sarens group

# Annual Report 2013


nothing too heavy, nothing too high


| | |
|---|---|
| Project | Flamanville Nuclear Power Plant, France |
| Load | 260t reactor dome, 43m diameter |
| Lift | SGC-120 at 130m radius |

# Content

## General information



## Financial information



## Glossary

## Contact details

cover image: Prairie Island Nuclear Plant, USA

# Message from the Chief Executive Officer

2013 highlighted some key differences compared with the previous year, which resulted in Sarens having to react and adjust its priorities. Regions such as Western Europe, Canada and the Middle East performed well, as expected, with continued strong market demand, particularly in Saudi Arabia. However markets experiencing macro-economic uncertainties, such as Northern Africa, Asia, Southern America and Eastern Europe, led to currency losses.

For the Sarens Group, 2013 saw a growth in turnover, rising from €560 million to €592 million. However, this top-line growth did not translate into an increase in operating profit. This was due mainly to the rise in the value of the euro against major currencies in the regions where Sarens operates, with South Africa, Australia and India being the most affected.

The Group's investment in equipment amounted to €120 million, focusing on the Middle East (29 cranes), Australia (32 cranes), Canada (8 cranes) and our Global Projects division (128 axle lines and 1 barge). In addition, part of our heavy-lift crawler fleet was relocated to Western Canada to work in oil sands and liquefied natural gas. These investments have provided Sarens with the tools needed to continue our growth and meet our customers' expectations by offering them crane rental services and tailor-made solutions for their heavy lifting and special transport challenges.

We also invested significantly in the monitoring of our worldwide fleet. This enables us to improve our safety and efficiency and ensures better maintenance follow-up, which in turn will result in an overall reduction in damages and improved operator behaviour.

Last year, we were all deeply touched by the tragic news of Jan Sarens passing away. Jan was a valuable member of our Board of Directors and in charge of managing our operations in Mexico. Our group also experienced a great loss with the death of one of our co-workers. This strengthens my firm belief that safety is and should remain our number one priority. I can assure you that lessons have been learned and all possible preventative actions have been implemented. Despite this unfortunate occurrence, we were able to reduce our frequency rate and maintain a stable and low severity rate. In 2014, the Sarens' Blue Safety policies and rules, and the Continuous Improvement Process, will be implemented further throughout the entire organization, reflecting the Board's and management's total commitment to safety.

In 2014, and in the years ahead, our challenge will be to keep adjusting our organization to the ever-shortening decision cycle of our customers. This demands greater proactivity and flexibility from us. As a world leader, Sarens always prefers to act rather than react, as this will provide us with the necessary foundations for further worldwide growth. We will do this through the continued decentralization of our equipment, the strengthening of our regional project hubs (e.g. Middle East, North America) and the enhancement of our sales management, using state-of-the-art tools.

Finally, I would like to express my greatest gratitude to all Sarens employees for their dedication and loyalty. Their knowledge and vast experience is what makes Sarens a worldwide leader in crane rental services, heavy lifting and special transport projects.

I look forward to facing the upcoming challenges in 2014 with great confidence.

Wim Sarens
Chief Executive Officer

# Key figures (under BE GAAP)

| Thousands EUR | 2013 | 2012 | 2011 |
|---|---|---|---|
| **Consolidated balance sheet** | | | |
| Fixed assets | 842.973 | 834.330 | 722.444 |
| Stocks and contracts in progress | 5.592 | 5.497 | 5.532 |
| Other current assets | 226.443 | 216.661 | 202.904 |
| Cash and cash equivalents | 42.366 | 40.170 | 18.847 |
| **Total assets** | **1.117.374** | **1.096.658** | **949.727** |
| | | | |
| Equity | 230.641 | 254.106 | 228.364 |
| Minority interests | 4.204 | 4.309 | 4.893 |
| Provisions and deferred taxes | 98.133 | 89.485 | 77.973 |
| Financial debts | 601.100 | 585.911 | 505.576 |
| Other current liabilities | 183.296 | 162.847 | 132.921 |
| **Total liabilities** | **1.117.374** | **1.096.658** | **949.727** |
| | | | |
| **Statement of profit and loss** | | | |
| Consolidated turnover | 592.065 | 560.288 | 469.969 |
| EBITDA | 150.903 | 148.915 | 126.702 |
| EBIT | 45.975 | 51.987 | 31.889 |
| Net result | -18.512 | 2.817 | 4.743 |
| | | | |
| **Ratios and other key figures** | | | |
| Workforce (FTE) | 4.262 | 3.826 | 3.502 |
| | | | |
| Cash flow from operating activities | 141.184 | 146.752 | 93.385 |
| Cash flow from investing activities | -120.982 | -174.568 | -173.641 |
| Net financial debt | 516.847 | 504.891 | 436.386 |
| | | | |
| EBITDA margin | 25,5% | 26,6% | 27,0% |
| EBIT margin | 7,8% | 9,3% | 6,8% |
| Gearing | 2,2 | 2,0 | 1,9 |
| | | | |
| Liquidity | 91,3% | 79,7% | 82,7% |
| Solvability | 20,6% | 23,2% | 24,0% |

EBIT: operational result (earnings before interests and taxes)
EBITDA: operational result (EBIT) + amounts written off on trade debtors + provisions
Net working capital: current assets - current liabilities
Net financial debt: non subordinated financial debts - cash and cash equivalents
EBITDA margin: EBITDA/turnover
Gearing: Net financial debt/equity
Liquidity: Current assets/current liabilities
Solvability: Equity/balance sheet total


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# Group profile and activities

## Sarens is a worldwide leader in crane rental services, heavy lifting and special transport projects. With state of the art equipment and value-added engineering, Sarens offers its customers creative solutions.

The company's activities include crane rental, projects and trading. Sarens' rental business serves thousands of customers in more than 50 countries worldwide. We also carry out projects in all regions for the largest EPC (Engineering, Procurement and Construction) contractors. Our trading activities include the purchase and sale of new and used cranes.

Core project work at Sarens includes turnkey lifting and transport operations, heavy lifting and multi-modal transport projects, maintenance and construction lifting projects.

### Heavy lifting

We operate one of the largest worldwide fleets of lattice boom and mobile cranes, combined with strand jacks, towerlift and skidding systems. Crawler cranes can move on site and travel loaded while maintaining the highest safety standards. The capacity of these cranes ranges from 30 tons up to 3,200 tons. All lifting operations are conducted in accordance with international standards and lifting method statements, based on approved execution studies. These studies provide an in-depth analysis of the item to be lifted or transported, rigging arrangements and operational tolerances, as well as 3D and 2D drawings, which include dimensions or lifting gear (sling and shackle size), design, radius, counterweights, spreader beams and more.

