Annual figures for 2014

Amsterdam, 2 March 2015

Main points in 2014

A good start, a slow second half of the year, with a positive boost from the acquisition of the BuS Group

- Net revenue was up 16.5% to €308.6m (2013: €265.0m)
  - Q1 revenue was good
  - A change became apparent from Q2 forward, with H2 visibly poorer
  - The H2 contribution by the BuS Group (consolidated effective 1 July) is expected to be €60.5m
  - 2014 eventually closed with revenue at an all-time high
- Order book was up 228% (€155.9m) relative to year-end 2013 (€68.5m)
  - The definition of ‘order book’ (confirmed orders for up to a year) has been expanded to include the forecast for the first 3 months
  - The BuS Group contributed €68m to the order book
  - The order book rose €4m relative to the end of Q3
  - Orders increased in the semiconductor sector in particular

Main points in 2014

A good start, a slow second half of the year, with a positive boost from the acquisition of the BuS Group

- Operating results, net of exceptional income and expense, rose to €9.0m in 2014 (2013: €6.3m)
  - Profitability fell as the year progressed
  - Postponed orders and downward adjustments to plans forced the capacity utilisation off-balance
  - Non-recurring expenses (external consultants, employee redundancies, new office automation) depressed the H2 results
  - The BuS Group made a solid contribution to the profits in H2

- Net effect of exceptional income and expense is +€1.7m (2013: -€2.8m)
  - Higher eventual costs of NEK fire and closure: -€1.2m
  - Carryover effect of NEE closure: -€0.3m
  - Transaction profit on acquisition of the BuS Group: +€0.7m
  - Upward revaluation of deferred tax asset as a result of higher profit forecast in Germany: €2.4m

- Net profit rose to €7.0m (2013: €1.9m)

- A dividend is proposed of 40% (2013: 30%) based on the net profit including exceptional income and expense
  - €0.25 per share, payable in shares

Main points in 2014

Healthy financial position

- Balance sheet ratios were maintained successfully in a year in which Neways as a group underwent material transformation
  - Balance sheet total rose by 45% as a result of the acquisition of the BuS group
  - Equity was increased by the realised profit and the issuance of new shares in connection with the BuS group takeover
  - Guaranteed capital was reinforced by issuing subordinated convertible bond loans to major shareholders
  - Solvency fell to 40.5% (year-end 2013: 41.5%); steady improvement from the moment that the BuS Group was taken over

- Net cash flow fell to -€32.5m (2013: +€28m)
  - Costs of the fire in Kassel and the closure: approx. €14m
  - Acquisition of the BuS Group: approx. €28m
  - Marked improvement in operating capital management in H2 of 2014
  - Capex (€8.7m) significantly higher than amortisation and depreciation (€4.8m)

Main points in 2014

Continued strategy implementation

- Improvements in higher added value of development activities continued
- Closure of NEK finalised
- Site in NEE thoroughly rebuilt and fitted with new clean rooms, relocations of Neways Cable & Wire Solutions and Neways Micro Electronics finalised
- Warehouse of Neways Slovakia expanded to handle growth in direct deliveries
- BuS Group acquired, significantly reinforcing Neways's position in Germany, Europe's largest EMS market

BuS Group acquisition

Neways among the European Top 5 on the EMS market

- Purchase contract early in July, deal closed late in September
- Takeover financed by extending the current account facility from €30 to €35m, taking out a new €12.5m loan (3 years to maturity), issuing €5m in subordinated convertible bond loans and issuing new ordinary shares (992,701=9.9%) to BuS Group shareholders
- BuS Group's earnings consolidated effective 1 July, contributing directly to the profit per share
- Profit on the advantageous acquisition as at the contract date: €6.0m; balance remaining following adjustment for developing the fair value of new shares issued between contract date (€6.9m) and acquisition date (€9.4m) results in €3.5m badwill
- Impact of the purchase price allocation (IFRS) on the H2 results: -€1.3m
- Transaction costs of €1.5m bring the transaction profit on balance to +€0.7m

