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**Kendrion: 17% growth in revenue in first quarter 2012**

- Revenue in first quarter totalling EUR 77.3 million (+17% compared to Q1 2011, 6% of which is organic)
- Organic growth mainly from Passenger Car Systems and Industrial Drive Systems
- EBITA rises to EUR 8.6 million in first quarter (+12% compared to Q1 2011)
- Kendrion maintains forecast for further growth in revenue and profit in 2012

**Key figures**

(x EUR 1 million unless otherwise stated)	Q1 2012 <sup>1</sup>	Q1 2011 <sup>1</sup>	Difference in %
Revenue	77.3	65.8	17%
EBITA from ordinary activities	8.6	7.7	12%
Net profit	5.3	5.1	4%

<sup>1</sup> The quarterly figures are unaudited

Piet Veenema, CEO of Kendrion:

"The growth of recent years has also continued in the first quarter and this has once again resulted in growth in revenue and operating result. Organic growth in the first quarter came mainly from the Passenger Car Systems and Industrial Drive Systems business units that benefited from the positive developments in German industry. Kendrion FAS Controls, which is Kendrion's most recent acquisition, performed in line with the expectation and contributed to earnings per share. Even though the pace of growth is levelling off and uncertainty regarding the economic development in 2012 has once again increased, we maintain the forecast that Kendrion will achieve further growth in revenue and profit in 2012. The related focus will remain on a further expansion of the sales activities worldwide, combined with extensive attention to innovative and customer-centred products."

## **Financial review**

### **Revenue**

Revenue rose to EUR 77.3 million in the first quarter of 2012, equalling a 17% increase compared to the same period last year. Organic growth in revenue amounted to 6% in the first quarter of 2012. In comparison to the fourth quarter of 2011, organic growth in revenue totalled 7%.

The increase in revenue was realised by three business units, with the Passenger Car Systems business unit once again being the main driver of revenue growth. Only the Industrial Magnetic Systems business unit posted lower revenue and this decrease was due to a slight delay in the launch of a number of new projects in Germany and the USA. Kendrion FAS Controls (a company of the Passenger Car Systems business unit) got off to a good start within Kendrion and the preparations for the already announced new projects for the American market are progressing according to plan.

### **Results**

Commodity prices for copper and metal were stable in the first quarter. The commodity prices for permanent magnets, which had risen sharply in 2011, returned to a lower level.

The operating result from ordinary activities before amortisation (EBITA) amounted to 11.2% as a percentage of revenue (full year 2011: 11.5%) with a good cost level. The target is to achieve an operating margin of at least 10%. The slight decrease is attributable to the hiring of new employees (primarily engineers and project managers). These new employees have been taken on for reasons including the expansion of the engineering capacity of the Commercial Vehicle Systems business unit connected with the planned growth in the global truck market.

Interest charges rose as expected in the first quarter, partially due to a higher debt position connected in part with the acquisition of FAS Controls in December 2011 and partially to the interest charges on the provision made in 2011 in connection with the EC fine. Net profit amounted to EUR 5.3 million in the first quarter (Q1 2011: EUR 5.1 million).

The number of employees remained virtually unchanged in the first quarter compared to year-end 2011 at approximately 1,800. This number includes around 200 temporary employees needed to ensure the required flexibility.

### **Financial position**

The balance sheet total rose by EUR 8.5 million in the first quarter of 2012, primarily as a result of the increased revenue.

Investments totalled EUR 4.2 million in the first quarter with a depreciation level of EUR 2.6 million. Investments in 2012 will be considerably above the depreciation level primarily due to the expansion investments in the Passenger Car Systems business unit and the investments in the ERP system. The "HORIZON" ERP project is progressing completely according to schedule.

Kendrion has a strong financial position with solvency of approximately 40% at the end of March 2012.

### **Outlook**

Given the current uncertainties regarding the economy, it remains difficult to provide a detailed prediction of the development of revenue and profit for the full year 2012. Economic growth appears to be decreasing in a number of Kendrion's key sales markets, such as the French automotive market and the textile machinery market. Other sectors such as the German automotive industry and the largest part of the German machine building industry are, however, still performing extremely well. Based on the current insights, Kendrion expects further growth in revenue and profit, but is refraining from issuing a concrete profit performance forecast considering the current situation.

## **Profile of Kendrion N.V.**

Kendrion N.V., a solution provider, develops, manufactures and markets innovative high-quality electromagnetic systems and components for customers all over the world. Kendrion's operations are carried out by four business units focused on specific market segments, namely Industrial Magnetic Systems, Industrial Drive Systems, Passenger Car Systems and Commercial Vehicle Systems.

Kendrion has leading positions in a number of business-to-business niche markets. Germany is Kendrion's main market, although other countries are becoming increasingly important.

### *Kendrion's activities*

Kendrion develops advanced electromagnetic solutions for industrial applications. These are used by customers all over the world in systems such as lifts, door-locking systems, industrial robots, medical equipment, electrical switchbox systems, diesel and gasoline engines, air-conditioning installations, motor cooling systems and beverage dispensers. Kendrion's key customers include a.o. Bosch, Continental, Daimler, Delphi, Eaton, Evobus, Hyundai, Siemens and Yutong.

Kendrion's shares are listed on NYSE Euronext's Amsterdam market.