Our operations can also use towerlift systems, developed for extreme heavy-duty structural support, in combination with our strand jacks, which have capacities ranging from 15 to 850 tons. Jacks are used singly or in groups to give the required lifting capacity. Our skidding systems are developed to move heavy items on tracks horizontally.

### Heavy transport

We specialize in transporting and handling heavy items. Our specialists deal with all types of oversized and overweight loads that cannot be transported in a conventional way. These turnkey operations are engineered and prepared in detail, including contacts with local authorities for infrastructure requirements. We have an extensive fleet of self-propelled modular trailers (SPMT) and heavy haulage trailers, including hydraulic platforms, semi-trailers and low-bed platform trailers. Our SPMTs are multi-axle trailers designed for moving heavy loads and capable of being coupled side by side and end to end. Remote SPMT units are radio-controlled.

Long-haul road transports are executed with the latest generation of Kamag K25s. These trailers are designed with component flexibility and building blocks similar to those of the SPMTs. Their major benefit lies in being able to run heavy, abnormal loads at road speeds over sustained long distances, pulled by multiple prime-movers.

### Engineering

Sarens has a large specialized engineering department, headed in Belgium and with experienced staff all over the world. We are able to make the most complex structural calculations and select the most effective technical solutions, using appropriate equipment and resources in order to find the most suitable lifting techniques for the job.

We work as partners in projects from the feasibility stage onwards, identifying and cataloguing the equipment requirements and methods to be used, with constant monitoring of technical specifications throughout the commercial and procurement phases. During the execution stage, our engineers support operations by drawing up documentation such as equipment lists, drawings, calculation sheets and operating procedures.

### Mechanical maintenance services

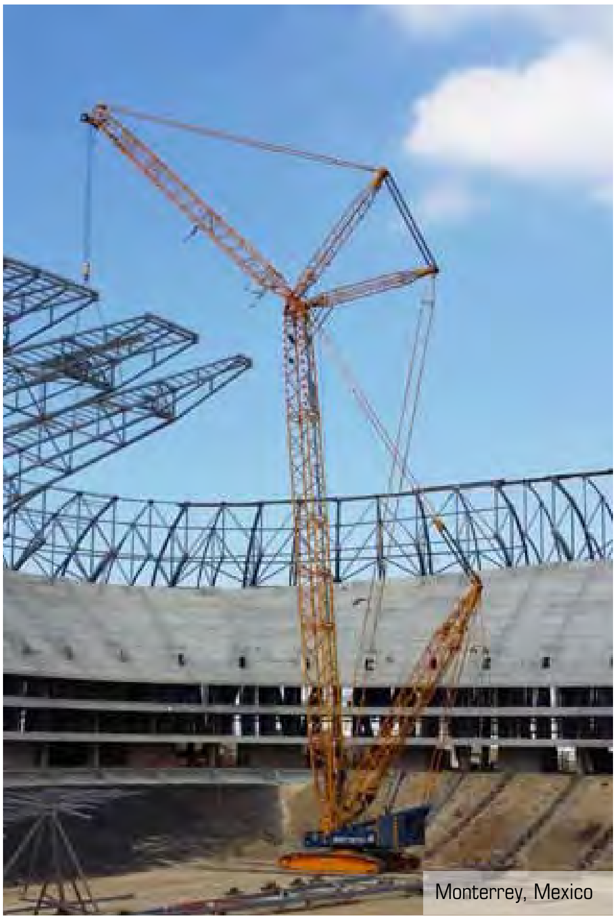
As a 100% Sarens subsidiary, Samoco is a benchmark provider in the complex handling of industrial equipment. Samoco delivers high-quality, flexible and safe solutions from our solid Belgian base. We are the only full-service assembly company with multidisciplinary expertise. Many companies no longer have in-house technical specialists, so we work closely with our clients to find creative solutions. Our activities include assembly, disassembly and maintenance of factory installations and industrial equipment, as well as the mechanical maintenance and refurbishment of port and overhead cranes, both electrical and mechanical.

Berlin, Germany

# Markets

## Civil Construction

Over the past decade, Sarens has been involved in many civil construction projects around the globe, providing cranes for steel assembly work and the installation of complex roof structures for soccer and event stadiums and industrial buildings.


Monterrey, Mexico

## Petrochemical, Oil and Gas

Sarens' engineering, project and sales teams understand today's high standards in the petrochemical, oil and gas industry. We focus on providing efficient solutions "from factory to foundation". Whether it is a reactor of 1,300 tons lifted by a crawler crane, a 1,390 ton splitter column 125 metres in length lifted by a tower system, or even the transport of a topside module of 15,000 tons, Sarens provides tailor-made solutions for all your heavy lifting and heavy transport needs.


Wasit Inlet Gas project, Saudi Arabia

Maasvlakte, the Netherlands

## Coal and Gas Power Plants

Sarens actively provides heavy lifting and special transport services in new-build gas-fired power plant projects. A dedicated team at Sarens has focused on its customers' needs and developed an efficient "From Factory to Foundation" solution. The Sarens engineering group also continues to assist in optimizing lift solutions and on-site transport appropriate to site conditions. New lifting and transport techniques are constantly being introduced to enable the modularisation and assembly of heavier components. These innovations result in cost and time-savings during installation.

## Metals and Mining

Sarens has built up a strong reputation in cranes and heavy transport services in the mineral resources and mining industry. Today's large-scale metallurgical refineries are built by assembling process and pipe-rack modules that are manufactured around the world at module yards and shipped by heavy cargo ships to the site location. Sarens provides module handling, load-in services at the manufacturing yard, load-out, inland transport services, heavy lifting and installation works on site.

Hunter Valley, Australia

## Offshore

Sarens has been a heavy lift partner on offshore projects for 30 years. To date we have successfully executed more than 200 larger projects, handling weights related to offshore activities of up to 18,000 tons. Over the coming years, we will keep pushing the limits so that we can continue to be your preferred heavy lift partner. We will always offer the best technical solutions in line with the highest offshore standards and by carrying out your projects in the safest and most efficient manner.

## Nuclear Power Plants

Sarens is positioned to provide innovative and cost-effective solutions to meet the diverse needs of its nuclear clients. Sarens offers state-of-the-art planning and engineering support, has a crane fleet with capacities of up to 3,200 tons, over 1,000 axle lines of SPMTs and always makes the obvious choice of provider for alternative lifting and shifting systems.


