

Organic growth exhibited by virtually all market groups

Revenue and profit Nedap N.V. in 2011 markedly higher than last year

Groenlo, 17 November 2011

The revenue and profit of N.V. Nederlandsche Apparatenfabriek "Nedap" will be markedly* higher for 2011 - notwithstanding unforeseen circumstances - than in 2010 (2010: revenue € 133.6 million, profit € 8.8 million). The growth in revenue occurred in virtually all market groups, namely Agri, AVI, Healthcare, Power Supplies, Retail, and Security Management. As expected, only the revenue from the Library Solutions group was flat. The supplier activities of the Specials market group will be more or less phased out by the end of the year.**

In light of the robust organic growth in revenue in both 2010 and 2011, the steps taken in 2009 to strengthen the Nedap organisation have already yielded clear results. The growth in revenue is even more robust if the phasing out of the supplier activities, which was set in motion in 2009, is taken into account. A few years ago these supplier activities, amongst others to the telecom and automotive sectors, were still good for approximately 20% of the total revenue. Over 2011, this will have dropped to less than 7% and for 2012 it will be almost zero.

The transfer of series production to our subsidiary Inventi B.V. in Neede and the continued investment in the development of new products, in the improvement of the marketing material, and the strengthening of the sales organisation - two other steps that were initiated in 2009 - are still in full swing and involve relatively high expenditure. The persistent shortage of components on the world market has disrupted the production and logistical processes and has consequently led to additional costs.

The number of permanent employees, following the sizeable expansion in 2010 (51 new employees), rose further during the year (30 new employees) to a total of 682 (as of 16 November). The growth in the profit after taxes will be less strong this year due to the aforementioned developments and the one-off tax benefit in 2010, but will still be markedly higher than in 2010.

* Nedap has applied the 'Scale of Mock' in this press release.

** The activities of the market groups Education and Locker Management Systems were merged as of 1 January 2011 with those of the market group Security Management.

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In 2011, there was a sharp rise in investment in production resources, development projects, inventories, and adjustments to the accommodation. The increase in stock levels was amongst other things due to the decision to maintain inventories at several locations around the world to increase the rapidity and efficiency of supplies. As a result of these investments, the balance sheet total has risen and the solvency position will show a limited decline at the end of the year (year-end 2010: 39.5%).

The revenue of the market group **Agri** (ICT systems for the dairy farming industry that help dairy farmers to optimise their operational processes and to improve animal welfare) has shown a sizeable increase compared to last year. This is primarily due to the robust investment in product development and targeted marketing in recent years. Examples of this are the new in-heat detection products for the dairy farming industry and a new sorting system for the pork farming industry, as well as the establishment of alternative sales channels and a dedicated sales organisation in China. The improved market situation in the dairy farming industry, in particular due to higher milk prices, has also boosted the willingness to invest in this sector.

The market group **AVI** (products for vehicle and driver identification and wireless parking systems) saw its revenue rise once more after a limited decline in 2010. The introduction of new products, for example wireless sensors for parking detection, contributed to this development, as well as the recovery on the American market. Growth has still been flat in Europe and Asia. Government investment in the Netherlands in urban road pricing systems has also not yet shown any growth.

Due to its continual focus on product innovation and marketing, the market group **Healthcare** (computerisation of time registration for the healthcare sector, which frees up more time for care) was also able to further reinforce its position in the healthcare market in 2011. The market group offers a wide range of services under the name ONS to homecare organisations, care homes, and nursing homes. With its free web application CAREN, it is supporting a growing number of home carers with their activities. The solution developed by this market group for the employment agency sector, PEP (computerised time registration), also contributed to the growth in revenue.

The market group **Library Solutions** (RFID self-service check-in/checkout systems for libraries) experienced the negative consequences of government cutbacks during the year, especially in the Netherlands. The market group is working hard to extend its current sales territories - the Netherlands, Belgium, Germany, France, and Spain - to other parts of Europe, Asia, and the American continent.

The market group **Power Supplies** (switch-mode power supplies for lighting and renewable energy systems) has shown a sizeable growth in revenue with an increasing number of in-house products under the Nedap brand name. These new products are primarily characterised by user-friendliness and energy-saving features. The group also expanded its sales channels in North America considerably this year. In this part of the world, prominent orders were won for automatic switching devices for street lighting and lighting inside large covered spaces.

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The sharp investment in product development and marketing by the market group **Retail** (anti-shoplifting systems, control and information systems to combat stock losses) yielded tangible successes. Several prestigious multi-year contracts have been signed with major retail chains over the past few months. New products such as Cube (extensive management information systems for retail outlets) and Store!d (RFID applications for shops), and new sales channels, such as the Nedap Global Label Center in Hong Kong, have contributed to the clear growth in revenue of the group.

The **Security Management** market group (systems for access control, registration, payment, fire and intruder alarms, observation, locker management, and biometrics) has once more showed a sizeable increase in its revenue this year. With the high-tech security platform AEOS, it has been able to form an increasing number of important strategic partnerships. AEOS is a powerful, intelligent, and user-friendly web-based security management system. It combines and integrates amongst other things access control, visitor management, forced entry detection, locker management, parking management, and (ip) video management in real-time. With its exceptional software architecture and the use of open IT standards, AEOS can easily be integrated with existing software and hardware systems of other suppliers. The group is marketing these systems worldwide.

The above expectations for the year 2011 are based on the facts known at the time of writing of this press release. Due to the project-based character of a large part of the revenue, however, considerable changes may still occur.

Nedap is a manufacturer of intelligent technology solutions for relevant themes. Enough food for a growing population, clean drinking water around the entire world, and smart networks for sustainable energy are just some of the goals Nedap is working towards. It has a continual focus on technology that matters.

The N.V. Nederlandsche Apparatenfabriek "Nedap" was founded in 1929, it has been listed on the stock exchange since 1947, and employs more than 680 staff worldwide.



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