

Record revenues TMC (+36,4%) and profit more than doubled (+127,3%)

Eindhoven, 2 August 2011

SUMMARY FIRST HALF 2011

RESULTS (x Eur 1.000)	Growth percentage	2011 Until 30 June	2010 Until 30 June
Revenues	36.4%	26,319	19,289
Gross profit <i>Gross profit as % of the revenues</i>	46.2%	10,007 38.0%	6,847 35.5%
EBIT <i>EBIT as % of the revenues</i>	123.5%	3,970 15.1%	1,776 9.2%
Result for the period <i>% of the revenues</i>	127.3%	2,971 11.3%	1,307 6.8%

Key facts

- Revenues in first half 2011 increased by 36.4% to Eur 26.3 million.
- Gross profit increased to 38.0% of the revenues.
- EBITDA as a percentage of the revenues increased to 16.1%.
- Strong increase of EBIT by 123.5% to Eur 4.0 million.
- Increase of basic earnings per shares to Eur 0.81 (first half 2010: Eur 0,35).
- Average number of employeneurs increased to 453 (first half 2010: 403).
- Ratio direct / indirect personnel at the end of June 2011: 7.4 (at year-end 2010: 7.9).
- Solvability increased to 70.9% (at year-end 2010: 68.8%).
- Net cash position at the end of June 2011: Eur 3.5 million (at year-end 2010: Eur 3.1 million).

Thijs Manders, Chief Executive Officer of TMC Group:

"We are proud of our results over the first six months of 2011. Record revenues and a largely improved profitability show us we are on the right track. The demand for highly educated technical specialists is high and the supply is becoming more scarce. Over the coming years those service providers who manage to bring in the right candidates will be the ones who manage to win the battle for the customers and, in doing so, increase their market share. In only a few months time we have found ourselves well and truly back in a candidate's market, as was the case between 2004 and 2007. Back then we proved we were capable of successfully mobilising job markets.

We are also going to implement the recently founded TMC Academy, in which we have further developed the employeneurship 2.0, as an instrument with which to bind our employeneurs to us for an ever longer period of time. We are optimally focussed on growth in headcount and maintaining current TMC personnel. I am enthusiastic about the results we have achieved in cell transcending activities. The appointment of a director for the development of the Western region will also give an impulse to the realisation of further growth. The market situation remains uncertain in certain areas in the medium term, but when I see the wonderful and fundamental R&D projects our people are working on, I look towards the future with great confidence."

KEY FIGURES OVER THE FIRST HALF YEAR 2011

RESULTS (x Eur 1.000)	2011 Until 30 June	2010 Until 30 June
Revenue	26,319	19,289
<i>Growth</i>	36.4%	-1.9%
Gross profit	10,007	6,847
<i>% of the revenue</i>	38.0%	35.5%
EBITDA	4,247	2,049
<i>% of the revenue</i>	16.1%	10.6%
Result from operating activities (EBIT)	3,970	1,776
<i>% of the revenue</i>	15.1%	9.2%
Result for the period	2,971	1,307
EMPLOYEENEURS & INDIRECT PERSONNEL		
Number of employeneurs end of period	466	423
Average number of employeneurs	453	403
Number of indirect employees end of period	63	62
SHARE INFORMATION		
Basic earnings per share (Eur) *	0.81	0.35
Cash flow per share (Eur) **	0.88	0.43
Diluted earnings per share (Eur) *	0.79	0.35

* Calculated on the average number of shares in issue.

** Result after taxes plus depreciations, amortisation and impairment, calculated on the average number of shares in issue.

FINANCIAL INFORMATION

Increase in revenues

Revenues increased by 36.4% to Eur 26.3 million. In the first six months of 2010 revenues were Eur 19.3 million. This increase is a result of an increase of the average number of employeneurs and hirers, higher rates and higher productivity. The increase in productivity is primarily due to the fact that in 2010, contrary to 2011, the so called Kenniswerkersregeling (KWR) was used. As a result, employeneurs were employed on non-billable projects. These employees were largely deployed commercially in 2011, creating an increase in revenues.