Rostock, Germany

Jensen Beach, USA

La Guajira, Venezuela

## Wind Onshore

As a modern worldwide heavy lift company, we are in a unique position to facilitate cost-effective solutions for the wind industry both on-shore and offshore. Sarens has the knowhow and the global and local presence to carry out any size of wind power project, anywhere. We also have the required expertise to implement uniquely designed solutions wherever needed. Sarens provides every level of lifting solution, from pure crane rental to turnkey projects with an all-in TCI service coverage (Transport, Craning and Installation).

## Wind Offshore

Sarens provides lifting services for the construction of offshore windfarm turbines worldwide. We perform all on-shore and offshore logistics, including on-shore and offshore cranes, SPMTs, Sarens Multi Lift Tower, etc. Sarens has also created a dedicated department that specializes in offshore windfarms.

IJmuiden, the Netherlands

## Mechanical Maintenance and Overhaul

Sarens provides assembly and mechanical work as part of a total solution package, executed by skilled, versatile and safety-conscious professionals. We have qualified personnel and special equipment for carrying out plant shutdowns and major industrial maintenance activities. We are able to react quickly to the needs of our clients and complete our assignments within the deadlines set.


Antwerp, Belgium

Guajira, Venezuela

# Corporate governance

## Sarens has drawn up guidelines to ensure sound governance, both within individual companies and in the Group as a whole.

### Board of Directors

The Board of Directors, composed of 9 members, plays an active and prominent role in the development of the company. Supported by various advisory committees, the Board supports management in the operational activities and financial control of the Group.

The Board meets at least quarterly, in practice monthly, and discusses the operational and financial situation of the company and monitors the execution of the Group's strategic business plan.

### The Board Members:

- **Ludo Sarens** (°1952) is Chairman of the Board of Directors. He joined the company in 1979 as head of accounting and was later assistant to the general manager. He was CEO of the group from 1987 until 2009.

- **Hendrik Sarens** (°1951) began in 1973 with the dispatch of cranes and transport at Sarens. Subsequently, Hendrik became responsible for HR, sales and heavy lifting operations. At present, he is still active within the sales department, where he has a worldwide advisory role.

- **Marc Sarens** (°1956) joined the group in 1978 in the maintenance department, responsible for repairs to the crane and transport fleet. In 1992, he became maintenance director and director of fleet management in 2002. Today, Marc has an advisory role in purchasing equipment, fleet assets and assisting the subsidiaries with specific technical issues.

- **Benny Sarens** (°1952) has been responsible since 1972 for all alternative lifting and heavy transport equipment at Sarens. As director of load-outs and special operations, his function includes sales, engineering and operational execution of these particular projects worldwide.

- **Frank Vlayen** (°1965) is managing principal of Waterland Private Equity NV, responsible for all Waterland activities in Belgium. Before joining Waterland, he worked at Accenture UK, Citigroup Consumer Banking Europe and Tractebel's international energy division. He started his career at Fortis Bank in corporate finance and trade finance. He completed an MBA at Vlerick Leuven Ghent Management School and is Business Engineer at the Catholic University of Leuven.

- **Cedric Van Cauwenberghe** (°1975) is principal for Waterland Private Equity NV in Belgium. Previously, Cedric was Investment Director at Rendex Partner, head of business development at ChemResult NV and co-founder and CFO of FastBidder NV. He started his career as a management consultant with Roland Berger Consultants for their Brussels, Frankfurt and Barcelona offices. He studied as a commercial engineer at the Université Libre de Bruxelles (Ecole de Commerce Solvay).

**Guido Segers**, **Johan Beerlandt** and **Beni Roos** are non-executive members of the board.

## Audit Committee

The Audit Committee, which was established in 2011, is attended by two board members, the Chief Executive Officer and the Chief Financial Officer. The Audit Committee oversees the consolidated financial statements and the annual report, working closely together with the Group's auditor. It also monitors the internal control systems and oversees risks arising from the Group's activities.

## Nomination and Renumeration Committee

On its own initiative the Sarens Board of Directors constituted a Nomination and Renumeration Committee in 2013. This Nomination and Renumeration Committee is attended by three board members and the Corporate HR Director.

Sarens family Members of the Board, depicted FLTR: Hendrik Sarens, Marc Sarens, Ludo Sarens and Benny Sarens

## Executive Committee

Sarens is managed through the combination of an executive committee at the Group's headquarters and **regional directors**:

- **Rutger Kouwenhoven** (°1974) is a Dutch national who started his career in the transport and heavy lift industry with Smit. In 2006 he made the move to Sarens, first as a Commercial Manager for Sarens Netherlands, later as Country Manager. Since 2012, Rutger has been Regional Director Western Europe.

- **Jolanta Mirkowicz** (°1956) is a Polish national and holds a Master's Degree in Engineering. She started her career as Purchasing Manager, before creating her own business. In 1997, she became director of Sarens Polska and since 2011 she has been Regional Director for Eastern Europe.

- **Patrick Nègre** (°1959) is a French national who, after completing his degree in Mechanical Engineering, began working as a Project Engineer at Snig Sotemco. In 1991 he became Operational Manager at ADF, and 9 years later he moved to Secomat as General Manager. He has been working at Sarens in France since 2007. First he became Country Manager Sarens France and since 2012 he is Regional Director for North Africa.

- **Martin Verzijl** (°1949) was born in the Netherlands. After finishing technical high school, he worked for 20 years as an equipment administrator with a large Dutch contractor. Afterwards he joined Sarens in the Netherlands, where he became Country Manager. At this moment he is Regional Director for South Africa.

- **Bev Bentley** (°1954) is a British national who worked for various companies in the crane sector before joining Sarens in 1997 as Managing Director. He subsequently became Regional Director North America. He is currently Director Strategic Global Projects.

- **Bernard Chèvremont** (°1971) is a Belgian national with a Master's Degree in Business and Finance. After working for Geodis in Mexico and Los Sabores De Europa, he joined Sarens in 2004. Since 2011 he is Regional Director Latin America.

- **James Suh** (°1965) was born in South Korea and studied International Business and Management Information System in the USA. After positions at PepsiCo Inc, Suntory Inc. and Site Operation Service, he joined Sarens in 1997. James Suh is Regional Director Asia.

- **Fred Auret** (°1964), an Australian national, holds a Commerce Degree and is a Chartered Accountant. He has experience in the following sectors: Mining, Aircraft Transport and Maintenance, Construction Equipment Manufacture and Distribution. Fred took on the role of Country Manager Sarens Australia in April 2014.

- **Malik Masroor** (°1961) was born in India, where he received his BA and MA degrees in Political Science and a Postgraduate Degree in Management. He worked for British Transport Corp., Patel Group of Companies and Al Suwaidi before joining Sarens Nass Middle East and becoming Regional Director Middle East.

