years and one day have lapsed. For a holder of DRs whose place of residence is not in the Netherlands, this period will be increased by the period during which it is unable to collect a dividend to which it is entitled because of war, the immediate danger of war, revolution or comparable extraordinary circumstances. Any dividend that is not collected within this period reverts to STAAR.

Voting rights

Voting rights on the DRs are exercised by STAAR, unless the holders of DRs have been granted a power of attorney. STAAR shall consider the interests of the holders of DRs as well as the interests of the Company, taking into account its principles of continuation and maintenance of identity upon voting. Holders of DRs are not entitled to give binding instructions to STAAR concerning the exercise of voting rights on the Ordinary Shares underlying their DRs. Holders of DRs can obtain powers of attorney, which can be granted only for a particular General Meeting and expire upon close of that General Meeting. After obtaining a power of attorney, the holders of DRs may exercise its obtained voting right as it sees fit. In a limited number of cases STAAR can limit, exclude or renounce a power of attorney, which cases are included in clause 2.4 of the articles of association of STAAR.

Moreover, if it is proposed to alter the rights attached to the Ordinary Shares, STAAR shall announce this intention, if possible, 14 days prior to the General Meeting without having to indicate how STAAR shall vote. Under Dutch law, holders of DRs have a right to attend and speak at the General Meeting, to inspect the annual accounts and to obtain a copy of the annual accounts free of charge. In addition, STAAR is entitled to consult holders of DRs in respect of a particular matter whenever it believes it is appropriate to do so.

In the event that a pre-emptive right exists in connection with the issue of new Ordinary Shares, STAAR shall grant the holders of DRs a similar pre-emptive right in respect of DRs.

Management of STAAR

STAAR is managed by a board, the composition of which is intended to ensure that an independent judgment may be made as to the interests of the Company. The board consists of one board member A, and two or more board members B. The total number of board members B is determined by the managing board of STAAR.

At the date of this Prospectus, the board of STAAR is comprised of three board members B, being board members who are not affiliated with the Company. These are Mr. W.G. van Hassel (chairman), Mr. H.A.D. van den Boogaard and Mr. A.D. Plaggemars.

Mr. B. Vos, who is affiliated to the Company as he is also a member of the Supervisory Board, is the only board member A and therefore the fourth member of the board of STAAR. Mr. B. Vos replaced Mr. Van Weerden as of 1 July 2013.

Below is an overview of the most relevant and significant positions of the board members of STAAR:

Mr. W.G. van Hassel

Profession/main position:	Board member B of STAAR.
Other supervisory board memberships:	Eurocommercial Properties N.V. (chairman), Aan de Stegge Verenigde Bedrijven B.V. (chairman), Box Consultants B.V. (chairman), HW Wonen B.V. (member).
Significant former positions/other positions:	Former attorney and chairman of the board of Trenité van Doorne, former general dean of the Netherlands Bar Association, chairman of the board of Stichting Kunsthal Rotterdam and chairman of the board of Stichting Nationaal Register Commissarissen en toezichthouders, former member of the supervisory board of Holding AVR Bedrijven N.V., former member of the supervisory board of Ahoy Rotterdam N.V., former board member of Stichting Woonstad Rotterdam, and chairman of the supervisory board of Stichting Sint Franciscus Gasthuis.

Mr. H.A.D. van den Boogaard

Profession/main position:	Board member B of STAAR.
Significant former positions/other positions:	Former board member and CFO of Stork N.V.

Mr. A.D. Plaggemars

Profession/main position:	Board member B of STAAR.
Other supervisory board memberships:	PC Emerging Europe Equity Fund N.V. (member), PC Russian Midcap Fund N.V. (member) and Tsjechië en Slowakije Fonds (Czech Republic and Slovakia Fund) (member).
Significant former positions/other positions:	Dutch Civil Law Notary and deputy justice at the court of appeals in The Hague, chairman of Koninklijke Notariële Beroepsorganisatie, board member Internationaal Juridisch Instituut and chairman of Stichting Regionaal Opleidings-centrum A12.

Mr. B. Vos

Profession/former professions/main position:	Board member A of STAAR, former managing director TCA, former member of the board of directors Unigro, former chairman of the board of Hema and former chairman Landelijke Huisartsen Vereniging (National Association of General Practitioners)
Other supervisory board memberships:	PC Emerging Europe Property Fund N.V., PC Emerging Europe Equity Fund N.V. (chairman), PC Russian Midcap Fund N.V. (chairman) and Tsjechië en Slowakije Fonds (Czech Republic and Slovakia Fund) (chairman)

Significant former positions/other positions:	Board member Stichting Administratiekantoor Aandelen Recopart and chairman of the supervisory board Kempen Capital Management N.V.

The board member A is appointed by the board of STAAR, subject to approval of the Supervisory Board. The board member A is a person who does not qualify as independent within the meaning of clause 4.2 of the articles of STAAR.

Board members B are appointed by the board of STAAR, subject to approval by the Management Board and the Supervisory Board. Board members of STAAR are appointed for a maximum term of four years, provided that, unless a member of the board resigns at an earlier date, his or her term of office lapses on the 30th of June following the fourth year after the year of his or her appointment. A retiring member of the board can be reappointed, with due observance of the foregoing. Unless the board of STAAR resolves otherwise, a board member cannot hold its position for more than twelve years. The board may draw up a retirement schedule for its members.

Board members may be suspended and dismissed by a unanimous decision by the board of STAAR. Suspended board members are not allowed to vote during suspension.

STAAR is represented vis-à-vis third parties by its board or by a board member A and a board member B acting jointly. In case no board member A is appointed, two board members B are entitled to represent STAAR. STAAR is allowed to grant a power of attorney in writing to a board member A or B solely, or to a third party so that such board member or third party is entitled to represent STAAR.

Amendment, dissolution and termination of administration

STAAR may amend the terms and conditions of administration. Resolutions for the amendment of the articles of association of STAAR or for the dissolution of STAAR are subject to the unanimous approval of the board of STAAR. Amendment of the articles of association or dissolution of the administration by STAAR requires prior approval of the Company. A notarial deed is required for amendment of the articles of association. Each member of the board is separately authorized to execute such deed.

STAAR cannot be dissolved until all Shares held by it have been transferred to the holders of the DRs or, alternatively, a successor has been appointed to whom the Shares have been transferred and who shall administer them subject to the same conditions.

Upon dissolution, STAAR shall be liquidated by the board. Any liquidation proceeds are destined for charitable or social cause, unless otherwise decided by the liquidators, all in accordance with the terms and conditions of administration of STAAR. After liquidation, the books and records of STAAR will be held by a person appointed for that purpose by the liquidators for the period prescribed by law.

The DRs are governed by Dutch law.

Exchange of DRs into Ordinary Shares

Upon written request by a holder of DRs, STAAR shall exchange (*royement*) his DRs for the underlying Ordinary Shares as follows:

(i) the holder of DRs requests STAAR to exchange (*royeren*) his DRs for the underlying Ordinary Shares;

(ii) all DRs are embodied in a global certificate (*verzamelbewijs*). The administration of the global certificate is assigned to the Central Institute;

(iii) upon request of STAAR, the Central Institute will reduce the total number of DRs embodied in the global with the corresponding number of DRs to be exchanged;

(iv) the underlying Ordinary Shares will be transferred by means of a private deed of transfer between STAAR and the respective holder of DRs and with the cooperation of the so-called third person in the meaning of clause 3 of the terms and conditions of administration; and

(v) the 1%-threshold (see "Share Capital – Form and transfer of Shares") shall be taken into account, meaning that the holder of DRs may not have or have registered in his name more than 1% of the issued Ordinary Shares.

Squeeze-out Proceedings

Pursuant to section 2:92a of the DCC, a shareholder who for his own account contributes at least 95% of a company's issued capital may institute proceedings against a company's minority shareholders jointly for the transfer of their shares to the claimant. The proceedings are held before the Enterprise Chamber and can be instituted by means of a writ of summons served upon each of the minority shareholders in accordance with the provisions of the Dutch Code of Civil Procedure (*Wetboek van Burgerlijke Rechtsvordering*). The Enterprise

Chamber may grant the claim for squeeze-out in relation to all minority shareholders and will determine the price to be paid for the shares, if necessary after appointment of one or three experts who will offer an opinion to the Enterprise Chamber on the value to be paid for the shares of the minority shareholders. Once the order to transfer becomes final before the Enterprise Chamber, the person acquiring the shares shall give written notice of the date and place of payment and the price to the holders of the shares to be acquired whose addresses are known to him or her. Unless the addresses of all of them are known to him or her, he or she shall also publish the same in a daily newspaper with nationwide circulation.

Obligations to Disclose Holdings

Holders of the Shares may be subject to notification obligations. Shareholders are advised to seek professional advice on these obligations.

