

Press release

TKH Group N.V. (TKH)
Trading update 1st quarter 2010

TKH profit up on turnover growth, cost savings

- Turnover up 5.6% at € 199.1 million in first quarter 2010, despite hard winter.
- Operational result (EBITA) first quarter 2010 more than doubled to € 12.5 million.
- Strong improvement of results Building and Industrial Solutions.
- Decrease in results Telecom Solutions due to harsh period of frost.
- High order intake Industrial Solutions continues in first quarter.

Key figures (in € mln unless stated otherwise)

	Q1 2010	Q1 2009	Change in %
Turnover	199.1	188.5	+ 5.6
EBITA	12.5	5.5	+ 127.5
Net profit before amortisation ¹⁾	7.5	1.9	
Net profit	6.5	1.1	
ROS (in %)	6.3	2.9	

¹⁾ Amortisation intangible fixed assets related to acquisitions (after taxes)

Alexander van der Lof, CEO TKH: "The improved market situation for the segment Industrial Solutions, which was first felt in the fourth quarter of 2009 led to a considerable improvement in capacity utilisation at our production facilities. We were therefore able to cancel all the measures we had taken to reduce working hours. The cost savings we realised last year were translated into a strong improvement of profitability in the first quarter of 2010. The strength of our innovations and our investments in TKH's commercial organisation led to a recovery in order intake that was above the market average in a number of segments."

Developments in the first quarter

Turnover was up 5.6% in the first quarter of 2010 compared to the same period of 2009. Corrected for the impact of a rise in raw materials prices, turnover rose by 3.2%.

The rise in turnover was realised within Building and Industrial Solutions, while the turnover at Telecom Solutions fell slightly, due to the hard winter.

Due to the cost-savings realised and the increased turnover, EBITA rose to € 12.5 million in the first quarter of 2010, compared with € 5.5 million in the first quarter of 2009. EBITA as a percentage of turnover (ROS) rose from 2.9% to 6.3%. Cost levels were slightly higher than normal in the first quarter of 2010 due the run-up to rising

activity levels in the second quarter. The cost savings in the first quarter 2010, compared to the same period last year, amounted to € 2.5 million.

Because of the lower debt position compared to the same period last year, the financial expenses decreased sharply. The increased operational profit, combined with the lower financial expenses led to an improvement of the net profit before amortisation from € 1.9 million in the first quarter of 2009 to € 7.5 million in the first quarter of 2010.

Developments per business segment

Telecom Solutions

The turnover at Telecom Solutions fell in the first quarter due to the harder period of frost, which hampered the laying of networks and therefore the delivery of systems and components for optical fibre and copper networks. In addition, the roll-out of new optical fibre products within Europe is still strongly hampered by the limited capacity of third parties to realise the financing of the investments in networks. The turnover in indoor telecom systems stabilised around the level of 2009. In March 2010 we saw a clear improvement and the turnover at Telecom Solutions as a whole was higher than in the same period last year. The lower capacity utilisation in the segments fibre and copper networks in the first months of the year led to a drop in profit at Telecom Solutions.

Building Solutions

Turnover at Building Solutions increased. This rise in turnover was largely realised in the segment security and connectivity systems. Connectivity systems saw strong turnover growth in solar cable systems, which offset the negative impact of the winter period. Security systems profited from a growing market and the distinctive technology, which enabled the business to win market share. Turnover within building technologies was at roughly the same level as the year-earlier period. Within this sector, the systems for the care sector showed an upward trend, while there was a drop in demand for data communication systems due to the lower activity levels in the construction sector. Lower cost levels and increased turnover resulted in Building Solutions booking a sharp rise in profit.

Industrial Solutions

Industrial Solutions booked higher turnover. The effect of the high order intake seen since the fourth quarter of 2009, for both connectivity and manufacturing systems, was still limited in terms of increasing delivery levels in the first quarter. The order intake was again at a high level in the first quarter, due to which TKH made preparations for an increase in production capacity and cancelled the measures to reduce working hours. The industrial sector has seen a clear increase in the investment priority for efficiency systems, partly due to the strongly improved financial situation among our customers as a result of the increased demand for their products and services. The automotive sector-related industries in particular have seen an improvement in the market conditions. Due to the realized turnover growth and the lower costs levels, profit rose sharply.



Outlook

TKH reiterates its expectation, as published at the announcement of the annual results 2009, that turnover and result for 2010 will improve compared to 2009, under unchanged circumstances. In line with previous years, TKH aims to give a prognosis for the full year at the publication of TKH's first-half results in August 2010.

Haaksbergen, 6 May 2010

Executive Board

For further information:

J.M.A. (Alexander) van der Lof MBA,
Chairman of the Executive Board
tel. + 31 (0)53 57 32 903
Website: www.tkhgroup.com

Financial agenda

25 August 2010
11 November 2010

Publication first-half results 2010
Trading update Q3 2010



Profile

Technology company TKH Group NV (TKH) is an internationally active group of companies that specialises in the creation and delivery of innovative Telecom, Building and Industrial Solutions.

TKH specialises in solutions rather than certain types of activity. In TKH's business segments Telecom Solutions, Building Solutions and Industrial Solutions basic technologies in the fields of ICT and electro-technology from the various operating companies are combined – frequently in partnership with suppliers - to develop total solutions.

Specialists in the fields of marketing, process development, design, engineering and logistics add the final touch of advice and project implementation to enable TKH to offer its clients truly custom-made solutions. We subsequently offer these locally-developed concepts internationally, making optimal use of TKH's in-house experience and know-how.

Telecom Solutions develops, produces and supplies systems ranging from outdoor infrastructure for telecom and CATV networks through to indoor home networking applications. The focus in this business is to provide clients with systems that are totally care-free due to the accompanying system guarantees we provide. TKH Telecom Solutions operates in three distinct sub-segments: optical fibre networks, copper networks and indoor telecom systems.

Building Solutions develops, produces and supplies solutions in the field of efficient electro-technology ranging from applications within buildings through to technical systems that – combined with software – provide efficiency solutions for the care and security sectors. Building Solutions operates in three distinct sub-segments: building technologies, security systems and connectivity systems.

Industrial Solutions, develops, produces and supplies solutions ranging from specialty cable, “plug and play” cable systems through to integrated systems for the production of care and truck tyres. Industrial Solutions operates in two distinct sub-segments: connectivity systems and manufacturing systems.

TKH's continuous focus on research and development gives the company a portfolio of products and services that guarantee technologically-advanced solutions. TKH and its various operating companies are active worldwide. Growth is concentrated in North West and Central and Eastern Europe and Asia. In 2009, TKH booked turnover of € 726 million with a workforce of 3,564 employees.