- **Mike Hussey** (°1974) is a Canadian national who holds a Bachelor's Degree in Mechanical Engineering and an MBA. He started his career as an engineer in the pulp and paper industry before moving to the heavy lift/heavy haul industry in 2005. He joined Sarens in 2012 and is currently Regional Director North America.

- **Sameer Gupta** (°1971) is an Indian national with a degree in Mechanical Engineering. He started his career in the mechanical construction and heavy lift industry with Reliance Group of Companies, where he worked on major greenfield and shutdowns of petrochemical and refinery projects. In 2010, he made the transition to Sarens as a Managing Director for India. Since 2012 he has been Regional Director with responsibility for Operating Business Units in Asia.

The **Executive Committee** controls all operational and financial aspects of the Group and meets every two weeks. The members of the Executive Committee are:

- **Wim Sarens** (°1979), CEO, is a Belgian national. After his studies in Electronic Engineering and Business Economics at the University of Leuven, he joined the consultancy firm McKinsey in 2003. In 2006 he completed an MBA in INSEAD and continued his career as Associate Management Consultant at McKinsey until 2008. In 2008, Wim became head of Business Development at Sarens and in 2009 he was appointed CEO of the Sarens Group.

- **Roland De Wandel** (°1949), Corporate Business Support Director, joined Sarens in 1992. After his studies in Industrial Engineering Automation, he started his career in 1972 at Colruyt, Food Distribution, to start up the automation department within the technical division. In 1975, he joined the Gates Rubber Company as an Application Engineer for Germany and Scandinavia and 3 years later he became Key Account Sales Manager OEM Benelux. In 1985, he joined the Frank Lerno International Group as General Manager of the Hydrogen Division.

- **Carl Sarens** (°1973), Corporate Technical Solutions Director, joined the group in 1995. He holds a Master Degree in Industrial Engineering (Electromechanics). Carl started as project engineer, became Director Technical Solutions in 2008 and in 2011 was appointed to Global Operations. He has carried out more than 100 complex projects for Sarens in all regions of the world.

- **Guy Frederickx** (°1959), Corporate Fleet Director, is a Belgian national who joined Sarens in 2008. After completing his Master's in Industrial Engineering in 1982, Guy joined Sundstrand International as Service and Sales Manager. In 2001, he became Global Account Manager at Asea Brown Boveri. In 2007, he became Director Oil and Gas at Egemin, before joining Sarens.

- **Werner De Vos** (°1968), Corporate QEHS Director, joined Sarens in 2010. He holds a Master's Degree in Mechanics and Electromechanical Engineering and is a postgraduate in Safety Prevention Management level I. He began at Continental Printing in 1992 as Technical Manager Prepress, where he later became General Manager of the printing business unit. In 1997, he became Airline Support Manager at DHL and prepared the company for ISO 14001 certification. He joined ELIA in 2007, where he worked in safety, quality and process management for the Engineering division.

- **Marc Verhaert** (°1969), Corporate Operations Manager, holds a degree in Industrial Engineering Architecture. His previous work experience at Jan De Nul Group includes several years in Project Management on various dredging projects in Latin America, the Caribbean and Australia.

- **Frans Vanwinkel** (°1956), Corporate Sales and Marketing Director, joined Sarens in 2014. As a Bachelor in Social Sciences, he started his career in Human Resources for Bell Telephone and Scott Continental, prior to moving into Sales and Marketing Management at Iveco-Fiat and Manitowoc SAS.

- **Leo Depestele** (1959), Corporate HR Director, is a Belgian national with a Master's degree in Economics. After working for Umicore, Cumerio and Rockwell Automation, he joined Sarens in July 2013.

- **Magnus Björkman** (°1968), CFO, started his career at ABB Asea Brown Boveri after gaining a Master's in Business Administration in Sweden, an INSEAD programme in France and Executive MBA in Belgium. Subsequently, he worked at Volvo Construction Equipment, Vestas Wind Systems and Aker Solutions before joining Sarens in April 2014.

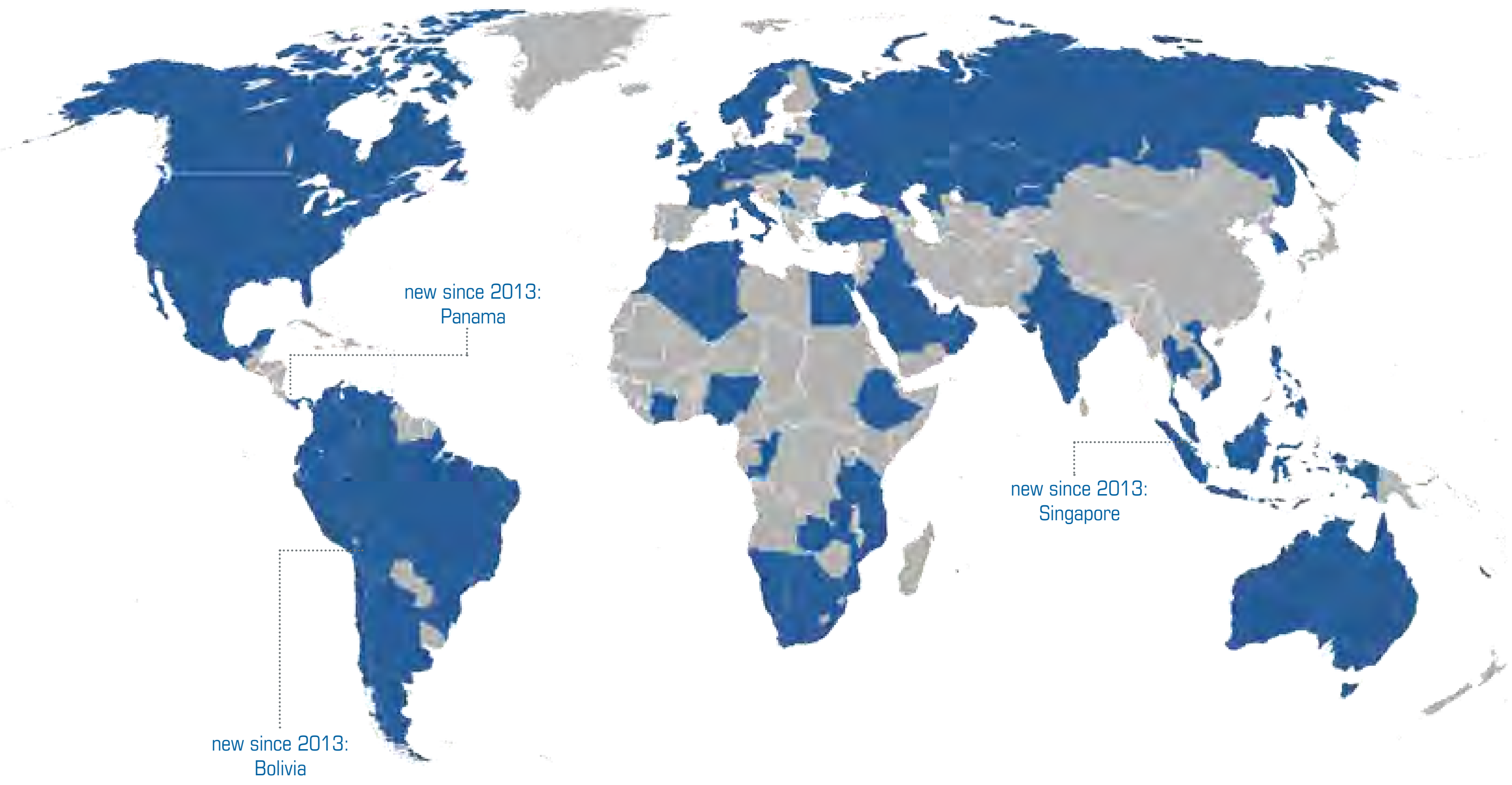
The Group foresees to add three departments on a corporate level at the beginning of 2014: communication, procurement and lean.