BuS Group acquisition

Neways among the European Top 5 on the EMS market

- The BuS Group: €60.5m contributed to revenue from 1 July forward with a significant contribution to the results
- Acquisition reinforces Neways's position in Germany, Europe's largest market for EMS:
  - new growth opportunities through complementary client bases
  - increased procurement volumes and development capacity
- Additional growth potential for Neways establishments in Asia and Slovakia
- Further possibilities for utilising existing available losses in Germany
- Integration of the BuS Group into the Neways organisation begun in October

Key figures 2014

(€m)	2014	2013	Movement	H1 2014
Gross revenue	**337.2**	293.1	15%	151.5
Net revenue	**308.6**	265.0	16%	133.6
Operating results *	**9.0**	6.3		4.2
Net profit *	**5.3**	4.7		3.0
Exceptional income/expense	**1.7**	-2.8		
Net profit	**7.0**	1.9		3.0
Gross margin/net revenue	**40.5%**	39.9%		41.2%
Operating margin *	**2.9%**	2.4%		3.2%
Net margin *	**1.7%**	1.8%		2.3%
PPS (€)	**0.63**	0.19		0.30

* Not including exceptional income and expense

Positioning on the EMS market

- **Market**
  - Core market of Benelux countries/Germany
  - Deliberate focus on growth sectors of industrial, semiconductor, medical, automotive, defence and high-end telecommunication

- **Customers**
  - Industrial/professional market
  - B2B (OEMs: Original Equipment Manufacturers)

Positioning on the EMS market

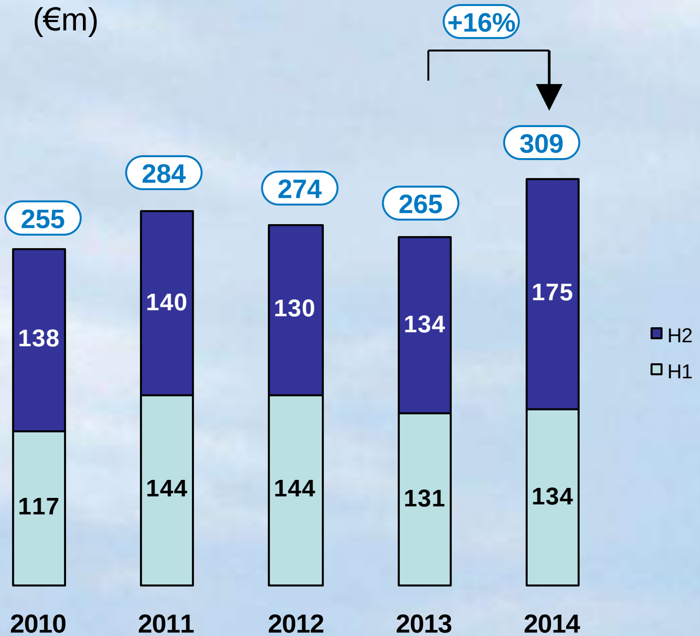
- **Specialisations**
  - Smaller, complex and more specialised series
  - Development/production of electronic components to create entire box-built systems
  - Product lifecycle management/one-stop-provider

- **Key competencies**
  - Short distance from our customers (Netherlands/Germany)
  - High added value/expertise and service
  - Low production costs (Eastern Europe, China)

Movements in revenue and order book

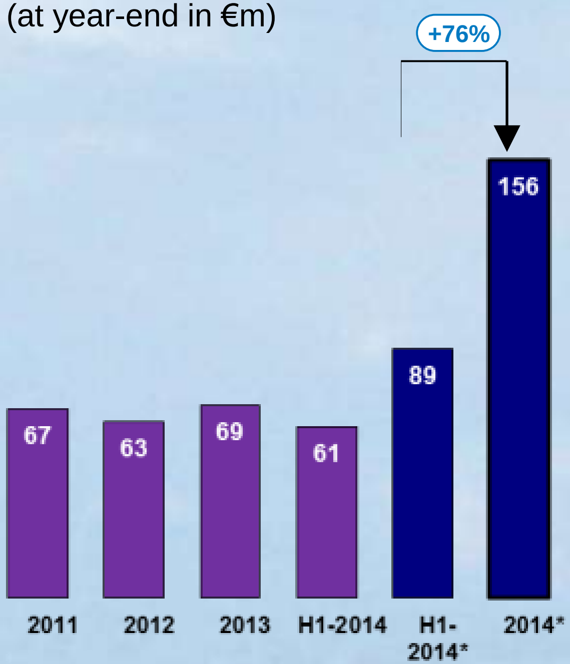
Net revenue

(€m)



Order book

(at year-end in €m)



* Order book for H1 2014: New definition of order book to include not only the confirmed orders (up to 1 year) but also the forecast for the first 3 months.