Increase in gross profit

Gross profit increased by Eur 3.2 million. In the first half of 2011 the gross profit amounted to 38.0% of the revenues. In the same period last year gross profit amounted to 35.5% of revenues. The absolute increase of gross profit is partly the result of increased revenues; the increase of gross profit in terms of percentage is primarily due to the replacement of employeneurs to billable projects, who were subject to the 'Kenniswerkersregeling' in 2010 and a higher average billed rate. As a result of the termination of the 'Kenniswerkersregeling', the grants for the first half of 2011 have decreased in comparison to the same period last year.

Employees

The number of employeneurs has risen from 423 (at the end of June 2010) to 466 at the end of June 2011. The total number of TMC employees at the end of June 2011 was 529. The ratio direct versus indirect personnel came to 7.4. In addition to these direct employees, TMC deployed more hirers who worked a higher average amount of hours. In the first half of 2011 this number was 21, compared to 16 in the same period in 2010. The average number of employeneurs came to 453 in the first six months of 2011, against 403 in the same period last year.

Operating result

The operating result over the first half of 2011 amounted to Eur 4.0 million. Compared to the first half of 2010, this is an increase of 123.5%. The operational result as a percentage of revenues was 15.1% in the first half of 2011, compared to 9.2% in the first half of 2010.

Result for the period

The result for the reporting period was Eur 3.0 million. Compared to the first half of 2010 this is an increase of 127.3%. The ordinary result per share rose from Eur 0.35 over the period ending 30 June 2010 to Eur 0.81 over the period ending 30 June 2011.

Cash flow

At the end of June 2011 the bank balances and cash came to Eur 3.5 million. At the end of June 2010 they were Eur 2.2 million. The cash flow from operating activities amounted to Eur 1.8 million in the first half of 2011 compared to Eur 1.7 million in the first half of 2010.

REPORT AND RESULTS PER MEMBER COMPANY

TMC Technology

Over the first six months of 2011 all the business cells within the member company Technology experienced growth, compared to the same period last year. This illustrates the need for our services with clients throughout the chain and it shows that the cells responded accordingly, both on the client side and on the candidate side. In 2010 we foresaw the 'war for talent'. The demand for specialists is high and the supply is becoming more scarce. Anticipating this, the account managers and cell directors have built up a solid network, also using the current employeneurs, which has enabled them to recruit the best candidates.

TMC Technology's revenues rose by 54.6% from Eur 13.4 million to Eur 20.7 million. The increase of the average number of employeneurs, the billed rates and higher productivity have a positive effect on revenues. The higher productivity is partly due to the fact that the 'Kenniswerkersregeling' is no longer made use of. All competencies have contributed to the growth in revenues.

The operating result increased by 77.4% from Eur 1.8 million to Eur 3.2 million. The profitability within Technology increased, partly as the result of a rise in the average number of employeneurs. In the first half of 2010 the operating result as a percentage of revenues amounted to 13.3%, after the charge on of holding and plc costs. In the first half of 2011 this percentage came to 15.2% of revenues. The charged on costs in the first half of 2011 were Eur 2.2 million against Eur 1.5 million in the first half of 2010.

The number of employeneurs within the member company Technology was 386 at the end of June 2011 (at the end of June 2010: 318). This is a rise of 21.4%. On average there were 369 employeneurs in the first half of 2011, compared to 294 in the first half of 2010. An average of 14 people were employed in a 'risk-reward' structure.

TMC ICT

Within the member company ICT we have also realised a rise in revenues. Parts of the ICT market have shown small signs of recovery over the past months. The consequences of the various strategies which companies chose at the start of the economic crisis are now becoming apparent and the competition arena has altered. Being a relatively small, specialised player with a clear niche focus, TMC seems to be reaping the benefits of this at this stage of the economic recovery.

TMC ICT's revenues rose by 16.3% compared to the same period last year, to Eur 2.2 million (2010: Eur 1.9 million). This rise is the result of higher productivity and higher billed rates compared to the same period last year.