Shareholders

As NYSE Alternext Amsterdam does not qualify as a *regulated market,* the provisions of the FMSA in respect of notification obligations towards the AFM if, any person who, directly or indirectly, acquires or disposes of an interest in the capital or voting rights of a company, if, as a result of such acquisition or disposal, the percentage of capital interest or voting rights held by such person in a company reaches, exceeds or falls below any of the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95% must notify the AFM of the voting rights or capital interests in the issued capital of such company, is not applicable to the Company. However, the Company has included an internal notification procedure for the holders of Shares and DRs in the capital of the Company in its Articles and the articles of association of STAAR, for which the thresholds are linked to those in the FMSA as described above.

Every holder of 3% or more of the Company's share capital or voting rights whose interest at 31 December at 12 midnight differs from a previous notification, as a result of certain acts (including but not limited to the exchange of Shares for DRs and the exercise of a right to acquire Shares) must notify the Company within four weeks.

Certain cash settled derivatives are also taken into account when calculating the capital interest. Disclosure of cash settled derivatives may be required under the rules if the instrument held falls within any of the following three categories:

- financial instruments of which the price increase is at least partially dependent on a price increase of shares or distributions and which do not entitle the holder to physical settlement;
- short positions in put options; and
- other contracts of similar economic effect to holding shares.

Controlled entities, within the meaning of the FMSA, do not have notification obligations, as their, direct and indirect, interests are attributed to their (ultimate) parent. Any person may qualify as a parent for purposes of the FMSA, including an individual. A person who has a 3% or larger interest in the Company's share capital or voting rights and who ceases to be a controlled entity for these purposes must immediately notify the Company. As of that moment, all notification obligations under the Articles will become applicable to the former controlled entity.

For the purpose of calculating the percentage of capital interest or voting rights, among other metrics, the following interests must be taken into account: (i) the Shares, DRs or voting rights on the Shares directly held (or acquired or disposed of) by a person, (ii) the Shares, DRs or voting rights on the Shares held (or acquired or disposed of) by such person's subsidiaries or by a third party for such person's account or by a third party with whom such person has concluded an oral or written voting agreement (including a discretionary power of attorney), and (iii) the Shares, DRs or voting rights on the Shares which such person, or any subsidiary or third party referred to above, may acquire pursuant to any option or other right held by such person (or acquired or disposed of, including, but not limited to, on the basis of convertible bonds).

Special rules apply with respect to the attribution of Shares, DRs or voting rights on the Shares which are part of the property of a partnership or other community of property. A holder of a pledge or right of usufruct (*vruchtgebruik*) in respect of the Shares can also be subject to the notification obligations under the Articles, if such person has, or can acquire, the right to vote on the Shares or, in the case of DRs, the underlying Shares. The acquisition of (conditional) voting rights by a pledgee or usufructuary may also trigger the notification obligations as if the pledgee or beneficial owner were the legal holder of the Shares or voting rights on the Shares.

Management

Pursuant to the FMSA, any member of the Management Board and any other person who has managerial or co-managerial responsibilities in respect of the Company or who has the authority to make decisions affecting future developments and business prospects of the Company and who may have regularly access to inside information relating, directly or indirectly, to the Company, must give written notice to the AFM by means of a standard form of any transactions conducted for his own account relating to the Shares, the DRs or in financial instruments the value of which is also based on the value of the Shares.

In addition, in accordance with the FMSA and the regulations promulgated thereunder, certain persons who are closely associated with members of the Management Board or any of the other persons as described above, are required to notify the AFM of any transactions conducted for their own account relating to the Shares, the DRs or in financial instruments the value of which is also based on the value of the Shares. The FMSA and the regulations promulgated thereunder cover the following categories of persons:

- the spouse or any partner considered by national law as equivalent to the spouse;
- dependent children;
- other relatives who have shared the same household for at least one year at the relevant transaction date; and
- any legal person, trust or partnership whose, among other things, managerial responsibilities are discharged by a person referred to under above or by the relevant member of the Management Board or other person with any authority in respect of the Company as described above.

The AFM must be notified no later than the fifth business day following the relevant transaction date. Under certain circumstances, notification may be postponed until the date the value of the transactions performed for that person's own account, together with transactions carried out by the persons closely associated with that person, amounts to €5,000 or more in the calendar year in question.

Non-compliance

Non-compliance with the notification obligations under the FMSA could lead to criminal fines, administrative fines, imprisonment or other sanctions. In addition, non-compliance with some of the notification obligations under the FMSA may lead to civil sanctions, including suspension of the voting rights relating to the Shares held by the offender for a period of not more than three years and a prohibition applicable to the offender to acquire the Shares, DRs or voting rights on the Shares for a period of up to five years.

Public registry

The AFM does not issue separate public announcements of these notifications. It does, however, keep a public register of all notifications under the FMSA on its website ww.afm.nl. Third parties can request to be notified automatically by e-mail of changes to the public register in relation to a particular company's shares or a particular notifying party.

MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Major Shareholders and Holders of DRs

Pursuant to the Articles, Shareholders and holders of DRs with a substantial interest (*substantiële deelneming*, a holding of at least 3% of the capital or voting rights as defined in the FMSA) are required to notify the Company by means of a form made available on the Company's website.

The following table sets forth the Company's Shareholders and holders of DRs with a substantial interest in the Company as filed with the Company on 10 October 2013.

Shareholder or holder of DRs	Percentage of Shares	Percentage of DRs
Beleggings- en Exploitatiemaatschappij De Engh B.V.		3.9%
Bibiana Beheer B.V.[1]		3.8%
Decico B.V.		5.6%
Delta Lloyd Deelnemingenfonds N.V.		12.0%
Pon Holdings B.V.		10.3%
Project Holland Deelnemingen B.V.		14.3%
Recopart B.V.	17.8%	2.4%
Stichting Administratiekantoor van Aandelen Reesink	78.2%	
Todlin N.V.		8.6%

1. Mr. F.L.H. van Delft, a member of the Supervisory Board, holds this interest of DRs through Bibiana Beheer B.V. At the time of Mr. Van Delft's appointment as a member of the Supervisory Board, the Company and Mr. Van Delft agreed that he would refrain, up to 12 months after his retirement as a member of the Supervisory Board, from selling the interest held through Bibiana Beheer B.V. Mr. Van Delft will continue to indirectly hold this package of DRs until the aforementioned period of 12 months has expired.

No major Shareholders have specific voting rights.

Pon Holdings may obtain an additional potential interest through its subsidiary Pon Onroerend Goed of 7.7% (based on a fully diluted number of DRs, excluding any Earn-Out payment and subject to adjustment of the conversion price) through the Loan Agreement. PHD has underwritten the Offering and may in connection therewith increase its interest in the Company up to 16.9% (based on a fully diluted number of DRs immediately after the Settlement Date).

At the date of this Prospectus, the Group has no employee participation plan in place. The Group's former employee participation plan was structured through Recopart B.V. Almost all participants cashed their depositary receipts in Recopart B.V. 15% percent of the depositary shares in Recopart B.V. are owned by the former CEO of the Company and have not been cashed. In the General Meeting of 24 May 2012, the Company explained its intention to withdraw the 260,000 Cumulative Preference Shares A currently held by Recopart B.V. and to eliminate them from the Company's authorized share capital. The Company and Recopart B.V. are currently attempting to reach an agreement with the former CEO of the Company in order to realize these intentions.

As indicated in the table above, STAAR holds a substantial interest in the Company, but STAAR is governed by a specific corporate purpose in its articles of association and rules regarding voting rights (as described in "Description of Share Capital – Stichting Adminstratiekantoor van Aandelen Reesink"). Therefore, the Company believes it is not directly or indirectly owned or controlled by another corporation or by any foreign government. The Company is not aware of any arrangement that may, at a subsequent date, result in a change of control.

Related Party Transactions

Except as disclosed below, no Shareholder, holder of DRs or member of the Management Board, Supervisory Board or senior management team has any material interest in any transactions of the Company which are or were unusual in their nature or conditions or that are or were significant to the Company's business.

Mr. B. Kemp, holder of DRs and member of the Management Team, is the former sole shareholder of Ben Kemp Holding B.V. Mr. B. Kemp is also the director of and holder of depositary receipts issued by Stichting Administratiekantoor Gepak Holding (sole shareholder of Gepak Holding B.V., in its turn sole shareholder of Bebricks Nederland B.V.). On 8 May 2012, Ben Kemp Holding B.V. entered into a lease agreement for the period 1 January 2012 to 31 December 2021 with Bebricks Nederland B.V. for the rental of the Kemp Group's business premises on the Molensteijn 41, 47 and 48 in de Meern (the Netherlands). The annual rent amounts to €675,000. On 8 May 2012, Ben Kemp Holding B.V. also entered into a lease agreement for the period 1 January 2012 to 31 December 2016 from Bebricks Nederland B.V. for the rental of the Kemp Group's business premises and surrounding grounds on the Weg en Bos 111 in Bergschenhoek (the Netherlands). The annual rent amounts to €50,000. The Group believes both contracts have been entered into on commercial terms.

THE OFFERING

Offer DRs

The Company is offering 46,986 new Ordinary Shares with a nominal value of €4.00 each, in the form of Offer DRs up to an aggregate amount of approximately €3,000,000. The Offering consists of a public offering in the Netherlands.