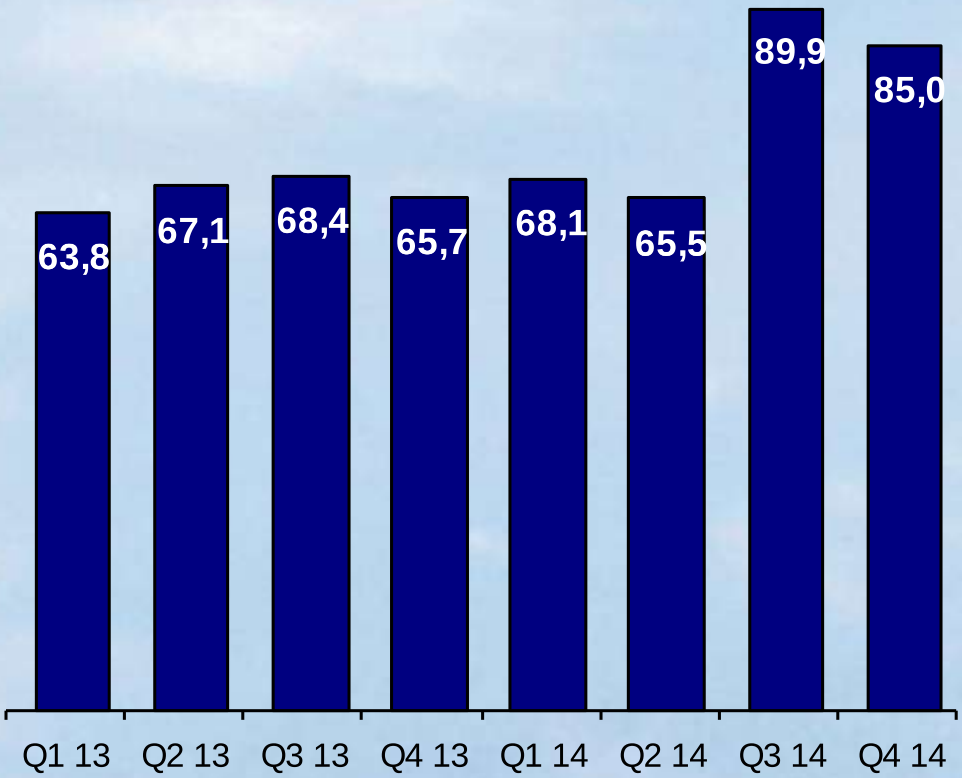
NEWAYS

Breakdown of revenue by market sector

(€m)	2014	%	H1 2014	%	2013	%	2012	%
Industrial	**118**	*38*	**50**	*37*	**96**	*36*	**103**	*38*
Semiconductor	**62**	*20*	**34**	*25*	**69**	*26*	**71**	*26*
Medical	**59**	*19*	**29**	*22*	**64**	*24*	**68**	*25*
Automotive	**55**	*18*	**14**	*10*	**23**	*9*	**20**	*8*
Defence	**8**	*3*	**3**	*2*	**6**	*2*	**4**	*1*
Telecom	**4**	*1*	**2**	*2*	**3**	*1*	**4**	*1*
Other	**3**	*1*	**2**	*2*	**4**	*2*	**4**	*1*
TOTAL	**309**	*100*	**134**	*100*	**265**	*100*	**274**	*100*