The operating results dropped to Eur 56 thousand in the first half of 2011. In the first six months of 2010 the operating results amounted to Eur 147 thousand. This drop is partly a result of the rise of the charge on costs. The charge on costs were Eur 191 thousand in the first half of 2011 against 124 thousand in the first half of 2010.

The number of employeneurs within the member company ICT was 24 at the end of June 2011 (at the end of June 2010: 23). On average 24 employeneurs were employed in the first half of 2011, as well as in the first half of 2010.

TMC Construction

The Dutch construction and civil-engineering sector, in which TMC Construction works, is still experiencing hard times and has not yet shown convincing signs of recovery. "The expected development in turnover and staff numbers is not looking positive, despite the improved economic situation" (Monitor Bouwketen). This negative sentiment is still of great influence on the results within Construction and Civil Engineering cells. We can however see that the focus we put on Oil & Gas in the first months has already shown a positive result.

Revenues for TMC Construction totalled Eur 3.5 million in the first half of 2011. In the first period of 2010 revenues amounted to Eur 4.0 million. This decrease is the result of a fall in the average number of employeneurs. On the other hand, the higher billed rates, both in Construction and Civil Engineering and in Oil & Gas, and higher productivity have had a positive effect on revenues.

The operating result rose from Eur 7 thousand in the first half of 2010 to Eur 143 thousand in the first half of 2011. The first half of 2010 included Eur 78 thousand in redundancy costs. The charge on costs in the first half of 2011 were Eur 465 thousand against Eur 535 thousand in the first half of 2010.

The number of employeneurs within the member company Construction at the end of June 2011 was 56 (at the end of June 2010: 81). On average 60 employeneurs were employed in the first half of 2011 compared to 85 in the first half of 2010.

OUTLOOK

From a financial and operational perspective the first six months of 2011 have been strong for TMC. This offers a good starting point for the coming period. We do foresee the level of activity within the technology sector being put under pressure over the coming period. We base this on signals from our clients' markets and those of other technology companies.

ASML has already indicated that the accounts in the third quarter will not exceed Eur 500 million, due to customers' caution. This caution stems from economic uncertainty and the fact that customers are able to postpone their investment decisions. Philips and TomTom have already indicated that the consumer electronics market has been poor over the last period and that this appears to be a trend for the coming period. The question remains, however, to which degree these developments will also influence companies' R&D expenditures in the shorter term. TMC focuses on its clients' core development.

As a part of the new policy of the Ministry of Economic Affairs, Agriculture and Innovation for the business sector, a new plan was recently presented by sector focussed top teams. These teams have made recommendations to further stimulate R&D on top of the current fiscal measures. The minister has responded positively to these suggestions and has agreed to explore the possibility to bring them into legislation. Possible new legislation will have a positive effect on the R&D expenditure, which fits seamlessly with TMC Technology's activities.

The economic developments within the ICT sector appear to have more or less stabilised. The postponed investments in ICT are being executed again, little by little. We do not expect this trend to alter significantly over the coming months and we expect the rates to remain at a stable level.

The construction and civil-engineering market still faces uncertainty. The fiscal stimulating measure concerning the transfer tax primarily effects the existing housing and implicitly has a negative effect on new-build. On the other hand we see many opportunities and future assignments in the semi-public sector concerning climate and sustainability. Water boards are an example of this. Within construction and civil-engineering there is an increasing shortage of personnel and a growing demand for proactive, creative engineers with good communication skills. We see many opportunities in the Oil & Gas sector. The demand for scarce and highly educated personnel is a given in this stable and financially strong sector.

Condensed interim consolidated financial statements

The financial information is based on International Financial Reporting Standards, as adopted within the European Union (EU-IFRS). The information included in the appendices 2 through to 4 is taken from the reviewed condensed interim consolidated financial statements of TMC Group N.V., for which a review report has been issued. The complete condensed interim consolidated financial statements will be available on the TMC Group N.V. website as of 2 August 2011.