The Offer DRs are being offered in accordance with Regulation S under the US Securities Act. The Offering is made only in those jurisdictions where, and only to those persons to whom, offer and sales of the Offer DRs may be lawfully made.

Time Table

Subject to acceleration or extension of the timetable for, or withdrawal of, the Offering, the timetable below sets forth certain expected key dates for the Offering.

Event	Expected Date and Time
Record Date for preferential allocation	18 June 2013, 18:00 CET
Date of this Prospectus	12 November 2013
Start of Offering Period	12 November 2013, 09:00 CET
End of Offering Period	25 November 2013, 17:30 CET
Allocation	25 November 2013
Settlement (payment and delivery of Offer DRs)	28 November 2013
Commencement of trading in Offer DRs on NYSE Alternext Amsterdam	28 November 2013

The Company may adjust the dates, times and periods given in this Prospectus. If the Company should decide to do so, the Company will make this public through a press release, which will also be placed on the Company's website.

Offer Price and Number of Offer DRs

In total 46,986 Offer DRs will be offered at an Offer Price of €63.85 per Offer DR.

Offering Period

Subject to acceleration or extension of the timetable for, or withdrawal of, the Offering, prospective investors may subscribe for Offer DRs during the period commencing at 9:00 CET on 12 November 2013 and ending at 17:30 CET on 25 November 2013. In the event of an acceleration or extension of the Offering Period, pricing, allocation, admission and first trading of the Offer DRs as well as payment for and delivery of the Offer DRs in the Offering may be advanced or extended accordingly. If a significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus, which is capable of affecting the assessment of the Offer DRs, arises or is noted before the Settlement Date, a supplement to this Prospectus will be published, the Offering Period will be extended and investors who have already agreed to purchase Offer DRs may withdraw their subscriptions within two business days following the publication of the supplement.

Acceleration or Extension

Any extension of the timetable for the Offering will be published in a press release at least three hours before the end of the original Offering Period which will be placed on the Company's website, provided that any extension will be for a minimum of one full day. Any acceleration of the timetable for the Offering will be published in a press release at least three hours before the proposed end of the accelerated Offering Period, which will be placed on the Company's website. In any event, the Offering Period will be at least six business days.

Withdrawal of the Offering

If and when the Offering should be withdrawn, which can be done at the sole discretion of the Company, notice thereof will be given as soon as possible by the Company through a press release, which will be placed on the Company's website. Any entitlements in relation to a withdrawal of the Offering, will be deemed to have expired without compensation.

Preferential Allocation

In allocating the Offer DRs among investors, the Company intends to, subject to the restrictions mentioned below, give priority to its existing holders of DRs or Ordinary Shares (with the exception of STAAR) who were in the possession of DRs respectively Ordinary Shares on the Record Date and to whom the Offer DRs may lawfully, or without additional filings or other procedures, be offered and sold. Qualified Investors that have been offered the possibility to subscribe for DRs in the Private Placement are not entitled to preferential allocation with respect to the Offer DRs. With regards to this preferential allocation, the Company intends to give priority to existing holders of DRs who held 5% or more in the capital of the Company on the Record Date to maintain their participation exemption (*deelnemingsvrijstelling*) over the existing holders of DRs or Ordinary Shares who held less than 5% in the capital of the Company on the Record Date. This may result in a lower number of preferentially allocated Offer DRs available for other eligible existing holders of DRs or Ordinary Shares.

Subject to these restrictions that determine eligibility, the Company aims to allocate to existing holders of DRs or Ordinary Shares on the Record Date, in preference over other investors, a number of Offer DRs in proportion to the aggregate nominal amount of their DRs or Ordinary Shares held on the Record Date. Holders of DRs or Ordinary Shares on the Record Date will receive, in preference over other investors, at least one preferential allocated Offer DR per thirteen DRs or Ordinary Shares held on the Record Date.

Each of the eligible existing holders of DRs or Ordinary Shares may, in addition to their entitlement of preferentially allocated Offer DRs, subscribe for Offer DRs on the same terms as every other potential investor (including the current investors who are not eligible for preferential allocation of Offer DRs).

The preferential allocation is, in particular, not applicable to existing holders of DRs or Ordinary Shares in the United States and in other jurisdictions where it is not permitted or additional filings or other procedures would need to be complied with.

Allocation

The allocation of the Offer DRs is expected to take place after termination of the Offering Period on or about 25 November 2013, subject to acceleration or extension of the timetable for the Offering. In the event that the Offering is over-subscribed, investors may receive fewer Offer DRs than they applied to subscribe for. The Company may, at its own discretion and without stating the grounds, reject any subscriptions wholly or partly (except for subscriptions by eligible existing holders). Allocation of the Offer DRs to investors will be determined by the Company together with the Sole Coordinator, Bookrunner, Settlement and Listing Agent. The Sole Coordinator, Bookrunner, Settlement and Listing Agent will notify holders of Ordinary Shares and holders of DRs through the financial institution or broker at which the Offer DRs will be held.

Investors participating in the Offering will be deemed to have checked whether and confirmed they meet the requirements of the selling and transfer restrictions in “Selling and Transfer Restrictions”. If in doubt, investors should consult their professional advisors or their financial institution or broker.

Method of Subscription for Eligible Holders of DRs that Wish to Benefit from Preferential Allocation

Eligible holders of DRs who wish to subscribe for the Offer DRs, should instruct their financial institution or broker through which they hold their DRs. These financial institutions or intermediaries will be responsible for informing the Sole Coordinator, Bookrunner, Settlement and Listing Agent in writing of subscriptions for the Offering and for validly subscribing for Offer DRs in accordance with the instructions given by the Sole Coordinator, Bookrunner, Settlement and Listing Agent.

Eligible holders of DRs should provide the Sole Coordinator, Bookrunner, Settlement and Listing Agent, through the financial institution or broker at which they hold their DRs, with a certificate of deposit (*depotbewijs*) of the amount of DRs held at the Record Date and the number of Offer DRs for which (preferential) allocation is requested. The Company and the Sole Coordinator, Bookrunner, Settlement and Listing Agent exclude any and all liability for any action or failure of action or failure by any custodian of financial institution or broker through which the holders hold their DRs.

Eligible holders of DRs should be aware that all questions concerning the timeliness, validity and form of instruction to any financial institution or broker in relation to the Offering, will be determined by every financial institution or broker in accordance with its usual procedures, terms and conditions, or as it may otherwise notify. This may result in the intermediary financial institution or broker to set an earlier deadline then the end of the Offering Period in order to enable a timely delivery of subscriptions to the Sole Coordinator, Bookrunner, Settlement and Listing Agent.

Method of Subscription for Eligible Holders of Ordinary Shares that Wish to Benefit from Preferential Allocation

Eligible holders of Ordinary Shares will receive a letter from the Company on or about 12 November 2013 informing them on how to subscribe for Offer DRs. These eligible holders of Ordinary Shares who wish to receive Offer DRs must designate a securities account in their name on which the Offer DRs can be credited.

Eligible holders of Ordinary Shares should instruct the financial institutions or brokers at which they hold or at which they will open a securities account in their name. These financial institutions or brokers will be responsible for informing the Sole Coordinator, Bookrunner, Settlement and Listing Agent in writing of subscriptions for the Offering and for validly subscribing for Offer DRs in accordance with the instructions given by the Sole Coordinator, Bookrunner, Settlement and Listing Agent.

Eligible holders of Ordinary Shares should provide the Sole Coordinator, Bookrunner, Settlement and Listing Agent, through the financial institution or broker, with personal data and the number of Ordinary Shares held at the Record Date and the number of Offer DRs for which (preferential) allocation is requested. The Company will provide the Sole Coordinator, Bookrunner, Settlement and Listing Agent with an updated copy of the shareholders register to verify entitlements to preferential allocation. The Company and the Sole Coordinator, Bookrunner, Settlement and Listing Agent exclude any and all liability for any action or failure of action or failure by any custodian of financial institution or broker at which eligible holders of Ordinary Shares hold a securities account.

Subscription to the Offering by Members of the Management Board and the Supervisory Board

Mr. G. van der Scheer, the sole member of the Management Board, intends to subscribe for Offer DRs. Mr. Van der Scheer held a small number of DRs on the Record Date, and may therefore benefit from preferential allocation for the part of his subscription related to these DRs. If he subscribes for more Offer DRs, he will not benefit from preferential allocation for the additional Offer DRs he subscribes for and it is therefore uncertain whether he will obtain these additional Offer DRs.

Mr. F.L.H. van Delft, a member of the Supervisory Board, holds his interest of DRs through Bibiana Beheer B.V. On the Record Date, Bibiana Beheer B.V. held more than 5% in the capital of the Company. Due to the Private Placement, Bibiana Beheer B.V.'s interest decreased to approximately 3.83% and therefore decreased below the participation exemption (*deelnemingsvrijstelling*). During the extraordinary General Meeting held on 2 July 2013, the potential participation of Bibiana Beheer B.V. in the Offering was discussed, as Bibiana Beheer B.V. had not been offered the possibility to subscribe for DRs in the Private Placement. Bibiana Beheer B.V. has indicated to the Company that it intends to subscribe for Offer DR's through the preferential allocation mechanism to increase its interest in the Company to 5%. Bibiana Beheer B.V. could therefore subscribe for a substantial part of the Offer DRs in the Offering.

