

Profile

Croon is the largest company specializing in electrical engineering in the Netherlands.

PRO-ACTIVE SERVICE PROVIDER FOR AMBITIOUS CLIENTS

Croon Elektrotechniek is the reliable, sound technical service provider, which offers surprisingly good solutions to ambitious clients within the business sector and the non-profit sector.

Based on its knowledge and experience Croon takes a proactive approach to create value: in a technical, process-oriented, economic and safety field. Croon's provision of services results in improved efficiency, safety, continuity for clients and consequently a better return. Croon has a flexible, innovative and comprehensive approach: of a high technical quality, economically viable, service-oriented and pro-active. Recommended and carried out by competent staff with a passion for technology. They form the driving force behind Croon's problem-solving capacity.

Croon executes simple to bold, trendsetting projects: from design to maintenance and is active both nationally and internationally. With its services in the fields of electrical engineering, instrumentation and automation Croon aims at an excellent long-term relationship with ambitious, successful clients.

MEMBER OF TBI

Croon Elektrotechniek is a member of TBI Holdings B.V. TBI is a group of enterprises that innovates, structures and maintains our living environment in a sustainable manner. The group characterizes itself as a flexible network organization. Each individual enterprise possesses high-quality specialized expertise in the field of Technology, Construction and Infra. The TBI enterprises operate each under their own name, but cooperate with one another in the best possible way on account of their 'family ties'.

BOARD OF DIRECTORS:

L.B. Koek (chairman)

J. Vogel

F.J.A. Haring RA



Consolidated balance sheet as at 31 December 2013

(before profit appropriation)

| Amounts in thousands of euros | 31 december 2013 | 31 december 2012 |
|---|------------------|------------------|
| Fixed assets | | |
| Intangible fixed assets [1] | 50 | 0 |
| Tangible fixed assets [2] | 25.324 | 26.135 |
| Financial fixed assets [3] | 663 | 413 |
| | 26.037 | 26.548 |
| Current assets | | |
| Stock [4] | 400 | 1.146 |
| Work in progress for third parties [5] | 22.727 | 17.995 |
| Receivables [6] | 84.023 | 58.677 |
| Securities | 8 | 17 |
| Liquid assets [7] | 30.467 | 16.066 |
| | 137.625 | 93.901 |
| Total assets | 163.662 | 120.449 |
| Group capital | | |
| Shareholders' equity [8] | 52.864 | 48.917 |
| Minority interest | 333 | 340 |
| | 53.197 | 49.257 |
| Provisions [9] | 1.740 | 847 |
| Current liabilities and accrued liabilities [10] | 108.725 | 70.345 |
| Total liability | 163.662 | 120.449 |



Consolidated profit and loss account over 2013

| Amounts in thousands of euros | 2013 | 2012 |
|--|--------------|--------------|
| Netsales [11] | 441.642 | 386.029 |
| Operating costs | | |
| Costs of raw materials and consumables | 109.507 | 97.221 |
| Costs of outsourced work and other external costs | 138.098 | 122.590 |
| Wages and salaries | 109.596 | 91.052 |
| Social security costs | 17.222 | 14.047 |
| Pension costs [12] | 10.363 | 7.730 |
| Amortization of intangible fixed assets | 30 | 0 |
| Depreciation of tangible fixed assets [13] | 6.152 | 5.389 |
| Other operating costs | 45.232 | 39.509 |
| | 436.200 | 377.538 |
| Operating result | 5.442 | 8.491 |
| Interest income and interest expense [14] | 86 | -16 |
| Income from participating interests | 439 | 199 |
| Profit on ordinary activities before taxation | 5.967 | 8.674 |
| Taxation on profits [15] | -1.849 | -2.326 |
| Profit on ordinary activities after taxation | 4.118 | 6.348 |
| Minority interest in result of group companies | -45 | -53 |
| Net result | 4.073 | 6.295 |



Report of the Board of Directors

Amounts in euros

RESULT

In 2013 net sales increased by 14% to an amount of 441.6 million (2012: 386.0 million), in particular driven by the acquisition of HVL B.V. with effect from 1 January 2013. HVL's net sales amounted to 66.5 million in 2013.

As a result of challenging market circumstances, the operating result and the net result in 2013 were lower than in 2012. The operating result dropped by 36% to 5.4 million (2012: 8.5 million).

The net result dropped by 35% to 4.1 million (2012: 6.3 million). The balance of the financial income and expenditure, consisting of interest income and interest charges and results from participating interests amount to 0.5 million for 2013 (2012: 0.2 million).

ORDER PORTFOLIO

At the end of 2013 the order portfolio totalled 459.8 million, a decrease of 1.3% compared to the situation at the end of 2012 (466 million). The quality of the order portfolio, with a balanced distribution over the various sectors is at a good level.

FINANCING AND INVESTMENTS

At the end of 2013 the resources in fixed assets amounted to 26.0 million 2013 (2012: 26.5 million).

The net investments in tangible fixed assets amounted to 2.0 million. The depreciation of tangible fixed assets were at a higher level of 6.2 million.

The net working capital amounted to 11.9 million positive (2012: 7.6 million positive).

RISK MANAGEMENT

Croon has a number of large DBM contracts in its portfolio, which contracts have a different risk profile in view of the complexity and long completion time. On account of their size they have in addition a relatively big impact on the company's result.

In order to control the risks connected to the business operations properly, Croon Elektrotechniek B.V. applies the risk control system of the holding company. For a description of this system we refer you to the annual report of TBI Holdings B.V.

ORGANIZATION AND PERSONNEL

With effect from 1 January 2013 Croon acquired the shares of HVL B.V. from TBI Techniek B.V. As a result of this the total pool of permanent staff rose by 21% to 2,373 at the end of 2013. In connection with this acquisition an assets/liabilities transaction took place on 1 January 2014, on which occasion both companies were completely integrated under the name of Croon Elektrotechniek B.V.

The company's Management Board and Supervisory Board under the articles of association do not have an equitable distribution of men and women. In view of the size of the Management Board under the articles of association, the criterion set by the legislature that at least 30 percent of the seats must be occupied by women was not met.

Croon Elektrotechniek B.V. acknowledges that its organization would gain from a high degree of diversity among its staff. In this connection a better representation of women in all sections of the organization is therefore pursued.

MARKET DEVELOPMENTS

The accrual of operating income in 2013 did not change significantly compared to previous years. Within the business groups Building Technologies, Industry, Marine & Offshore and Infra there are various market segments that are characterized by a high degree of competition and price pressure. On 1 September 2013 the fifth business group Design Engineering was launched with the objective of marketing design expertise. On the basis of the expectations for the future of each segment Croon Elektrotechniek B.V. will set priorities and make choices.

PROSPECTS

Also in 2014 the investments in tangible fixed assets will mainly concern internal ICT.

Expectations are that the level of the net investments will be below depreciation level. The number of employees is expected to drop in 2014.

THE BOARD OF DIRECTORS

Rotterdam, 25 February 2014

design · build · maintenance croon.nl

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