FORWARD-LOOKING STATEMENTS

This press release contains a number of forward-looking statements. These statements are based on current expectations, estimations and prognoses by the management and the information available to the company at the present time. The statements are subject to certain risks and uncertainties which are difficult to assess. Therefore TMC Group accepts no obligation to update the statements made in this press release.

FINANCIAL CALENDAR

- 20 March 2012 Publication annual report 2011
- 18 April 2012 General Meeting of Shareholders

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FOR MORE INFORMATION

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TMC GROUP

TMC deploys highly skilled professionals in technical environments. We distinguish ourselves by supplying rare competencies needed for the development of complex products and projects. Our focus lies with projects of vital importance to our clients. In addition we contribute to the project continuity and flexibility of our clients and we are able to supply them continually with strategic knowledge. We work for clients who are specialised in high-tech, R&D, ICT en construction & civil-engineering.

TMC manages to bind the right specialists to the company, with the employeurship model, which combines employment and entrepreneurship in a new working relationship.

Employeurship: the business model of the 21st century!

The driving force behind TMC Group is our distinctive and proven business model. We call this model the 'employeurship model'. The model features the following five principles:

- Long-term employment relationship
- Individual profit sharing
- 1-on-1 career coaching
- Specialised business cells
- Entrepreneurial lab

This unique employeurship formula enables us to bind enterprising professionals to our company who are frequently deployed by our clients to the most vital and critical projects.

APPENDICES

1. Key figures
 2. Condensed interim consolidated income statement
 3. Condensed interim consolidated statement of financial position
 4. Condensed interim consolidated statement of cash flows
 5. Segment reporting
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Appendix 1: Key figures

RESULTS (x Eur 1.000)	2011 Until 30 June	2010 Until 30 June
Revenue	26,319	19,289
<i>Growth</i>	36.4%	-1.9%
Gross profit	10,007	6,847
<i>% of the revenue</i>	38.0%	35.5%
EBITDA	4,247	2,049
<i>% of the revenue</i>	16.1%	10.6%
Result from operating activities (EBIT)	3,970	1,776
<i>% of the revenue</i>	15.1%	9.2%
Result for the period	2,971	1,307
<i>% of the revenue</i>	11.3%	6.8%
Total cash flow	118	423
Balance sheet data (x Eur 1.000)		
Shareholders' equity	19,775	16,420
Balance sheet total	27,904	24,707
EMPLOYEERS & INDIRECT PERSONNEL		
Number of employeers end of period	466	423
Average number of employeers	453	403
Number of indirect employees end of period	63	62
SHARE INFORMATION		
Number of shares issued at year-end	3,687,766	3,314,845
Number of shares in issue and shares issued A (convertible shares)	-	372,921
Basic earnings per share (Eur) *	0.81	0.35
Cash flow per share (Eur) **	0.88	0.43
Diluted earnings per share (Eur) *	0.79	0.35
Market capitalisation at end of period (x Eur 1,000) (excluding convertible shares)	44,106	22,209
Highest closing price (Eur)	12.30	7.20
Lowest closing price (Eur)	9.36	6.33
Closing price at period end (Eur)	11.96	6.70

* Calculated on the average number of shares in issue.

** Result after taxes plus depreciations, amortisation and impairment, calculated on the average number of shares in issue.

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Appendix 2: Condensed interim consolidated income statement

Amounts x Eur 1.000	2011 Until 30 June	2010 Until 30 June
Revenue	26,319	19,289
Direct personnel costs	-16,312	-12,442
Gross profit	10,007	6,847
Indirect personnel costs	-3,920	-3,303
Other operating costs	-2,117	-1,768
Result form operating activities (EBIT)	3,970	1,776
Finance income	6	21
Finance costs	-10	-40
Result before income tax	3,966	1,757
Income tax expense	-995	-450
Result for the period	2,971	1,307
Result attributable to:		
Owners of the company	2,971	1,307
Non controlling interest	-	-
Result for the period	2,971	1,307
Earnings per share (Eur)		
Basic earnings per ordinary share*	0.81	0.35
Diluted earnings per ordinary share*	0.79	0.35

* Calculated on the average number of shares in issue.