## Statutory Auditor

Sarens Bestuur NV's annual accounts are audited by KPMG Bedrijfsrevisoren, Prins Boudewijnlaan 24d, 2550 Kontich, Belgium, represented by Filip De Bock. The statutory auditor was appointed by the general meeting of shareholders for a period of 3 years, ending with the presentation of its report to the annual general meeting for the financial year ending 31st December 2013.

# Worldwide presence

Today Sarens operates in 60 countries on 6 continents. We now have an unequalled international reputation as worldwide leader in heavy lifting and special transport solutions.




Algeria
Argentina
Australia
Bahrain
Belgium
Bolivia
Botswana
Brazil
Canada
Chile
Colombia
Congo-Brazzaville
Czech Republic
Ecuador
Egypt
Ethiopia
France
Germany
India
Indonesia
Iraq
Ireland
Italy
Ivory Coast
Kazakhstan
Korea
Lithuania
Malaysia
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Morocco
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Norway
Oman
Panama
Peru
Philippines
Poland
Qatar
Russia
Saudi Arabia
Serbia
Singapore
South Africa
Sweden
Tanzania
Thailand
Tunisia
Turkey
Ukraine
United Arab Emirates
United Kingdom
United States
Venezuela
Vietnam
Zambia

Wasit Gas Project - Saudi Arabia

## Key milestones

Sarens is the perfect example of how a family business has succeeded in carving out a position for itself on the world market in just a few decades. Since its creation, the group has carried out important projects and key milestones including:

### 1955 - 1970

- First crawler cranes and telescopic cranes
- Sarens contributed to assembling and dismantling numerous structures and buildings for the Brussels world fair in 1958

### 1970 - 1985

- First barge and SPMTs
- First bridge movements and load-out
- Entry into the Netherlands

### 1990 - 2000

- Move to new headquarters in Wolvertem (BE)
- Establishment of Sarens GmbH (DE) and Sarens UK
- Purchase of Demag PC 9600 (lifting capacity of 2,000 tons)
- First windmill erections
- Entry into Poland and Asia (Thailand)

1955 1960 1970 1980


### 2000 - 2005

- Entry into South Africa, North America, Australia, South America (Mexico and Venezuela)
- Creation of Sarens Nass Middle East (SNME), a joint venture with the NASS group of Bahrain
- Creation of Sarens Algeria
- World record for bridge erection at Millau (FR)
- Creation of training centre in Steenhuffel (BE)

### 2006 - 2008

- Goro Nickel Project (New Caledonia)
- Purchase of CC 9800 (lift capacity of 1,600 tons)

### 2009 - 2012

- New shareholder structure
- Largest SPMT load (NO), Koniambo nickel mine (New Caledonia)
- In-house development and construction of SGC-120
- In-house development and construction of CS5000 (Sarens Climbing System, capacity of 5,000 tons)
- Entry into USA, Canada, Colombia, Brazil, Chile, Morocco, Tunisia, Congo-Brazzaville, Namibia, Mozambique, Nigeria, India, Malaysia, Vietnam, Oman, Iraq, Russia, Ukraine and Lithuania

### 2013

- 1000th Kamag axle line delivered to Sarens
- Entry into Indonesia, Singapore, Panama and Bolivia
- In-house development of Sarens Modular Barge and Sarbogies

2013

2010

2000

1990

# Our customers

When our customers are satisfied, we are satisfied. We listen to our customers. In short, we know them, understand their needs and take care of their concerns. This leads to long-lasting relationships based on trust, safety and reliability.

© Sytral

| | |
|---|---|
| **Project** | **Pont Raymond Barre, Lyon, France** |
| **Client** | **Sytral** |

Sarens carried out the transport and installation of the Raymond Barre Bridge in Lyon, France. The bridge, destined to carry a tramway, bicycles and pedestrians, is 17,5 metres wide and 260 metres long. Sarens lifted the 2600 ton bridge structure on SPMTs and moved it on to a barge. The enormous steel arch bridge was then transported 1 km from its erection site to the destination in Lyon's city centre. Within one night, the bridge was floated into its final position.

**"All staff involved showed professionalism, proactivity and team spirit"**

Bernard Rivalta, President of Sytral: "*Today I would like to express my sincere gratitude to Sarens. All of the staff involved showed professionalism, proactivity and team spirit. Their knowledge and support in every area enabled us to overcome any difficulties. I am very glad and proud that we have reached this crucial stage successfully. I thank you sincerely for your commitment.*"

**Project** **Shoaibah Combined Cycle Power Plant Phase II, Kingdom of Saudi Arabia**

**Client** **Daelim**

## "Sarens is always the first to come up with solutions"

Sarens executed all of the heavy lifting and on-site transportation works for the Shoaibah CCGT Phase II Project. This 18-month contract involved the lifting and installation of 10 gas turbines with the Sarlift, 10 HRSG bundles with Strand Jacks, as well as all generators, steam turbines and stacks with cranes.