Recopart

Major Shareholder and holder of DRs Recopart B.V. (see "Major Shareholders and Related Party Transactions") has indicated to the Management Board of the Company that it does not intend to subscribe for Offer DRs.

Subscription Agreement

On 13 June 2013 the Company entered into a subscription agreement with PHD (the "**Subscription Agreement**"). Subject to certain conditions, PHD has agreed to subscribe for and pay for any and all Offer DRs at the Offer Price which are not been validly subscribed for in the Offering or which have not been paid at the Settlement Date. PHD has not received and will not receive any fees in relation to the Subscription Agreement.

Pre-emptive Rights

The pre-emptive rights (*voorkeursrechten*) accruing to holders of Ordinary Shares in relation to the issuance of Ordinary Shares in the share capital of the Company and the grant of those rights to subscribe to Ordinary Shares have been excluded for the purpose of the Offering. See also "Description of share capital – Pre-emptive rights".

Dilution

If a holder of DRs does not participate in the Offering, his proportionate capital and voting interest in the Company will be diluted by up to 3.1% by the issuance of the Offer DRs as of the date of this Prospectus.

Payment

Payment (in euros) for the Offer DRs is expected to take place on the Settlement Date. Taxes and expenses, if any, must be borne by the investor. Investors must pay the Offer Price in immediately available funds on or before the Settlement Date (or earlier in the case of an early closing of the Offering Period and consequent acceleration of pricing, allocation, commencement of trading and Settlement).

The payment for the Offer DRs by an investor shall constitute his payment to STAAR, and shall be paid by an investor, on behalf of STAAR, directly to the Company to fulfill STAAR's obligation in relation to STAAR's subscription for the new Ordinary Shares corresponding to the Offer DRs in the Offering.

Delivery and Listing of Offer DRs

After payment for the Offer DRs to the Company has been completed, the Company will issue the new Ordinary Shares corresponding to the Offer DRs in the Offering to STAAR. STAAR will thereafter grant Offer DRs for such Ordinary Shares to the relevant investor. The Offer DRs will be delivered in book-entry form through the facilities of Euroclear Nederland on or about the Settlement Date.

Application will be made to list the Offer DRs on NYSE Alternext Amsterdam under the symbol ALRRE with ISIN code NL0000379303. Subject to acceleration or extension of the timetable for the Offering, trading in the Offer DRs is expected to commence on NYSE Alternext Amsterdam on or about 28 November 2013.

If Settlement does not take place on the Settlement Date as planned or at all, the Offering may be withdrawn, all subscriptions for Offer DRs will be disregarded, any allocations made will be deemed not to have been made, any subscription payments made will be returned without interest or other compensation. Any dealings in the Offer DRs prior to Settlement are at the sole risk of the parties concerned.

Ranking and Dividends

Offer DRs will, upon issue, rank equally in all respects with the currently outstanding DRs. The Offer DRs will be eligible for any dividend payment which the Company may declare on the Ordinary Shares following the issuance of the Offer DRs in the same manner as the currently outstanding DRs. See "Dividends and Dividend Policy".

Sole Coordinator, Bookrunner, Settlement and Listing Agent

SNS Securities N.V. acts as Sole Coordinator, Bookrunner, Settlement and Listing Agent with respect to the Offering of Offer DRs.

Paying and Depositary Agent

ABN AMRO Bank N.V. is the paying and depositary agent of the DRs on NYSE Alternext Amsterdam.

Governing Law and Competent Courts

The Offering is governed by Dutch law. All disputes arising in connection with the Offering shall be subject to the non-exclusive jurisdiction of the courts in Amsterdam, the Netherlands.

SELLING AND TRANSFER RESTRICTIONS

No action has been taken by the Company that would permit, other than pursuant to the Offering, an offer of the Offer DRs or possession or distribution of this Prospectus or any other offering material in any jurisdiction where action for that purpose is required. The distribution of this Prospectus and the offer of the Offer DRs in certain jurisdictions may be restricted by law.

Persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions, including those in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions.

United States

The Offer DRs have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state of the United States for offer or sale as part of their distribution and may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the US Securities Act.

European Economic Area

In relation to each EEA State which has implemented the Prospectus Directive (a "**Relevant Member State**"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**"), an offer to the public of any Offer DRs which are the subject of the Offering contemplated by this Prospectus may not be made in that Relevant Member State prior to the publication of a prospectus in relation to the Offer DRs which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State, all in accordance with the Prospectus Directive, except that an offer to the public in that Relevant Member State of any Offer DRs may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- to fewer than 100 natural or, if the Relevant Member State has implemented the relevant provision of Directive 2010/73/EU, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive; or
- in any other circumstances falling within article 3(2) of the Prospectus Directive, provided that no such offer of Offer DRs shall require the Company or the Coordinator to publish a prospectus pursuant to article 3 of the Prospectus Directive or supplement a prospectus pursuant to article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any Offer DRs in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering and any Offer DRs to be offered so as to enable an investor to decide to purchase any Offer DRs, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

Switzerland

The Offer DRs may not be and will not be publicly offered, sold or advertised, directly or indirectly, in or from Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Offer DRs constitutes a prospectus as such term is understood pursuant to article 652a of the Swiss Federal Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange, and neither this Prospectus nor any other offering or marketing material relating to the Offer DRs may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the Offering, the Company or the Offer DRs have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the Offering will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (FINMA), and the Offering has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Offer DRs.

TAXATION

Taxation in the Netherlands

The following is intended as general information only and it does not seek to present any comprehensive or complete description of all aspects of Dutch tax law which could be of relevance to a holder of the Offer DRs (a "**Holder**"). For Dutch tax purposes, a Holder may include an individual or entity that does not have the legal title of the Offer DRs, but to whom nevertheless the Offer DRs are attributed based either on such individual or entity holding a beneficial interest in the Offer DRs or based on specific statutory provisions. These include statutory provisions pursuant to which Offer DRs are attributed to an individual who is, or who has directly or indirectly inherited from a person who was, the settlor, grantor or similar originator of a trust, foundation or similar entity that holds the Offer DRs.

Prospective Holders should consult their tax adviser regarding the tax consequences of any purchase, ownership or disposal of Offer DRs.

This paragraph is based on Dutch tax law as applied and interpreted by Dutch tax courts and as published and in effect on the date hereof, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

For the purpose of this paragraph, "**Dutch Taxes**" shall mean taxes of whatever nature levied by or on behalf of the Netherlands or any of its subdivisions or taxing authorities. The Netherlands means the part of the Kingdom of the Netherlands located in Europe.

Withholding tax

A Holder is generally subject to Dutch dividend withholding tax at a rate of 15% on dividends distributed by the Company via STAAR. The Company is responsible for the withholding of such dividend withholding tax at source; the dividend withholding tax is for the account of the Holder.

Dividends distributed by the Company include, but are not limited to:

(i) distributions of profits in cash or in kind, whatever they be named or in whatever form;
(ii) proceeds from the liquidation of the Company, or proceeds from the repurchase of shares by the Company, in excess of the average paid-in capital recognized for Dutch dividend withholding tax purposes;
(iii) the par value of shares issued to a shareholder, and indirectly to a Holder, or an increase in the par value of shares, to the extent that no related contribution, recognized for Dutch dividend withholding tax purposes, has been made or will be made; and
(iv) partial repayment of paid-in capital, that is
  - not recognized for Dutch dividend withholding tax purposes; or
  - recognized for Dutch dividend withholding tax purposes, to the extent that the Company has "net profits" (*zuivere winst*); unless
    - the General Meeting has resolved in advance to make such repayment; and
    - the par value of the shares concerned has been reduced with an equal amount by way of an amendment to the articles of association of the Company.

The term "net profits" includes anticipated profits that have yet to be realized.

Notwithstanding the above, no withholding is required in the event of a repurchase of shares, if certain conditions are fulfilled.

If a Holder is resident or deemed to be resident in the Netherlands or, in case of an individual, has opted to be treated as if resident in Netherlands, such Holder is generally entitled to an exemption or a full credit for any Dutch dividend withholding tax against his Dutch (corporate) income tax liability and to a refund of any residual Dutch dividend withholding tax.

If a Holder is resident in a country other than the Netherlands, under circumstances exemptions from, reduction in or refunds of, dividend withholding tax may be available pursuant to Dutch domestic law or treaties for avoidance of double taxation.

If a Holder is subject to Dutch corporate income tax and is entitled to the participation exemption in relation to the benefits derived from its Offer DRs and such Offer DRs are attributable to an enterprise carried out in the Netherlands, such Holder will generally be entitled to an exemption from or a full refund of Dutch dividend withholding tax on dividends distributed by the Company.

