

TRADING UPDATE 3rd QUARTER 2015

Consolidated revenue in the first three quarters amounted to € 376.6 million (2014: € 361.7 million). In autonomous terms¹ revenue was up 2.5%. The operating result excluding interest, depreciation and amortisation (EBITDA) was up nearly 17% to € 26.7 million, while the operating result (EBIT) increased by over 23% to € 18.1 million. Despite the fact that Royal Reesink is still satisfied with these growth figures, trading showed a clear decline in the third quarter. Traditionally however, the first half of the year is better than the second half.

Reesink Equipment

The revenue generated by Reesink Equipment rose to € 337.7 million (2014: € 322.8 million), an increase of 4.6%. In autonomous terms, Reesink Equipment's revenue was up 3.5%.

Reesink Green Equipment

Reesink Green Equipment achieved a 13% increase in revenue up to the end of September. In autonomous terms, the increase was more than 10%. Revenue in the traditionally weaker third quarter was slightly higher than in the same period last year. The margin was slightly lower, due partly to a different composition of sales. In landscape maintenance and turfcare, the autonomous increase in revenue for the year was as strong as ever. The increase was mainly due to sales of machinery for maintenance of golf courses and public green spaces. The jump in revenue realised in the agricultural market in the Benelux countries declined slightly until the end of June, and then only fractionally until the end of the third quarter. Sales of tractors and harvesters were considerably lower in the third quarter in comparison to the first six months. After a successful sales season for tractors, sowing machines, earth-moving equipment and parts, CT Agro was also on the way to exceeding its sales forecast for combine harvesters. However, a change to the monetary system of Kazakhstan on 20 August led to a sharp decline of the local currency. This led to a minor disruption in the market and several orders for combine harvesters were postponed until next season. Nevertheless, the result in Kazakhstan was substantially higher than in 2014.

Reesink Construction Equipment

The decline in revenue at Reesink Construction Equipment remained at 10%, also until the end of the third quarter. Revenue was slightly higher in the Netherlands, while in Belgium revenue was at a much lower level. Contrary to last year, there were no large orders for large controlled drilling systems in Belgium, and the market for construction equipment also substantially deteriorated. Reesink Construction Equipment nonetheless realised a good margin, whereby profitability remained virtually unchanged.

¹ 2014 like-for-like Stierman De Leeuw, 2015 excluding IMAV Hydraulics, Agrometius and Reesink Turkey



Reesink Material Handling Equipment

Revenue at Reesink Material Handling Equipment was virtually unchanged on the same period in 2014. There was however a significant difference in the composition of the revenue, and this led to a better return. The focus this year was more on meeting the increasing demand for rental (especially in the Netherlands) and expanding the service and making it more efficient. In addition, a Used Equipment Centre was opened in Apeldoorn in September. Some of the used fork-lift trucks are refurbished there and sold to customers who feel that investment in a new truck would not be justified. The revenue from the sale of new machines was slightly lower. It should be noted here that the order books are generally well filled. Revenue from rental was up substantially, while the revenue from service showed a small increase. There was a clear increase in revenue in Germany, however in the Netherlands revenue declined. Revenue in Belgium was virtually unchanged on 2014.

Reesink Industries

Reesink Industries is benefiting from the addition of IMAV Hydraulics, which was integrated into Motrac Hydraulik in Willich, Germany in the third quarter. Partly as a result, revenue at Reesink Industries until the end of September remained unchanged on the comparable period last year. In autonomous terms however, revenue declined by 6%, due mainly to reduced purchases of hydraulic components and systems by our agricultural OEM customers. The market for personal protection equipment continues to be difficult. Reesink Staal achieved revenue that was at the same level as in the previous year.

Market developments and outlook for 2015

In the most recent period, sales of capital goods in the agricultural markets in the Netherlands and Belgium were negatively affected by the current low milk price and the uncertainty with respect to phosphate rights. Arable farmers received good prices for their crops. These customers' readiness to invest is however not high enough to compensate for the lower demand from stock farming. In Kazakhstan the season has come to an end and the year will close on a positive note. The market for landscape maintenance is strong. The markets for material handling in the Netherlands and Germany are developing positively. The growth is mainly in the category in which the margins on new machinery are somewhat lower. The order books of our material handling companies are developing positively, however it is not certain whether our companies will be able to deliver all the machines on time this year due to supply problems. The focus on service and hire is producing more positive returns. The market for construction equipment in the Netherlands is flat, while the rental market for construction equipment is growing. The effects of the economic recession for



construction equipment in the market in Belgium are clearly visible. As a result of our good position in rental and in various niche markets (such as OEMs) the return from construction equipment is expected to remain stable. Our companies in the Industries segment operate in markets that are experiencing difficulties. In hydraulics, production of equipment by the OEM customers is at a lower level. The addition of IMAV is providing a boost and gives us a better position in the German OEM market. The market for steel is not deteriorating further, however there are as yet no signs of recovery. Steel prices fell further in the third quarter. Overall, our markets are very dynamic and we certainly still expect to achieve growth this year. The extent to which we can maintain the growth achieved to the end of the third quarter is however not certain.

This press release is published in both Dutch and English. In case of conflict between the Dutch and the English version, the Dutch version shall prevail.

Apeldoorn, 29 October 2015

The Management Board of
Royal Reesink N.V.

Profile of Royal Reesink

Royal Reesink focuses on two segments: Reesink Equipment and Reesink Industries.

In Reesink Equipment, our businesses are involved in the distribution of leading brands and/or the delivery of strong concepts for agriculture and horticulture, landscape maintenance, material handling and civil engineering. The products are supplied either directly or through dealers to farmers, contractors, green area companies, golf courses, municipalities, government bodies, water boards, foresters and logistics customers operating in the food, non-food, industrial, transfer (harbours), agricultural and civil engineering sectors.

In Reesink Industries, our businesses are involved as a distributor of processed steel and steel, personal protection items and hydraulic components and systems. In this segment, we supply mainly steel manufacturers, building sites, installation production companies, technical wholesalers, the offshore and shipping industry, machinery manufacturers and the agricultural industry.

See also: royalreesink.com

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