Jong-Hoon Lim, Site Manager Daelim: "*Sarens is always the first team to come up with solutions. They are passionate about overcoming and working with site situations. These specialists not only operated the heavy equipment safely and effectively, but they also expedited the lifting works needed to be done, on time and with no delay. The Sarens management always made decisions quickly and understood how to meet their clients' needs on a variety of issues. We would consider Sarens as the best partner and hope to work with them again in the future.*"

**Project** **Narva Power Station, Estonia**

**Client** **Alstom**

Sarens executed the heavy lifting and on-site transportation works at Narva Power Station in Estonia. Sarens' scope included receiving the generator from the vessel and transporting it with SPMTs on public roads over a distance of 30 km. The generator was then offloaded by gantry.

**"Successful co-ordination and execution from Sarens"**

Antonio José Gallego Rico, STG Manager Narva Site, Alstom: "*On behalf of Alstom Power, I wish to express my appreciation to Sarens Group for a job well done. I congratulate and thank the team at Sarens for their successful coordination and execution and for the stringent quality and safety requirements covered under their scope of services.*"

Panama Canal lock doors, Italy

# People, our most important assets

Sarens' high-quality work is based on unrivalled technical know-how acquired over years of experience and applied on a daily basis in all our engineering projects. Sarens ensures that all its staff are well trained so that they can bring even the most difficult projects to a successful conclusion. We focus constantly on safety, quality and reliability for our operations, employees, equipment and our environment, providing services to our clients that meet the highest international standards.

In 2013, Sarens continued to develop its HR organization by setting up a new Corporate HR department and clarifying roles and responsibilities at a Group, regional and country level.

Four major initiatives were undertaken at a Group level: the overall implementation of competence management; building a training and development portfolio; developing a single global HRIS system and introducing a uniform global recruitment tool.

The overall introduction of competence management and performance evaluation aimed not only at improving our overall performance, but is also a first step towards a structured approach in identifying learning needs, capturing future career possibilities and a way of identifying our high performers.

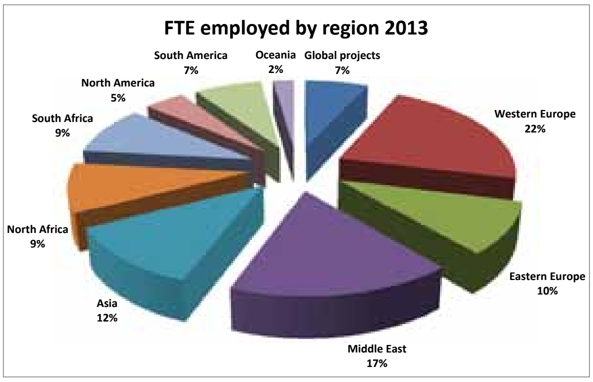
In the past year, Sarens invested further in its global learning and development portfolio, organizing a range of training sessions for Engineering, Key Account Managers, Sales Managers, Project Managers, Fleet Managers and Country Managers. New training modules will continue to be developed.

Starting with the basic data, Sarens invested in the setup of a global HRIS system in Axapta. New data and functionalities will be added in the near future as we make progress in structuring our HR processes.
To facilitate overall hiring and installing quality standards, a uniform recruitment tool was implemented in the 2nd quarter of 2013, streamlining the company's entire recruitment process from requisition approval through to hiring the new employee. This professional online recruiting tool has also enhanced the company's image as a forward-thinking company.

## Headcount evolution

### FTE by segment

| | 2012 | 2013 | var. |
|---|---|---|---|
| Global projects | 286 | 291 | 1,7% |
| Western Europe | 889 | 940 | 5,7% |
| Eastern Europe | 425 | 421 | -0,9% |
| Middle East | 612 | 724 | 18,3% |
| Asia | 474 | 496 | 4,6% |
| North Africa | 315 | 398 | 26,3% |
| South Africa | 280 | 399 | 42,5% |
| North America | 144 | 186 | 29,2% |
| Latin America | 336 | 312 | -7,10% |
| Oceania | 65 | 95 | 46,2% |
| | **3,826** | **4,262** | **11,4%** |

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# Safety and quality are key

## At Sarens, safety and quality are paramount. Our goal is to have zero work accidents and incidents and we are committed to meeting our customers' expectations.

As part of their induction process on their very first day, new employees learn about how the corporate Quality, Environment, Health & Safety policy (QEHS) is implemented within the organization. This policy is part of Sarens' integrated QEHS management system which meets all the requirements of the internationally recognized safety standard OHSAS18001, as well as SCC-P and MASE. This management system is already certified in many companies within the Sarens Group. The other operational business units have been set the objective of obtaining OHSAS18001 certification by the end of 2014. All entities are periodically audited by third-party and/or internal auditors to ensure continuous improvements to the system, based on experience feedback, lessons learnt and trend analysis.

To deal with hazards and exclude risks, the company invests significantly in safety training and keeping everyone aware of the risks in the environment where they are working. Over the last years we were able to continuously decrease our frequency rate (see graph below).

### BlueSafety

To achieve this aim, the BlueSafety programme was launched globally in early 2013. Multiple initiatives were introduced to place awareness of risks and safe behaviour continuously in the spotlight, with tools such as pre-job meetings, onsite safety toolbox sessions, safety cartoons, site inspection tours by supervisors, managers and directors as well as safety alerts. In addition, a single e-mail address was created and attached to all our equipment, enabling any individual to send us comments and complaints, as well as positive comments about our staff's safety conduct.

Sarens' management encourages staff on a daily basis to apply the 'STOP & CONSULT' procedure when conditions are such that safety may be compromised if operations continue unchecked. If this is the case, 'STOP & CONSULT' makes it mandatory for every employee to stop work and consult their supervisor or manager and to discuss the situation so that a solution can be found for continuing operations safely.

### Quality is a must

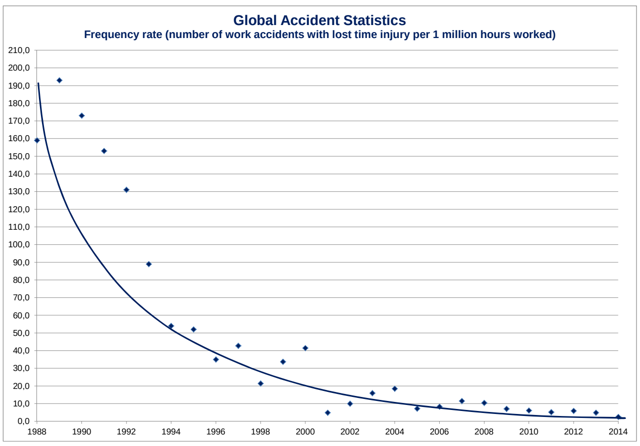
Sarens is committed to meeting customers' expectations, as well as the obligations imposed under every contract awarded to us.
A focus on quality underlies every decision, every interdisciplinary team, every service provided and every customer contact. We listen to the feedback that we receive and respond to the best of our technical and managerial abilities.