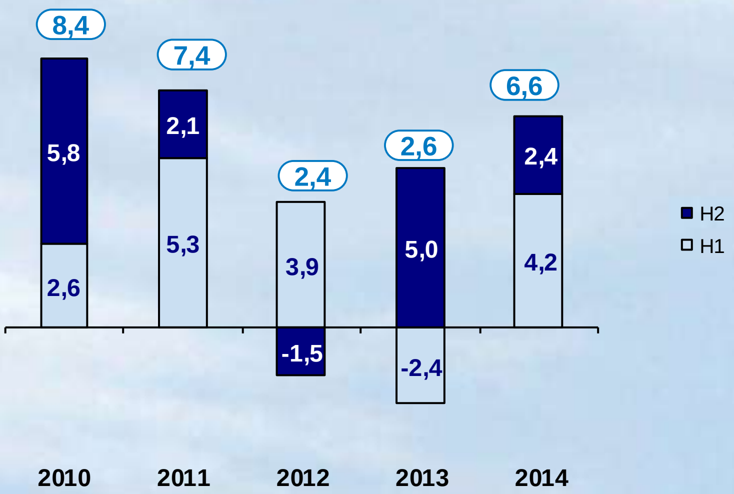
Movements in revenue by quarter (€m)

- Beginning in Q2, revenue adversely affected by falling demand in semiconductor and medical market sectors
- Revenue of BuS Group included from Q3 forward

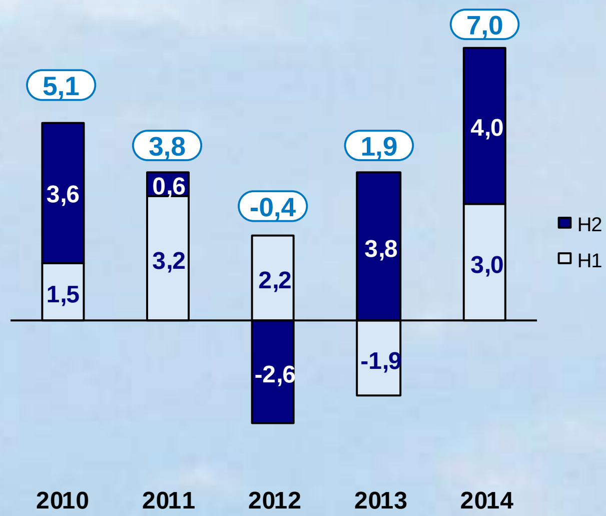


Movements in results

Operating results* (€m)



Net profit* (€m)



* 2011, 2012, 2013 and 2014 include exceptional income and expense

Movemens in operating margin

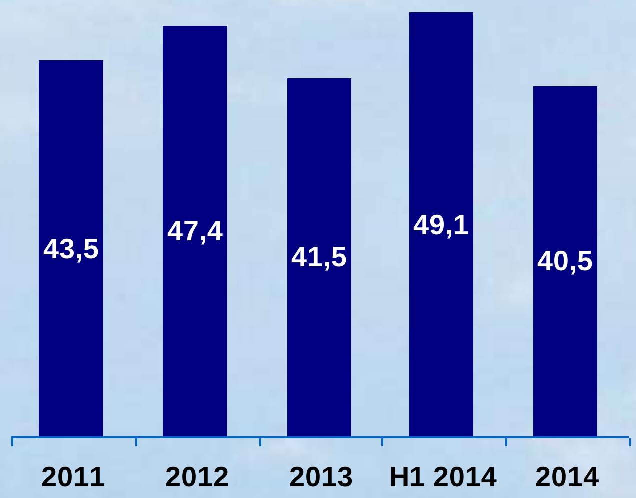
- **Margin depressed by:**
  - disappointing movements in revenue
  - non-recurring expenses in H2
- **7% margin targeted**
  - in years of bullish economy
  - provided that present high volatility in demand/frequency of plan adjustments diminish materially

* Not including exceptional income and expense

Balance sheet

- Increase in equity through realised profit and issuance of new shares (acquisition of BuS Group)
- Increase in balance sheet total (+45%) through acquisition of BuS Group
- Solvency adjusted for tax asset and intangible assets 33.2% (year-end 2013: 39.5%)

Solvency (at year-end, %)