If a Holder:

(i) is resident in another member state of the European Union or an designated state of the European Economic Area, *i.e.*, Iceland, Liechtenstein and Norway, according to the tax laws of that state and, under the terms of any double taxation agreement concluded by that state with a third state, is not considered to be resident for tax purposes outside the European Union, Norway, Liechtenstein or Iceland; and

(ii) owns an interest in the Company to which the participation exemption is applicable if the Holder were resident in the Netherlands;

such Holder will generally be eligible for an exemption from or full refund of Dutch dividend withholding tax on dividends distributed by the Company.

In addition, if a Holder:

a) is an entity which is resident for Dutch tax purposes in a member state of the European Union, in Iceland, Liechtenstein or Norway, or is a Qualifying Holder resident elsewhere (see below);
b) is not subject to a profit tax levied by that state; and in case the Holder is not resident in the Netherlands,
c) would not have been subject to Dutch corporate income tax had the Holder been resident in the Netherlands for Dutch tax purposes;

then generally such Holder will be eligible for a full refund of Dutch dividend withholding tax on dividends distributed by the Company, unless such Holder carries out duties or activities comparable to an investment institution (*beleggingsinstelling*) as described in article 6a or article 28 of the Dutch Corporate Income Tax Act 1969 ("**CITA**") respectively.

For purposes of the above, a Qualifying Holder is an entity that (i) is resident for Dutch tax purposes in a jurisdiction which has an arrangement for the exchange of tax information with the Netherlands and (ii) holds its Offer DRs as an portfolio investment, *i.e.*, such Offer DRs are not held with a view to establish or maintain lasting and direct economic links between the Holder and the Company and the Offer DRs do not allow the Holder to participate effectively un the management or control of the Company.

According to Dutch domestic anti-dividend stripping rules, no credit against Dutch (corporate) income tax, exemption from, reduction in or refund of, Dutch dividend withholding tax will be granted if the recipient of the dividend paid by the Company is not considered to be the beneficial owner (*uiteindelijk gerechtigde*) of such dividends as meant in these rules.

Taxes on income and capital gains

Scope

This section does not purport to describe the possible Dutch tax considerations or consequences that may be relevant to a Holder:

(i) who is an individual and for whom the income or capital gains derived via the Offer DRs are attributable to employment activities, the income from which is taxable in the Netherlands;
(ii) who has a (fictitious) substantial interest ((*fictief*) *aanmerkelijk belang*) in the Company within the meaning of Chapter 4 of the Dutch Income Tax Act 2001 (*wet Inkomstenbelasting 2001*);
(iii) that is an entity which is not subject to Dutch corporate income tax or is in full or in part exempt from Dutch corporate income tax (such as pension funds);
(iv) that is an investment institution as defined in articles 6a and 28 CITA; or
(v) that is entitled to the participation exemption (*deelnemingsvrijstelling*) with respect to the Offer DRs (as defined in article 13, CITA).

Generally, a Holder has a substantial interest if such Holder, alone or together with his partner, directly or indirectly:

(i) owns, or holds certain rights on, shares representing five percent or more of the total issued and outstanding capital of the Company, or of the issued and outstanding capital of any class of shares of the Company;
(ii) holds rights to, directly or indirectly, acquire shares, whether or not already issued, representing five percent or more of the total issued and outstanding capital of the Company, or of the issued and outstanding capital of any class of shares of the Company; or

owns, or holds certain rights on, profit participating certificates that relate to five percent or more of the annual profit of the Company or to five percent or more of the liquidation proceeds of the Company. A Holder will also have a substantial interest if his partner or one of certain relatives of the Holder or of his partner has a substantial interest.

For Dutch tax purposes, the ownership of the Offer DRs is attributed to the Holder based either on the Holder owning a beneficial interest in the Offer DRs or based on specific statutory provisions. These include statutory provisions pursuant to which Offer DRs are attributed to an individual who is, or who has directly or indirectly inherited from a person who was, the settlor, grantor or similar originator of a trust, foundation or similar entity that holds the Offer DRs, although the Holder does not have the legal title of the Offer DRs.

Generally, a Holder has a fictitious substantial interest (*fictief aanmerkelijk belang)* if, without having an actual substantial interest in the Company:

(i) an enterprise has been contributed to the Company in exchange for shares or DRs on an elective non-recognition basis;
(ii) the shares or DRs have been obtained under gift law, inheritance law or matrimonial law, on a non-recognition basis, while the previous shareholder or holder of DRs had a substantial interest in the Company;
(iii) the shares or DRs have been acquired pursuant to a share merger, legal merger or legal demerger, on an elective non-recognition basis, while the Holder prior to this transaction had a substantial interest in an entity that was party thereto; or
(iv) the shares or DRs held by the Holder, prior to dilution, qualified as a substantial interest and, by election, no gain was recognized upon disqualification of these shares or DRs.

Residents in the Netherlands

The description of certain Dutch tax consequences in this paragraph is only intended for the following Holders:

(i) individuals who are resident or deemed to be resident in the Netherlands for Dutch income tax purposes;
(ii) individuals who opt to be treated as if resident in the Netherlands for Dutch income tax purposes ((i) and (ii) jointly "**Dutch Individuals**"); and
(iii) entities that are subject to the CITA and are resident or deemed to be resident in the Netherlands for corporate income tax purposes, excluding:
    - entities that are not subject to Dutch corporate income tax or are in full or in part exempt from Dutch corporate income tax (such as pension funds); and
    - investment institutions (*beleggingsinstellingen*) as defined in the CITA;

("**Dutch Corporate Entities**").

Dutch Individuals engaged or deemed to be engaged in an enterprise or in miscellaneous activities

Dutch Individuals are generally subject to income tax at statutory progressive rates with a maximum of 52% with respect to any benefits derived or deemed to be derived from Dutch Enterprise Offer DRs (as defined below), including any capital gains realized on the disposal thereof.

"**Dutch Enterprise Offer DRs**" are Offer DRs or any right to derive benefits from Offer DRs:

(i) which are attributable to an enterprise from which a Dutch Individual derives profits, whether as an entrepreneur or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or a Holder); or
(ii) of which the benefits are taxable in the hands of a Dutch Individual as benefits from miscellaneous activities (*resultaat uit overige werkzaamheden)* including, without limitation, activities which are beyond the scope of active portfolio investment activities.

Dutch Individuals not engaged or deemed to be engaged in an enterprise or in miscellaneous activities

Generally, a Dutch Individual who owns Offer DRs, excluding Dutch Enterprise Offer DRs, will be subject annually to an income tax imposed on a fictitious yield on such Offer DRs under the regime for savings and investments (*inkomen uit sparen en beleggen*). Irrespective of the actual income or capital gains realized, the annual taxable benefit of all the assets and liabilities of a Dutch Individual that are taxed under this regime, including the Offer DRs, is set at a fixed return. This fixed return equals 4% of the fair market value of the assets reduced by the liabilities and measured, in general, exclusively at the beginning of every calendar year. The tax rate under the regime for savings and investments is a flat rate of 30%. Taxation only occurs to the extent the fair market value of the net assets exceeds the "exempt net asset amount" (*heffingsvrij vermogen*).

Dutch Corporate Entities

Dutch Corporate Entities are generally subject to corporate income tax at statutory rates up to 25% with respect to any benefits derived or deemed to be derived (including any capital gains realized on the disposal) of Offer DRs. Reduced rates apply to the first €200,000 of taxable profits.

Non-residents in the Netherlands

A Holder other than a Dutch Individual or Dutch Corporate Entity, should not be subject to any Dutch Taxes on income or capital gains with respect to the ownership and disposal of the Offer DRs, other than dividend withholding tax as described above, except if:

(i) the Holder, whether an individual or not, derives profits from an enterprise, whether as entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of such enterprise other than as an entrepreneur or a shareholder, which enterprise is, in whole or in part, carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in the Netherlands, to which Notes are attributable;
(ii) the Holder is an individual and derives benefits from miscellaneous activities (*resultaat uit overige werkzaamheden*) carried out in the Netherlands in respect of the DRs, including (without limitation) activities which are beyond the scope of regular active portfolio investment activities;
(iii) the Holder is not an individual and is entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, other than by way of the holding of securities, which is effectively managed in the Netherlands and to which enterprise the Offer DRs are attributable; or
(iv) the Holder is an individual and is entitled to a share in the profits of an enterprise, other than by way of securities, that is effectively managed in the Netherlands, and to which enterprise the Offer DRs are attributable.

Gift tax and inheritance tax

No Dutch gift or inheritance tax is due in respect of any gift of the Offer DRs by, or inheritance of the Offer DRs on the death of, a Holder, except if:

(i) at the time of the gift or death of the Holder, the Holder is resident, or is deemed to be resident, in the Netherlands;
(ii) the Holder passes away within 180 days after the date of the gift of the Offer DRs and is not, or not deemed to be, at the time of the gift, but is, or deemed to be, at the time of his death, resident in the Netherlands; or
(iii) the gift of the Offer DRs is made under a condition precedent and the Holder is resident, or is deemed to be resident, in the Netherlands at the time the condition is fulfilled.