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Appendix 3: Condensed interim consolidated statement of financial position (before profit appropriation)

Amounts x Eur 1.000	30-jun-11	31-dec-10	30-jun-10
ASSETS			
Tangible fixed assets	711	717	809
Intangible assets	10,857	11,004	11,151
Other receivables	77	649	839
Total non-current assets	11,645	12,370	12,799
Trade and other receivables	11,337	10,548	9,270
Current tax assets	-	-	1
Other taxes and social security premiums	159	178	-
Other current assets	1,238	535	389
Cash and cash equivalents	3,525	3,407	2,248
Total current assets	16,259	14,668	11,908
TOTAL ASSETS	27,904	27,038	24,707

Amounts x Eur 1.000	30-jun-11	31-dec-10	30-jun-10
EQUITY			
Share capital	315	315	315
Share premium	14,439	14,439	14,439
Reserves	-1,995	-1,995	-1,995
Retained earnings	7,016	5,848	3,661
Total equity attributable to shareholders of the Company	19,775	18,607	16,420
LIABILITIES			
Deferred tax liabilities	441	487	525
Total non-current liabilities	441	487	525
Loans and borrowings	-	338	1,851
Trade and other payables	703	918	799
Tax liabilities	585	196	-
Other taxes and social security premiums	2,828	2,847	2,736
Other liabilities and accruals	3,572	3,645	2,376
Total current liabilities	7,688	7,944	7,762
TOTAL EQUITY AND LIABILITIES	27,904	27,038	24,707

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Appendix 4: Condensed interim consolidated statement of cash flows

Amounts x Eur 1,000	2011 Until 30 June	2010 Until 30 June
Result for the period	2,971	1,307
<i>Adjustments for:</i>		
Depreciation	130	126
Amortisation of intangible assets	147	147
Net finance costs	4	19
Equity-settled share-based payment transactions	41	45
Income tax expense	995	450
	4,288	2,094
Change in trade and other receivables	-789	-2,804
Change in other current assets	-684	2,040
Change in trade and other payables	-215	293
Change in other taxes and social security premiums	-19	467
Change in other liabilities and accruals	-73	160
	2,508	2,250
Interest paid	-10	-40
Income tax paid	-652	-482
Net cash from operating activities	1,846	1,728
Interest received	6	21
Acquisition of tangible fixed assets (minus disposals)	-124	-8
Loans granted	572	13
Net cash from investing activities	454	26
Dividends paid	-1,844	-
Repayment of borrowings	-338	-1,331
Net cash used in financing activities	-2,182	-1,331
Cash flow during the period	118	423
Cash and cash equivalents at 1 January	3,407	1,825
Cash flow during the period	118	423
Cash and cash equivalents at 30 June	3,525	2,248

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Appendix 5: Segment reporting

Amounts x Eur 1.000	2011 Until 30 June	2010 Until 30 June
TMC Technology	20,678	13,376
TMC ICT	2,178	1,872
TMC Construction	3,463	4,041
Other	-	-
Revenues	26,319	19,289
TMC Technology	3,153	1,777
TMC ICT	56	147
TMC Construction	143	7
Other	618	-155
Result from operating activities (EBIT)	3,970	1,776
Finance income and expense	-4	-19
Income tax expense	-995	-450
Result for the period	2,971	1,307

Amounts x Eur 1.000	2011 30 June	2010 30 June
TMC Technology	11,935	8,463
TMC ICT	1,184	897
TMC Construction	1,459	1,875
Other	13,326	13,472
Assets	27,904	24,707
TMC Technology	4,748	3,889
TMC ICT	546	550
TMC Construction	630	1,004
Other	2,205	2,844
Liabilities	8,129	8,287

Amounts x Eur 1.000	2011 Until 30 June	2010 Until 30 June
TMC Technology	-	-
TMC ICT	-	-
TMC Construction	-	-
Other	124	7
Investments	124	7
TMC Technology	-	-
TMC ICT	-	-
TMC Construction	-	18
Other	277	255
Depreciation and amortisation intangible assets	277	273