Working capital

- Sharp increase in utilisation of working capital through acquisition of BuS Group, followed by significant drop in H2
- Turnover ratio of inventories rising in consequence of low turnover ratio at BuS Group (~100 days)
- Campaigns aimed at suppliers launched in order to implement SMOI
- Turnover ratio of receivables very good (including at BuS Group)

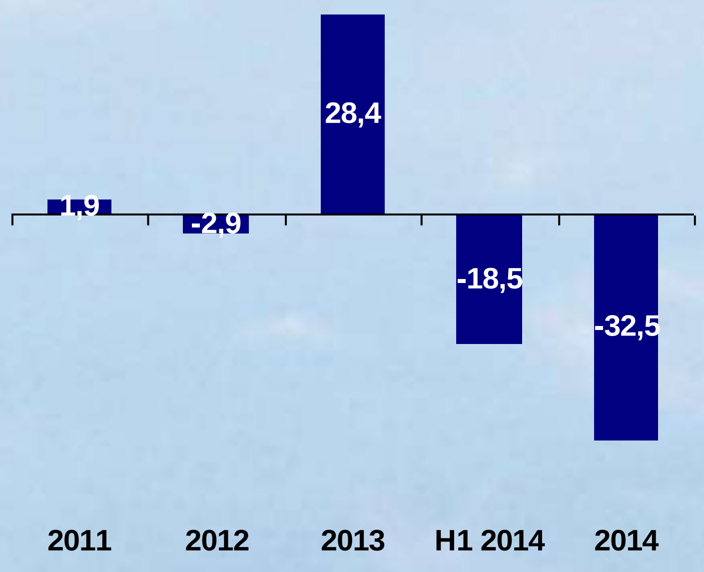
(at year-end, €m)	2014	H1 2014	2013
Inventories	**79.4**	51.0	47.4
Turnover ratio in days	**76**	66	59
Receivables	**34.1**	29.5	27.9
Turnover ratio in days	**36**	39	34
Working capital	**53.5**	33.6	13.3

