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Vanderlande Industries order intake increases by 40%

- Position strengthened in a recovering market
- Turnover and profit expected to increase next year
- Acquisition of Beewen important building block for the long term
- Strategic plan on track

Veghel - Vanderlande Industries -automated material handling systems- achieved an order intake of EUR 713 million in financial year 2012 (ending March 31st 2012), an increase of 40% over the preceding year. All market segments contributed to the increase in order intake. In Baggage Handling the company was very successful in securing a number of major contracts.

Turnover remained essentially the same at EUR 565 million, and net earnings were 2.9% of sales.

The orders received this financial year, such as those for King Abdulaziz International Airport in Jeddah and from Zalando in Germany, contributed to an increase of 21% in the order book, which is at an all-time high of EUR 852 million. As a result, turnover and profit are expected to increase next year.

Beewen, acquired in January 2012, is an important building block for the future. Thanks to Beewen's strong reputation for smart and efficient AS/RS (automatic storage / retrieval systems) technology, Vanderlande is now even better positioned to serve both airports and warehouse automation customers.

The company is on track to achieve its strategic plan. Market share has grown in all segments by an increased market focus in the organisation. The position in emerging markets has been strengthened by sales of more than EUR 250 million in Eastern Europe, Asia, the Middle East, Africa and South America, as well as by the continued growth of the Customer Services business.

Various new products were successfully launched, and the company further improved its business processes to enable operational excellence. Last but not least, Vanderlande has again proved to be an employer of choice (in the leading Dutch employee engagement survey by Effectory). This will help the company to recruit the talent it needs to achieve its growth ambition.

Michiel Peters, CEO of Vanderlande Industries, commenting on these results:

"With the 40% increase in order intake, Vanderlande Industries has strengthened its position in a recovering market, and is on track to realise its strategic agenda. The lower net earnings are mainly due to margin pressures. The order book is at an all-time high for the company, and this constitutes a solid starting position for the coming financial years.

The acquisition of Beewen is an important building block for our long-term success in the Warehouse Automation market. Beewen has been a valued partner over the past 10 years, and as part of Vanderlande Industries Beewen will further develop as the AS/RS centre of competence serving a growing customer base worldwide, including airports to which AS/RS-based early bag stores are provided.

Our continued efforts to develop energy-efficient products, and to ensure the use of materials that can be re-used endlessly are being well received by the market and have been recognised by Cradle to Cradle® Certification. Some of our most valued customers are leaders in corporate responsibility, and providing them with smart and sustainable solutions is an excellent fit for our innovative nature.

Market experts predict long-term growth for worldwide passenger volumes, a decreasing acceptance of lost bags by passengers, and more connections with shorter connection times at larger airports. As a consequence, investments in baggage handling capacity, safety and performance will remain of strategic importance.

We have been able to strengthen our position as the market leader, and have sold many projects in growth regions such as Eastern Europe, Asia, the Middle East, Africa and South America.

The Warehouse Automation market is expected to show sustained growth. This trend is driven by the need to reduce logistics costs and speed-up processes, the growth of e-commerce and the tightening of ergonomics regulations. As a result, increasing numbers of warehouses and distribution centres are being automated. We have achieved substantial order intake growth, with expansion into the Americas, Eastern Europe, Russia and the Far East.

The Parcel & Postal market is growing on all continents, with double-digit growth of e-commerce as the main driver. Customers are again investing in the innovation of their network solutions, including further automation of their sorting facilities.

We have been able to profit from these conditions, and have confirmed our position as one of the leading suppliers in this market.

The market for our customer services continues to grow as our customers increasingly outsource services for systems to improve reliability and availability. The need to continuously improve process performance is the other major contributor to the growth of this market. Our continued focus on customer services has once again proved itself."



Outlook

The long-term outlook for the markets in which we are active remains promising. Increasing demands for logistics performance, reliability, safety, workforce productivity and ergonomics, together with scarcity of labour, will lead to increasing investments in automated material handling solutions.

In the short term we expect our markets to recover further and to continue their growth. In combination with our solid order book, we expect our turnover and profit to increase next year.

Vanderlande Industries continues to recruit top talent in all functional areas such as product development, project management, project engineering, software development and customer services. In a world of technology, we believe in people.

Profile of Vanderlande Industries

Vanderlande Industries provides automated material handling systems and services. The company is active in the markets for Baggage Handling at airports, Warehouse Automation and sorting solutions in Parcel & Postal facilities. The company implements material handling systems of all sizes, ranging from local sorting depots, airports and distribution centres to the world's largest facilities. Vanderlande has sales of EUR 565 million and employs 2 347 people of whom more than 55% have a college or university degree.

Its systems and services focus on improving customers' business processes and increasing their logistics performance today, tomorrow and throughout the entire life cycle. The company strives for close cooperation with the customer, extending from initial analysis of the underlying business processes through to total life-cycle support.

To achieve this, the company has a wide product range and industry knowledge, and possesses capabilities in the relevant disciplines. These range from system design and engineering, through supply chain management and manufacturing, to logistics software technology, system integration, project management and customer services.

Vanderlande Industries is a global player with extensive experience in many industries and references in all regions of the world. It operates locally through Customer Centres that handle all key business functions and maintain direct contacts with customers.

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Appendix: Principal financial data Vanderlande Industries

**Principal financial data Vanderlande Industries** ⁽¹⁾
(in millions of euro)

Financial year	2012/2011	2011/2010	2010/2009
Order intake	712.7	508.5	610.9
Net sales	564.6	566.1	549.0
Order book (at 31 March)	852.4	704.3	811.4
EBIT	20.9	33.5	42.8
Net income	16.6	21.9	25.9
Depreciation	10.0	10.8	7.3
Cash flow	26.6	32.6	33.2
Capital investments	18.5	6.2	19.7
Dividend	14.1	18.6	22.0
Balance sheet data at March 31	2012	2011	2010
Assets			
Non-current assets	65.7	56.2	63.2
Current assets	<u>252.2</u>	<u>193.2</u>	<u>203.7</u>
Total	317.9	249.4	266.9
Equity and liabilities			
Equity	66.3	68.1	69.2
Provisions	10.3	9.9	5.6
Non-current liabilities	0.2	1.3	2.2
Current liabilities	<u>241.1</u>	<u>170.1</u>	<u>189.9</u>
Total	317.9	249.4	266.9

⁽¹⁾ During financial year 2011 Vanderlande Industries adopted new accounting practices as part of the company-wide migration to a new ERP system, called project ONE. These accounting practices comply with IFRS for SME. The figures for financial year 2010 have been restated to reflect the change to IFRS for SME.