Of equal importance to Occupational Health & Safety, Quality is also part of the integrated QEHS management system. In 2013, all major business units in the Sarens Group achieved ISO9001 certification or managed successfully to renew their certificate and/or to pass periodical third-party audits. The quality management system is based on a process approach and supported by performance indicators, objectives and targets.

In 2013, the initiative was taken to further improve our processes by creating a Corporate Lean department. This department has introduced the first Lean projects and will be focusing further on process improvements, process monitoring, quality control programmes and Lean initiatives in 2014.

Sarens is committed to complete customer satisfaction by continually improving the quality performance of our services and processes.

To ensure the further harmonization and standardization of all local management systems, the corporate QEHS department will begin a multi-site certification project in 2014.



## Global certifications

| Sarens entity | ISO9001 | OHSAS18001 | ISO14001 |
|---|---|---|---|
| Sarens Algeria | X | X | X |
| Sarens Alvian (Czech Republic) | X | | |
| Sarens Australia | X | X | |
| Sarens NASS W.L.L. Bahrain | X | X | X |
| Sarens Belgium | X | | |
| Sarens Columbia | X | X | |
| Sarens France | X | X | |
| Sarens Global Projects | X | | |
| Sarens India | X | X | X |
| Sarens Malaysia | X | | |
| Sarens Mexico | X | X | |
| Sarens Netherlands | X | X | |
| Sarens North-America (USA) | X | X | |
| Sarens Norway | X | X | X |
| Sarens Poland | X | X | X |
| Qatar Al Attiyah Int'l Group | X | X | X |
| Abdulla Nass & Partners Saudi Arabia | X | X | X |
| Sarens South-Africa | X | X | |
| Sarens Thailand | X | | |
| Sarens UK | X | X | X |
| Sarens Vietnam | X | | |

## Donations

It is a tradition at Sarens NV to donate the budget that would normally be used for Christmas or New Year presents to a carefully chosen charity benefiting children. For the end of 2013, Sarens opted to support Art for Africa, an organization aiming to give more opportunities to African children. Their motto: every child, anywhere in the world, has the right to have a future and a worthy life. Africa is a continent that struggles with poverty, a dramatically low life expectancy, poor literacy and AIDS. However, if the continent's children were given more opportunities, they could bring about real change.

In recent years Art for Africa has set up various projects in Senegal, Gambia and Kenya, ranging from maintaining a hospital or supporting a school to the construction of an orphanage. All are local actions benefitting local children. More information about their projects can be found at: http://www.artforafrica.be

## Comokra Training Center

Sarens attaches great importance to training and expertise. As no training facility existed previously in Flanders, in 2001, Sarens established a group-training centre in close collaboration with VZW Montage (federation of crane services suppliers), VDAB (Re-employment office), the Flemish Government and Antwerp Safety Institute.

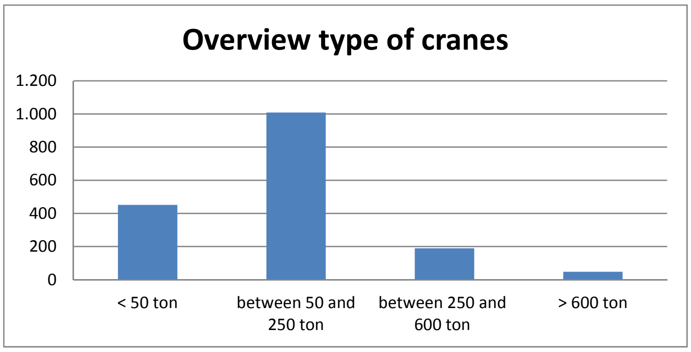
In 2004, Sarens replaced this facility by a second training centre named “Comokra” in Steenhuffel, Belgium, also in collaboration with VZW Montage and VDAB. Various courses can be attended throughout the year (e.g. crane operators, riggers, forklift operators, etc.), both for unemployed workers as well as for employees. The Comokra training centre has several mobile cranes, telehandlers, telescopic work platforms and other equipment and material available. More information can be found at the Comokra website: www.comokra.be (in Dutch).

Comokra's dedicated training team has the benefit of many years of industry and training experience, combined with a friendly, professional approach that creates an enjoyable and productive learning environment.

## State-of-the-art equipment

### As a technically innovative, technology-driven company, we understand that customers rely on our leading-edge technology for their heavy lifting and special transport requirements.

This is a task we don't take lightly. We acquire and develop state-of-the-art equipment and maintain it in excellent condition so that it is always ready to operate. With a total of nearly 1,700 cranes worldwide, Sarens has one of the largest fleets in the world. The fleet ranges from smaller telescopic cranes to crawler ringer cranes with a capacity ranging from 2 tons to over 3,200 tons. In addition to cranes, the Group has also invested in more than 1,000 items of specialized equipment, such as SPMTs, gantries, jacking and skidding equipment, barges, trailers, tower cranes, strand jacks and more.




The Sarens fleet is very young and has a net book value of over €800 million. Sarens maintains excellent relations with all major crane suppliers and its equipment is sourced from tier-1 crane suppliers.

### 1000th KAMAG K24 axle line

In June 2013, the one thousandth KAMAG K24 axle line SPMT was delivered to Sarens HQ. "Having reliable vehicles at our disposal is the most important thing for us as we have to rely 100% on our equipment," commented Ludo Sarens, Chairman of the Board. "For this reason, we continue to strengthen our fleet with KAMAG modular transporters." The high-performance K24 modular transporter from KAMAG is used for moving large industrial installations and for transporting complete bridges or other large components.

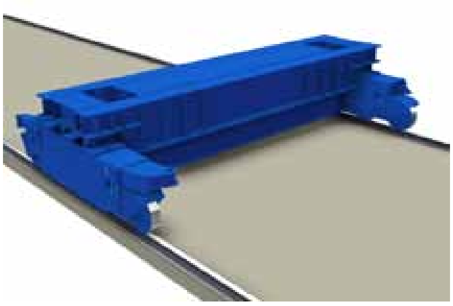
## In-house development

As modules become larger, heavier and more complex, Sarens continues to develop in-house equipment and solutions to meet customer requirements. This makes Sarens stand out from other companies in its sector.

Sarens has also developed its own crane, the **SGC-120**. This is the only mobile third-generation crane in production with a lifting capacity of 3,200 metric tonnes. It is designed to accommodate the heavy lifting requirements of refineries, petrochemical plants, offshore platforms and third-generation nuclear power plants.