NEWAYS

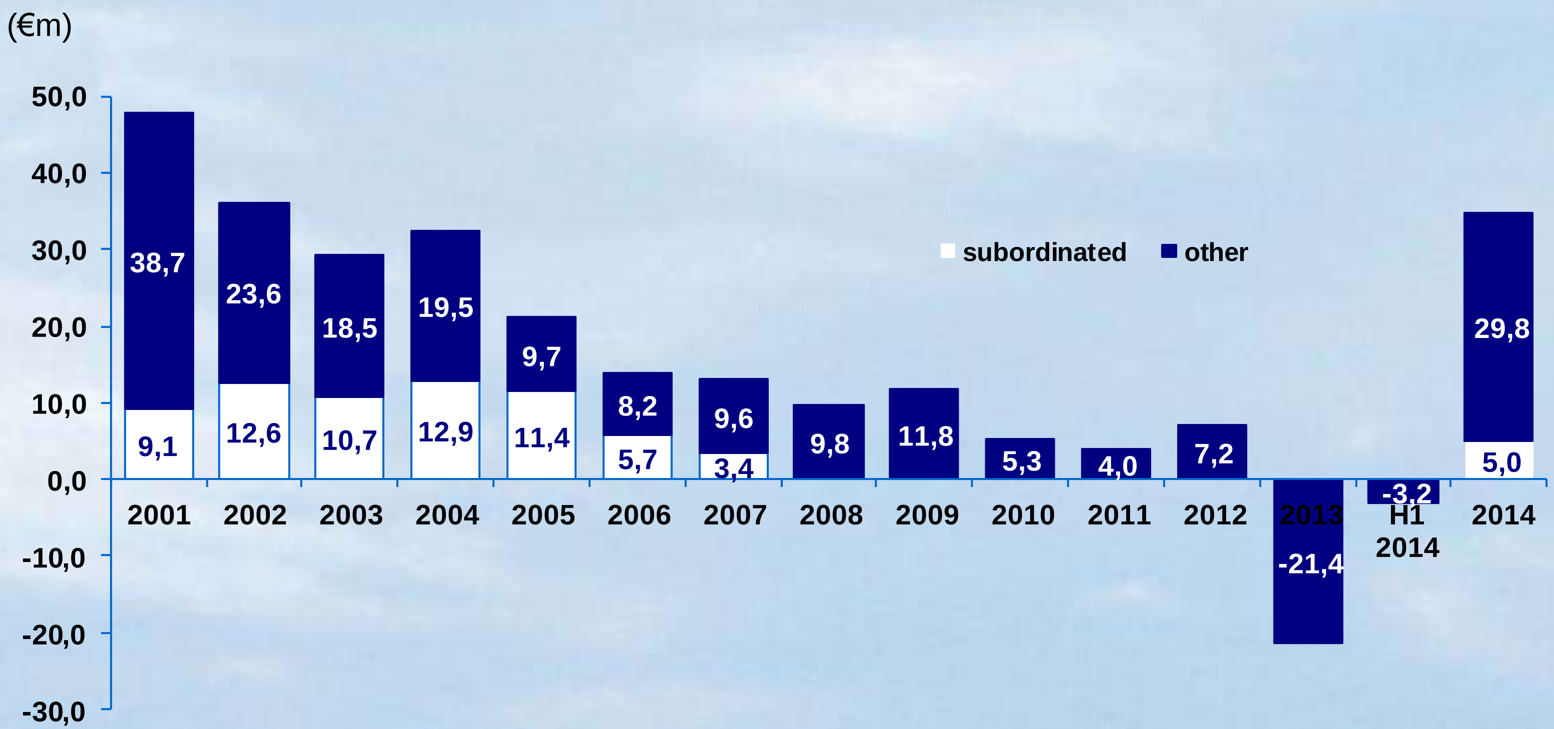
Cash flow

- Effect of BuS Group acquisition on cash flow: approx. -€28m
- Effect of costs of NEK fire and closure on cash flow: approx. -€14m
- Marked improvement in operating capital management in H2 of 2014
- Capex (€8.7m) significantly higher than amortisation and depreciation (€4.8m)

Net cash flow (€m)



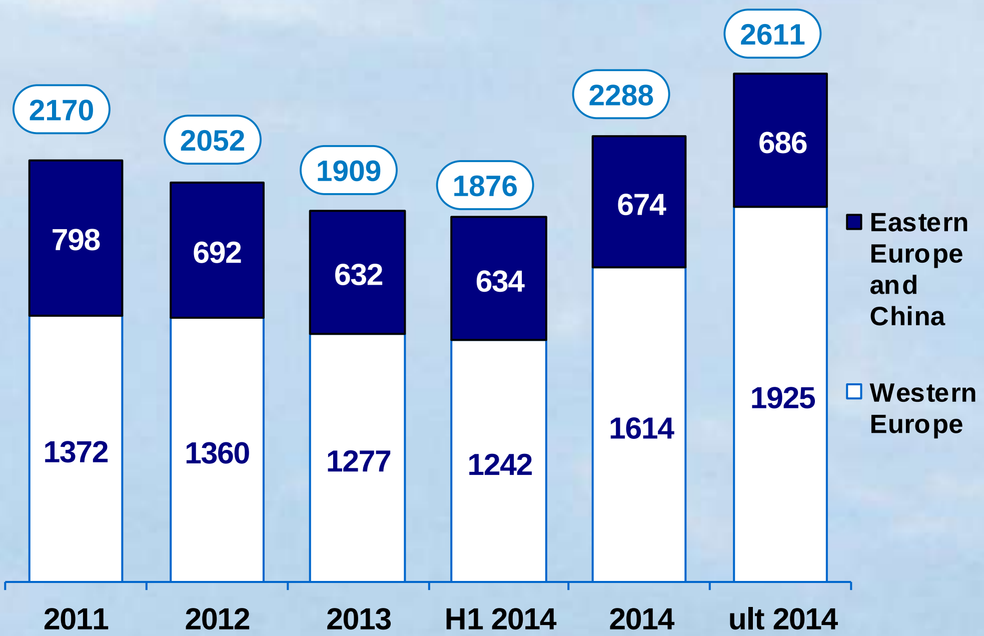
Bank debts/credit balance



Human resources

- Knowledge component in human resources mix increasingly important
- Number of technical engineers increasing steadily, approx. 8% of total workforce (including BuS)
- Number of FTEs at BuS at year-end 2014: 917
- Number of FTEs down following NEK closure
- Number of temporary employees reduced considerably in H2
- Total workforce in Eastern Europe and Asia down to approx. 26% following BuS Group takeover; focus on expanding operations/numbers of employees in these regions