Other taxes and duties

No other Dutch Taxes, including turnover tax and taxes of a documentary nature, such as capital tax, stamp or registration tax or duty, are payable by or on behalf of a Holder by reason only of the purchase, ownership and disposal of the Offer DRs.

Residency

A Holder will not become resident, or deemed resident in the Netherlands for Dutch tax purposes by reason only of holding the Offer DRs.

INDEPENDENT AUDITORS

Deloitte Accountants B.V. has audited the Group's consolidated financial statements as of and for the three years ended 31 December 2012, 31 December 2011 and 31 December 2010, and has issued unqualified auditor's reports thereon, which are incorporated by reference into this Prospectus. The independent auditor of the Group has no interest in the Group.

Deloitte Accountants B.V. is an independent registered accounting firm. The address of Deloitte Accountants B.V. is Grote Voort 207, 8041 BK Zwolle, the Netherlands. The auditor signing the auditor's reports on behalf of Deloitte Accountants B.V. is a member of the Netherlands Institute of Chartered Accountants (Nederlandse Beroepsorganisatie van Accountants).

The Group's consolidated condensed interim financial information for the six-month period ended 30 June 2013 and for the six-month period ended 30 June 2012 have not been audited.

Deloitte Accountants B.V. has given, and has not withdrawn, its consent to the incorporation by reference of its reports in this Prospectus in the form and context in which they are included.

The Company confirms that the information in the auditor's reports incorporated by reference in this Prospectus has been accurately reproduced and that as far as the Company is aware and able to ascertain from information published by the auditors, no facts have been omitted which would render the auditor's reports inaccurate or misleading.

GENERAL INFORMATION

Corporate Resolutions

On 2 July 2013, the General Meeting authorized the Management Board, subject to the approval of the Supervisory Board, to issue the new Ordinary Shares and to grant rights to subscribe to the Ordinary Shares and to validly restrict or exclude pre-emptive rights (*voorkeursrechten*) accruing to Shareholders in relation to the issue of the Ordinary Shares and the grant of rights to subscribe to those Ordinary Shares. On 29 October 2013, the Management Board adopted a resolution, subject to the approval of the Supervisory Board, for the issuance of the Ordinary Shares and the grant of rights to subscribe to the Ordinary Shares and to restrict or exclude pre-emptive rights accruing to Shareholders in relation to the issue of those Ordinary Shares and the grant of rights to subscribe to those Ordinary Shares.

On 28 October 2013, the management board of STAAR has adopted a resolution that included, in accordance with its articles of association and the terms and conditions of administration (*administratievoorwaarden*), a resolution to acquire and administer the issued registered Ordinary Shares in the share capital of the Company by way of fiducia cum amico (*ten titel van beheer*) in exchange for DRs which shall be granted to the investors in the Offer DRs.

Significant Change in the Company's Financial or Trading Position

Except for the Acquisition, no significant change in the financial or trading position of the Company has occurred since 30 June 2013.

Publication of the Results of the Offering

The results of the Offering will be disclosed through a press release published in the Netherlands, which will be placed on the Company's website, on the Settlement Date.

Expenses of the Offering

The expenses related to the Offering are estimated at up to €180,000 and include, among other items, the fees due to AFM and NYSE Alternext Amsterdam, the commission for the Sole Coordinator, Bookrunner, Settlement and Listing Agent and legal and administrative expenses, as well as publication costs and applicable taxes, if any. See also "Reasons for the Offering and Use of Proceeds".

Availability of Documents

Subject to applicable laws, the following documents (or copies thereof) may be obtained free of charge from the Company's website (www.reesink.com):

- this Prospectus;
- the Articles as most recently amended on 25 October 2013;
- the articles of association as most recently amended on 22 April 2013 and the terms and conditions of administration (*administratievoorwaarden*) of STAAR as most recently amended on 15 December 2011;
- the Group's audited consolidated financial statements, including the notes thereto, as of and for the financial years ended 31 December 2012, 31 December 2011 and 31 December 2010;
- the Group's unaudited consolidated condensed interim financial information for the six-month periods ended 30 June 2013 and 2012; and
- the Group's trading update dated 29 October 2013.

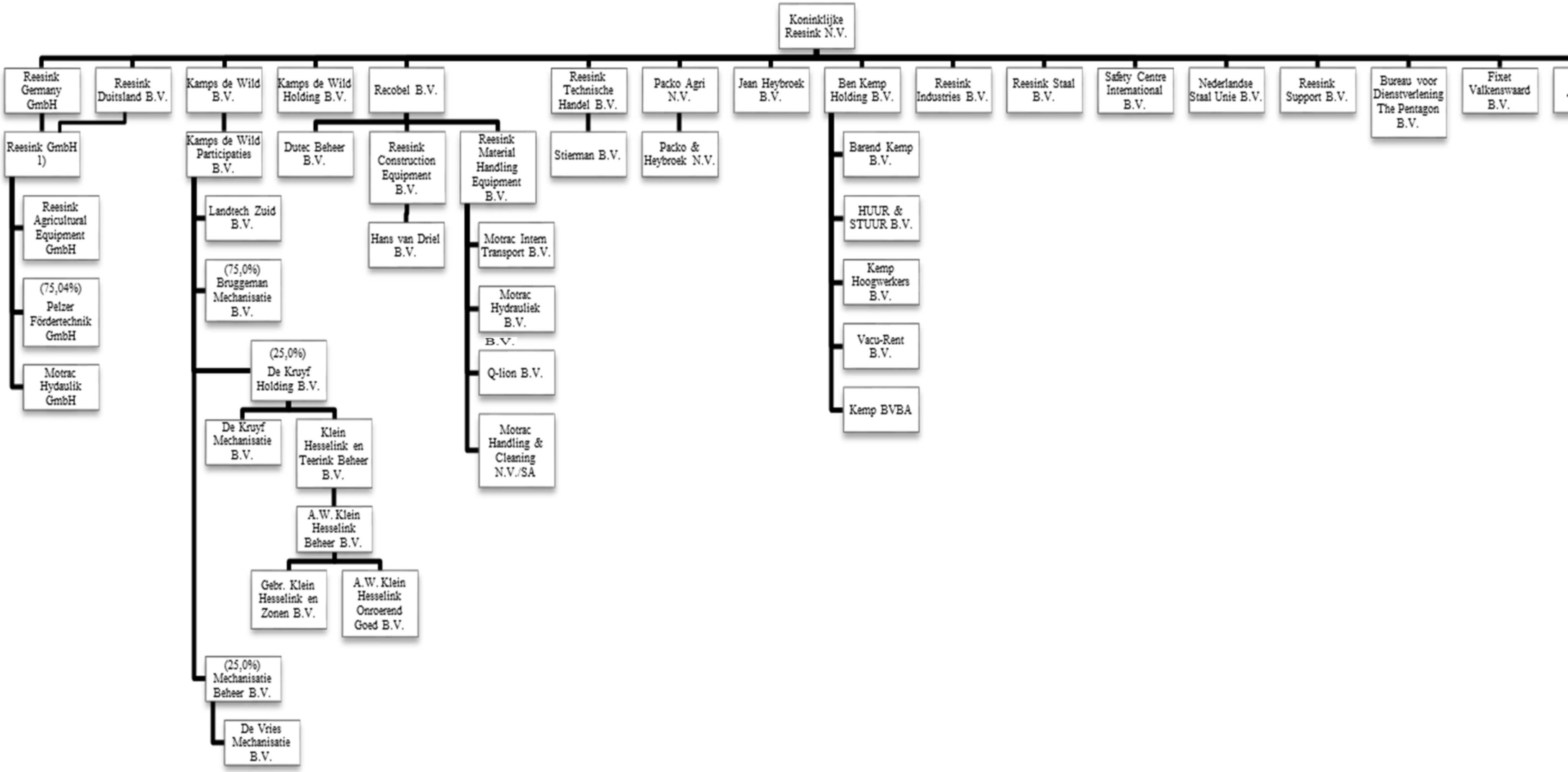
In addition, copies of the Group's audited consolidated financial statements including the notes thereto, for the financial years ended 31 December 2012, 31 December 2011, 31 December 2010, the unaudited consolidated condensed financial information for the six month periods ended 30 June 2013 and 30 June 2012, the Articles, the articles of association of STAAR, the terms and conditions of administration (*administratievoorwaarden*) of STAAR and the Group's trading update dated 29 October 2013 will be available free of charge at the Company's offices during normal business hours from the date of this Prospectus until at least the Settlement Date.

Legal Structure

The Group is currently in the process of a legal and functional restructuring so that the legal organization structure becomes in line with the Group's functional organizational structure (see "Business – Organizational Structure"). It is expected that the restructuring is completed at the end of 2013.