Zeist, 9 May 2012

The Executive Board

Piet Veenema – Chief Executive Officer  
Eiko Ris – Chief Financial Officer

### **For more information:**

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### **Annexes**

1. Consolidated statement of comprehensive income
2. Consolidated statement of financial position
3. Financial calendar 2012 - 2013

## Annex 1 - Consolidated statement of comprehensive income

(EUR million)

	Q1 2012	Q1 2011	2011
Revenue	77.3	65.8	267.9
Other operating income	0.1	0.1	1.0
<b>Total revenue and other operating income</b>	<b>77.4</b>	<b>65.9</b>	<b>268.9</b>
Changes in inventories of finished goods and work in progress	(2.9)	(1.8)	(4.2)
Raw materials and subcontracted work	42.0	34.5	139.1
Staff costs	20.6	17.7	72.8
Depreciation and amortisation	3.2	2.6	10.8
Other operating expenses	6.4	5.6	61.9
<b>Result before net finance costs</b>	<b>8.1</b>	<b>7.3</b>	<b>(11.5)</b>
Finance income	0.0	0.0	0.1
Finance expense	(1.1)	(0.5)	(2.1)
<b>Net finance costs</b>	<b>(1.1)</b>	<b>(0.5)</b>	<b>(2.0)</b>
<b>Profit before income tax</b>	<b>7.0</b>	<b>6.8</b>	<b>(13.5)</b>
Income tax expense	(1.7)	(1.7)	(6.6)
<b>Profit for the period</b>	<b>5.3</b>	<b>5.1</b>	<b>(20.1)</b>
Attributable to:			
Equity holders of the company	5.2	5.0	(20.2)
Minority interest	0.1	0.1	0.1
<b>Profit for the period</b>	<b>5.3</b>	<b>5.1</b>	<b>(20.1)</b>
Basic earnings per share (EUR)	0.46	0.45	(1.79)
Diluted earnings per share (EUR)	0.46	0.45	(1.79)

- Quarterly figures are unaudited -

## **Annex 2 - Consolidated statement of financial position at 31 March**

(EUR million)	<b>31 March 2012</b>	<b>31 March 2011</b>	<b>31 Dec. 2011</b>
<b>Assets</b>			
Property, plant and equipment	56.3	45.6	55.2
Intangible assets	74.9	49.9	76.0
Other investments, including derivatives	1.1	0.7	0.5
Deferred tax assets	8.3	11.9	9.3
<b>Total non-current assets</b>	<b>140.6</b>	<b>108.1</b>	<b>141.0</b>
Inventories	41.3	32.6	38.5
Current tax assets	1.5	0.1	1.0
Trade and other receivables	46.7	37.8	39.6
Cash and cash equivalents	7.8	6.1	9.2
<b>Total current assets</b>	<b>97.3</b>	<b>76.6</b>	<b>88.3</b>
<b>Total assets</b>	<b>237.9</b>	<b>184.7</b>	<b>229.3</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	22.9	22.6	22.9
Share premium	64.6	68.4	64.6
Reserves	3.2	22.9	24.1
Retained earnings	5.2	5.0	(20.2)
<b>Total equity attributable to equity holders of the company</b>	<b>95.9</b>	<b>118.9</b>	<b>91.4</b>
Minority interest	0.3	0.3	0.3
<b>Total equity</b>	<b>96.2</b>	<b>119.2</b>	<b>91.7</b>
<b>Liabilities</b>			
Loans and borrowings	21.3	4.8	23.3
Employee benefits	6.5	6.9	6.5
Government grants received in advance	0.2	0.3	0.1
Provisions	46.6	2.7	46.4
Deferred tax liabilities	6.1	3.2	6.2
<b>Total non-current liabilities</b>	<b>80.7</b>	<b>17.9</b>	<b>82.5</b>
Bank overdraft	17.5	10.3	0.3
Loans and borrowings	-	-	11.5
Current tax liabilities	1.6	1.1	1.2
Trade and other payables	41.9	36.2	42.1
<b>Total current liabilities</b>	<b>61.0</b>	<b>47.6</b>	<b>55.1</b>
<b>Total liabilities</b>	<b>141.7</b>	<b>65.5</b>	<b>137.6</b>
<b>Total equity and liabilities</b>	<b>237.9</b>	<b>184.7</b>	<b>229.3</b>

- Quarterly figures are unaudited

### **Annex 3 - Financial calendar 2012 - 2013**

#### 2012

Cash dividend made payable and delivery stock dividend	Thursday, 10 May 2012	
Publication of HY1 2012 results	Thursday, 23 August 2012	08.00 a.m.
Analysts' meeting	Thursday, 23 August 2012	11.30 a.m.
Publication of Q3 2012 results	Wednesday, 7 November 2012	08.00 a.m.

#### 2013

Publication of 2012 full-year figures	Wednesday, 27 February 2013	08.00 a.m.
Analysts' meeting	Wednesday, 27 February 2013	11.30 a.m.
General Meeting of Shareholders	Monday, 15 April 2013	02.30 p.m.
Publication of Q1 2013 results	Wednesday, 8 May 2013	08.00 a.m.
Publication of HY1 2013 results	Wednesday, 21 August 2013	08.00 a.m.
Analysts' meeting	Wednesday, 21 August 2013	11.30 a.m.
Publication of Q3 2013 results	Wednesday, 6 November 2013	08.00 a.m.