Average number of employees



* hired externally:	282	254	184	260	235	173

Information per share

(€m)	2014	2013	2012
Operating results	**0.60**	0.26	0.24
Net profit	**0.63**	0.19	(0.04)
Dividend	**0.25**	0.06	0.01
Equiy 6,01	5.03	4.90	
Number of outstanding shares (x 1,000 at year-end)	**10,986**	9,946	9,943

EMS – market trends

- Globalisation leads to more competition among OEMs; increase in outsourcing by OEMs continues to intensify
- Higher rate of technological innovation leads to increasingly shorter product lifecycles
- Demand for more added value; product lifecycle management and earlier involvement in development by OEMs
- Distinctiveness based on quality and flexibility versus efficiency and reduction in costs (specifically production costs) is becoming more important
- Further intensification of cooperation in the supply chain (partnerships) with customers – battle will be won close to the customer

EMS – market trends

- Increasing demand and production in emerging markets (Eastern Europe, China and India)

- Increasing transparency and use of modern means of communication are strengthening opportunities for close cooperation in the supply chain; increasing demand for SMOI (Supplier Managed Owned Inventory)

- Persistently high volatility in demand: customers adjust their plans more quickly, postpone and reactivate their orders more quickly; this creates pressure on the balance between quality and flexibility on the one hand and efficiency and cutting costs on the other

Strategy (long term)

- Aimed at organic growth, supplemented by acquisitions

- Expand ‘one-stop provider’ concept / higher added value
  - Expand development branch, prototype building and ‘box build’ system-building activities
  - Expand service & repair activities
  - Further intensify cooperation with customers, expand role as knowledge partner for cost effective (‘product lifecycle’) solutions for electronic components and entire or partial systems

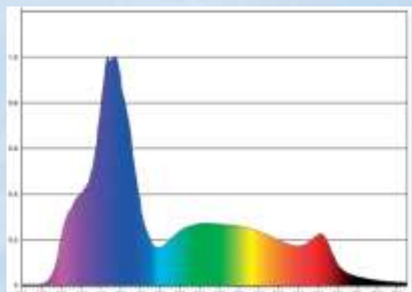
- More balanced distribution to market sectors aimed at more stable revenue and higher added value
  - Medical sector
  - Defence market (under pressure in recent years from low public spending, though a slight turnaround is visible)
  - Automotive sector, specifically German manufactures

Strategy (long term)

- Make use of opportunities in emerging markets (Asia)
  - Grow along with OEMs that are building up production capacity in Asia
  - Increase commercial strength in the region; expand procurement components in Asia

- Improve internal cooperation and exchange opportunities / efficiency of the organisation
  - Optimise and expand production in Eastern Europe and China (own facilities)
  - Reduce number of suppliers / make better use of procurement benefits and stronger use of ‘preferred suppliership’
  - Continue initiatives for increasing flexibility and improving cost structure

High-end aquarium – lighting fixture



Neways – Bus joint presentation
Electronics trade fair, Munich

Expansion of NSK warehouse

NME clean room – Echt

Outlook for 2015

- Order book increased in Q4 of 2014
- Satisfactory start to 2015
- More stable basis with a more balanced spread across market sectors following BuS Group acquisition
- Financial position is healthy and offers scope for investments targeting growth
- Neways is confident about 2015

Assumptions and issues in 2015

- Integrate the BuS Group into the Neways organisation, including the available synergy benefits
- Improve margins by applying process innovation and expanding production in Eastern Europe / China
- Expand direct supplies from production facilities in China to OEMs in the region and expand central procurement of materials in Asia
- Further reduce inventories / reduce balance sheet total and continue the focus on cash flow management
- Roll out Infor/BaaN's new ERP LN system
- Implement Lean Leadership Model to improve customer focus throughout the organisation