Legal Structure of the Group as of the date of the Prospectus

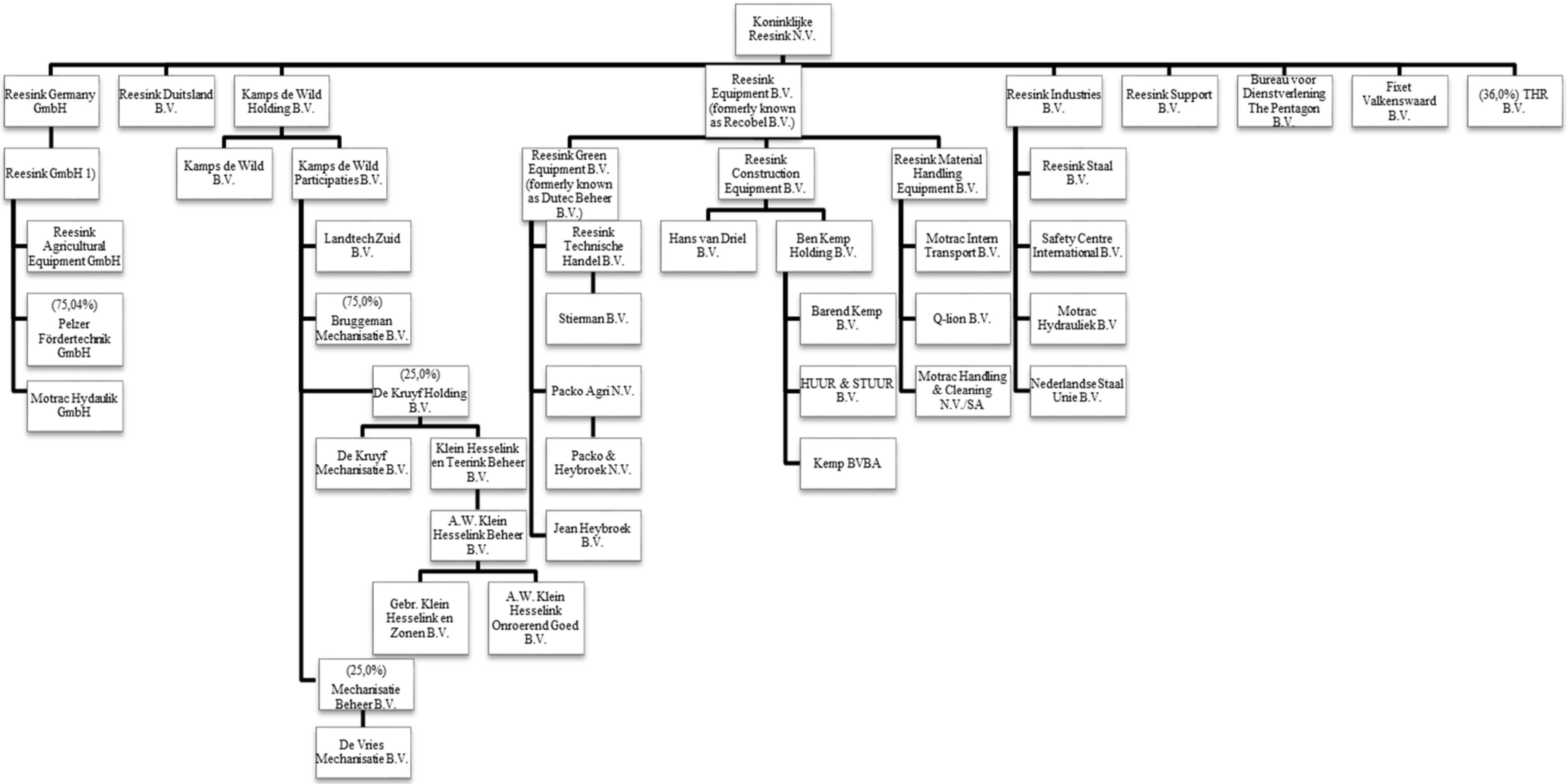
Below is a legal structure chart of the Group as of the date of the Prospectus. Unless otherwise indicated, all participations represent a 100% interest in the entire issued and outstanding share capital of each subsidiary.



1) Reesink Duitsland B.V. holds 99.9% of the shares in Reesink GmbH. Reesink Germany GmbH holds 0.1% of the shares in Reesink GmbH.

Legal Structure of the Group after the restructuring (expected to be completed in the fourth quarter of 2013)

Below is a legal structure chart of the Group after the restructuring, which is expected to be completed in the fourth quarter of 2013. Unless otherwise indicated, all participations represent a 100% interest in the entire issued and outstanding share capital of each subsidiary.



1) Reesink Duitsland B.V holds 99.9% of the shares in Reesink GmbH. Reesink Germany GmbH holds 0.1% of the shares in Reesink GmbH.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published are incorporated in this Prospectus by reference and, as such, form part of this Prospectus. The incorporation by reference extends only to the pages indicated below. Non-incorporated parts of the documents listed below are either not relevant for the investor or covered elsewhere in the Prospectus.

- The Group's consolidated financial statements prepared in accordance with Dutch GAAP for the financial year ended 31 December 2012, and the auditor's report dated 4 April 2013, relating thereto, attached as pages 96 up to and including 143 to the Company's annual report 2012.
- The Group's consolidated financial statements prepared in accordance with Dutch GAAP for the financial year ended 31 December 2011, and the auditor's report dated 28 March 2012, relating thereto, attached as pages 86 up to and including 133 to the Company's annual report 2011 (Dutch language version only).
- The Group's consolidated financial statements prepared in accordance with Dutch GAAP for the financial year ended 31 December 2010, and the auditor's report dated 7 April 2011, relating thereto, attached as pages 54 up to and including 75 to the Company's annual report 2010 (Dutch language version only).
- The Group's unaudited consolidated condensed interim financial information for the six-month period ended 30 June 2013, attached to the Company's press release dated 29 August 2013.
- The Group's unaudited consolidated condensed interim financial information for the six-month period ended 30 June 2012, attached to the Company's press release dated 31 August 2012 (Dutch language version only).
- The Articles.
- The articles of association as most recently amended on 22 April 2013 of STAAR.
- The terms and conditions of administration (*administratievoorwaarden*) as most recently amended on 15 December 2011 of STAAR.
- The Group's trading update dated 29 October 2013 (English language version).

These documents (or copies thereof) may be obtained free of charge from the Company's website (www.reesink.com).

No Incorporation of Website

The contents of the Company's website, including any websites accessible from hyperlinks on the Company's website, do not form part of and are not are incorporated by reference into, this Prospectus.

DEFINITIONS

The following definitions are used in this Prospectus.

ABN AMRO	ABN AMRO Bank N.V.
Acquisition	The Group's acquisition of the material handling and hydraulics equipment logistics business of Pon Holding, operated through the Acquired Entities
Acquired Entities	The legal entities acquired by the Group in the Acquisition, being all issued and outstanding shares in the share capital of: PMH-E, the operating subsidiaries of PMH-E which are Motrac Hydrauliek B.V., Q-Lion B.V. (dormant), Motrac Intern Transport B.V. and Motrac Handling & Cleaning N.V./S.A, and the German entities Motrac Hydraulik GmbH and 75.04% of the issued and outstanding shares in the share capital of Pelzer Fördertechnik GmbH
Acquisition Facility	A €30.0 million euro term loan facility for acquisitions under the Financing Facility
AFM	The Netherlands Authority for the Financial Markets (Stichting Autoriteit Financiële Markten)
Articles	The articles of association of the Company, as amended from time to time
Atlas	Atlas Maschinen GmbH and its affiliated companies
Bata	Bata Nederland B.V. and its affiliated companies
Bruggeman Mechanisatie	Bruggeman Mechanisatie B.V.
Central Institute	Central institute as defined in the Act On Giro Transfer of Securities
CISA	Swiss Federal Act on Collective Investment Schemes
CITA	The Dutch Corporate Income Tax Act 1969
Claas	CLAAS Kommanditgesellschaft auf Aktien MbH, and its affiliated companies
Code	The Dutch Corporate Governance Code issued on 9 December 2003, as amended on 1 January 2009
Company	Koninklijke Reesink N.V.
Cumulative Preference shares A	The cumulative preference shares A in the Company's share capital with a nominal value of €4.00 each
Cumulative Preference shares B	The cumulative preference shares B in the Company's share capital with a nominal value of €4.00 each
DCC	Dutch Civil Code
De Kruyf Mechanisatie	De Kruyf Mechanisatie B.V.
De Vries Mechanisatie	De Vries Mechanisatie B.V.
DIY	Do-it-yourself
DRs	Depository receipts of Ordinary Shares of the Company with a nominal value of €4.00 each, a single depository receipt being a DR
Dutch Corporate Entities	Entities that are subject to the CITA and are resident or deemed to be resident in the Netherlands for corporate income tax purposes, excluding entities that are not subject to Dutch corporate income tax or are in full or in part exempt from Dutch corporate income tax (such as pension funds) and investment institutions (*beleggingsinstellingen*) as defined in the CITA

Dutch Enterprise Shares	Shares or any right to derive benefits from Shares which are attributable to an enterprise from which a Dutch Individual derives profits, whether as an entrepreneur or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or a shareholder); or of which the benefits are taxable in the hands of a Dutch Individual as benefits from miscellaneous activities (*resultaat uit overige werkzaamheden*) including, without limitation, activities which are beyond the scope of active portfolio investment activities.
Dutch GAAP	Generally accepted accounting standards in the Netherland
Dutch Individuals	Individuals who are resident or deemed to be resident in the Netherlands for Dutch income tax purposes, and (ii) individuals who opt to be treated as if resident in the Netherlands for Dutch income tax purposes
Dutch Taxes	Taxes of whatever nature levied by or on behalf of the Netherlands or any of its subdivisions or taxing authorities. The Netherlands means the part of the Kingdom of the Netherlands located in Europe
Earn-Out	The additional future compensation to be paid by the Company based on the Acquired Entities achieving certain financial goals
Earn-Out Loan Agreement	A subordinated convertible loan in agreed form attached to the Share Purchase Agreement according to which a loan shall be granted by Pon Holdings to the Company in connection with the payment of the Earn-Out
EBIT	Group operating profit
EBITDA	EBIT before depreciation of property, plant and equipment and before amortization of intangible assets (unaudited)
EEA	European Economic Area
Enterprise Chamber	The enterprise chamber (*ondernemingskamer*) of the Amsterdam Court of Appeals
"**EUR**", "**euro**" or "**€**"	The lawful currency of the European Economic and Monetary Union
Euroclear Nederland	Netherlands Centraal Instituut voor Giraal Effectenverkeer B.V.
Financing Facility	Credit facility with ABN AMRO and Rabobank entered into on 31 October 2012 and as amended and restated on 16 October 2013 for in total €90,000,000
FMSA	Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*)
FTE	Full-time equivalents
General Meeting	The general meeting of shareholders of the Company, being the corporate entity, or where the context so requires, the physical meeting of Shareholders
Group	The Company and its Group Companies
Group Company	A legal entity as referred to in section 24b, Book 2, DCC, Group Companies being multiple legal entities as referred to in section 24b, Book 2, DCC
Group Dealers	Bruggeman Mechanisatie and Landtech Zuid
Group Distributor	Kamps de Wild, Reesink Technische Handel, Stierman, Packo Agri, Packo & Heybroek, Jean Heybroek, the Kemp Group, Hans van Driel, Safety Centre International, Motrac Hydrauliek B.V., Motrac Hydraulik GmbH, Motrac Intern Transport, Motrac Handling & Cleaning and Pelzer Fördertechnik
Hans van Driel	Hans van Driel B.V.
Holder	A holder of the Offer DRs for tax purposes

ISIN	International Securities Identification Number
Jean Heybroek	Jean Heybroek B.V.
Kamps de Wild	Kamps de Wild B.V.
Kemp Group	Ben Kemp Holding B.V. and its subsidiaries Barend Kemp B.V., Kemp BVBA, Huur & Stuur B.V., Vacu-Rent B.V. and Kemp Hoogwerkers B.V.
Kuhn	Kuhn S.A. and its affiliated companies
Landtech Zuid	Landtech Zuid B.V.
Large Company	Dutch public limited liability company which meets at least two of the three criteria referred to in section 2:397 subsection 1 DCC (which criteria are: (i) the value of the company's assets according to its balance sheet is, on the basis of the purchase price or manufacturing cost more than €17,500,000; (ii) the net turnover is more than €35,000,000; and (iii) the average number of employees is 250 or more
Linde	Linde Material Handling GmbH and its affiliated companies
Linde Hydraulics	Linde Hydraulics GmbH & Co. KG. and its affiliated companies
Loan Agreement	A subordinated convertible loan agreed upon in the loan agreement dated 16 October of €10.3 million from Pon Holdings' subsidiary Pon Onroerend Goed to the Company in connection with the Acquisition
Main Original Equipment Manufacturers	Linde, Claas, Kuhn, Atlas and Toro
Management Board	The management board (*raad van bestuur*) of the Company
Management Team	The Company's management team consisting of Mr. Linnenbank, Mr. Kemp and Mr. De Bos (non-statutory directors)
Motrac Handling & Cleaning	Motrac Handling and Cleaning N.V./S.A.
Motrac Intern Transport	Motrac Intern Transport B.V.
Motrac Hydrauliek	Motrac Hydrauliek B.V.
Motrac Hydraulik	Motrac Hydraulik GmbH
Nederlandse Staal Unie	Nederlandse Staal Unie B.V.
NYSE Alternext Amsterdam	NYSE Alternext in Amsterdam, the multilateral trading facility of Euronext Amsterdam N.V.
Offering	The public offering of the Offer DRs in the Netherlands consisting of 46,986 newly issued DRs
Offer DRs	The DRs that will be offered in the Offering, a single offered DR being an Offer DR
Offering Period	The period during which the Offering will take place, commencing on 12 November 2013 and ending on 25 November 2013 at 17.30 CET, subject to acceleration or extension of the timetable for the Offering
Offer Price	€63.85 per Offer DR
Operating Companies	Reesink Staal, the Group Dealers and the Group Distributors together
Ordinary Shares	The ordinary shares in the Company's share capital with a nominal value of €4.00 each
Packo & Heybroek	Packo & Heybroek N.V.
Packo Agri	Packo Agri N.V.
Paying and Depositary Agent	ABN AMRO Bank N.V.

Pelzer Fördertechnik	Pelzer Fördertechnik GmbH
PHD	Project Holland Deelnemingen B.V.
PMH-E	Pon Material Handling Europe B.V.
Pon Holdings	Pon Holdings B.V.
Pon Onroerend Goed	Pon Onroerend Goed Leusden B.V.
PPA	Purchase price allocation, an application of goodwill accounting whereby an acquirer, when purchasing a target company, allocates the purchase price into various assets and liabilities acquired from the transaction
Preference Shares	The Cumulative Preference Shares A and the Cumulative Preference Shares B
Private Placement	The private placement of the Company dated 14 October 2013 to Qualified Investors
Private Placement Equity Facility	The agreement dated 5 November 2012 between PHD and the Company
Prospectus	This prospectus dated 12 November 2013
Prospectus Directive	Directive 2003/71/EC and amendments thereto, including Directive 2010/73/EU
Prospectus Regulation	Regulation (EU) No. 809/2004, as amended from time to time
Qualified Investors	Qualified investors (*gekwalificeerde beleggers*) within the meaning of section 1:1 of the FMSA
Rabobank	Coöperatieve Rabobank Graafschap-Noord U.A.
Record Date	18 June 2013 after the close of business on NYSE Alternext Amsterdam
Recobel	Recobel B.V.
Reesink Staal	Reesink Staal B.V.
Reesink Technische Handel	Reesink Technische Handel B.V.
Relevant Implementation Date	In relation to a Relevant Member State, the date on which the Prospectus Directive was implemented in that Relevant Member State
Relevant Member State	Each EEA state which has implemented the Prospectus Directive
Revolving Loan Facility	A €45.0 million euro revolving loan facility for general corporate and working capital purposes under the Financing Facility
Safety Centre International	Safety Centre International B.V.
Settlement	Payment for and issue and delivery of the Offer DRs
Settlement Date	The date on which Settlement is expected, being on or about 28 November 2013, subject to acceleration or extension of the timetable for the Offering
Shareholder(s)	The holders of the Shares
Share Purchase Agreement	The share purchase agreement signed on 1 July 2013 by the Company, Recobel and Reesink GmbH in connection with the Acquisition
Shares	The Ordinary Shares and the Preference Shares
Sole Coordinator, Bookrunner, Settlement and Listing Agent	SNS Securities N.V.
STAAR	Stichting Administratiekantoor van Aandelen Reesink
Stichting Continuïteit	Stichting Continuïteit Reesink

Stierman	Stierman B.V.
Subscription Agreement	The subscription agreement dated 13 June 2013 between PHD and the Company
Supervisory Board	The supervisory board (*raad van commissarissen*) of the Company
Supervisory Board Regulations	The regulations adopted by the Supervisory Board regarding its functioning and internal organization dated 24 March 2006
THR	THR B.V.
Toro	Toro International Company and its affiliated companies
Trade Register	Dutch Trade Register of the Chamber of Commerce (*handelsregister van de Kamer van Koophandel*)
United States	The United States of America
"**US dollar**", "**US$**", or "**$**"	The lawful currency of the United States
US Securities Act	The United States Securities Act of 1933, as amended
V.A.T.	Value added tax
Works Council	The central works council of the Company

COMPANY

Koninklijke Reesink N.V.
Ecofactorij 20
7325 WC APELDOORN
The Netherlands

LEGAL ADVISORS TO THE COMPANY

De Brauw Blackstone Westbroek N.V.
Claude Debussylaan 80
P.O. Box 75084, 1070 AB Amsterdam
The Netherlands

SOLE COORDINATOR, BOOKRUNNER, SETTLEMENT AND LISTING AGENT

SNS Securities N.V.
Nieuwezijds Voorburgwal 162
P.O. Box 235, 1000 AE Amsterdam
The Netherlands

INDEPENDENT AUDITORS

Deloitte Accountants B.V.
Grote Voort 207
8041 BK Zwolle
The Netherlands

PAYING AND DEPOSITARY AGENT

ABN AMRO Bank N.V.
Gustav Mahlerlaan 10
1082 PP Amsterdam
The Netherlands