Another development in 2013 was the **Sarens Modular Barge** (SMB). This modular barge consists of 20' and 40' units that can be interconnected. This means that the barge can first adjust to the size of a channel or the width of a lock and then afterwards connect other units to form a larger barge. The modular structure also allows for cost-effective mobilization thanks to the certified container-sized dimensions of the modules, which enables them to be stacked like containers. The Sarens Modular Barge is designed in-house by Sarens' engineering team for use in all types of inland water operations. The SMB makes it possible to perform barge operations in waters that are difficult to access by waterway, for example lakes or inland rivers. The Sarens Modular Barge also offers very high structural capabilities compared to other alternatives.

Another 2013 in-house innovation is **Sarbogies**. With its high concentrated capacity and nominal load of 600 tons, Sarbogies is a new alternative for skidding.



SMB, Abidjan, Ivory Coast

Chicago, USA

# Financial information

## Review of financial information

### Income statement

The Group's turnover went up by 5,7% to € 592,1 million compared to € 560,3 million realized in 2012. The decrease in turnover of some regions was more than offset by the excellent performance of the regions Western Europe, Canada, Middle East and Oceania.

Group underlying EBITDA in 2013 amounts € 150,9 million compared to € 148,9 in 2012. Costs increased more than turnover as the Group made more use of subcontractors to achieve its growth and hired additional staff to operate the investments in its fleet park.

Operating profit declined to € 46,0 million compared to € 52,0 million in 2012. The decline in operating profit is caused by a higher depreciation as a result of the large investments made in previous years.

While financial income remained stable, financial charges raised to € 66,1 million (versus € 51,0 million in 2012) as a result of unfavourable currency movements.

Extraordinary income relates mainly to the gain realized on the sale of a building and the capitalization of previously expensed hoisting equipment.

The tax charge for the period amounted to € 16,7 million versus € 12,5 million last year.

Net profit for the year was negative.

### Balance sheet

In 2013 the Group invested € 142 million in new fixed assets of which € 115 million in cranes and other lifting equipment. As a result the net book value of our tangible fixed assets grew to € 812,6 million compared to € 799,8 million at the end of 2012.

Trade debtors went up to € 159,7 million which is in line with the higher sales volume. Days sales outstanding improved slightly from 101 days in 2012 to 98 days in 2013.

The cash position remains stable and amounts € 42,4 million at 31 December 2013 versus € 40,1 million at the end of 2012.

As of 31 December 2013, equity represented 20,6% of balance sheet total which is slightly lower than previous year due to the loss realized in 2013 and an unfavourable impact currency translation adjustments.

The net senior financial debt (excluding non-subordinating loans) of € 516,8 million represents an increase of 2,4% compared with 2012. The accretion is lower than our year-on rate growth rate and is caused by the major investment program. The ratio net senior financial debt on EBITDA amounts 3,42 (versus 3,39 in 2012) and gearing ratio (net debt to equity) amounts 2,2 (versus 2,0 in 2013).

### Cash flow statement

Cash flow from operating activities amounted to € 141,1 million (2012: € 146,7 million). The decrease in cash flow was due to higher paid income taxes and lower use of working capital. Cash flow from investing activities amounted € -120,9 million (2012: € -174,6 million) due to a reduction in capital expenditure. Cash flow from financing activities amounted € -19,5 million as the financing of new investments was lower and capital repayments loans higher.

# Consolidated balance sheet

| Thousands EUR | 2013 | 2012 | 2011 |
|---|---|---|---|
| **Fixed assets** | | | |
| Intangible fixed assets | 23.681 | 26.510 | 7.617 |
| Positive consolidation differences | 3.978 | 4.362 | 5.347 |
| Tangible fixed assets | 812.648 | 799.844 | 706.543 |
| Financial fixed assets | 2.666 | 3.614 | 2.937 |
| **Total fixed assets** | **842.973** | **834.330** | **722.444** |
| | | | |
| **Current assets** | | | |
| Other amounts receivable after more than 1 year | 8.717 | 4.392 | 5.370 |
| Stocks and contracts in progress | 5.592 | 5.497 | 5.532 |
| Trade debtors | 159.651 | 155.002 | 144.437 |
| Other amounts receivable within 1 year | 39.150 | 39.921 | 39.040 |
| Cash at bank and in hand | 42.366 | 40.170 | 18.847 |
| Deferred charges and accrued income | 18.925 | 17.346 | 14.057 |
| **Total current assets** | **274.401** | **262.328** | **227.283** |
| | | | |
| **Total assets** | **1.117.374** | **1.096.658** | **949.727** |

| Thousands EUR | 2013 | 2012 | 2011 |
|---|---|---|---|
| **Equity** | | | |
| Issued capital | 80.000 | 80.000 | 55.000 |
| Revaluation surplus | 7.725 | 7.328 | 7.627 |
| Consolidated reserves | 151.831 | 168.434 | 166.021 |
| Negative consolidation differences | 2.151 | 2.151 | 2.133 |
| Translation differences | -11.066 | -3.807 | -2.417 |
| **Total equity** | **230.641** | **254.106** | **228.364** |
| | | | |
| **Minority interests** | **4.204** | **4.309** | **4.893** |
| | | | |
| **Provisions and deferred taxes** | | | |
| Provisions for liabilities and charges | 14.961 | 12.983 | 8.973 |
| Deferred taxes | 83.172 | 76.502 | 69.000 |
| **Total provisions and deferred taxes** | **98.133** | **89.485** | **77.973** |
| | | | |
| **Amounts payable over 1 year** | | | |
| Subordinated loans | 41.887 | 40.849 | 50.343 |
| Leasing and other similar obligations | 219.248 | 246.444 | 237.503 |
| Credit institutions | 219.698 | 130.692 | 74.248 |
| Other loans | 3.055 | 1.452 | 1.419 |
| **Total financial debts** | **483.888** | **419.437** | **363.513** |
| | | | |
| **Amounts payable within 1 year** | | | |
| Financial debts - credit institutions | 117.212 | 166.473 | 142.063 |
| Trade debts | 121.076 | 102.880 | 71.503 |
| Other amounts payable | 47.888 | 43.556 | 51.842 |
| Advances received on contracts in progress | 4.219 | 6.106 | 1.705 |
| Accruals and deferred income | 10.113 | 10.305 | 7.871 |
| **Total current liabilites** | **300.508** | **329.320** | **274.984** |
| | | | |
| **Total liabilities** | **1.117.374** | **1.096.658** | **949.727** |

# Consolidated profit and loss statement

| Thousands EUR | 2013 | 2012 | 2011 |
|---|---|---|---|
| Turnover | 592.065 | 560.288 | 469.969 |
| Stocks of finished goods and contracts in progress | -742 | 21 | -1.867 |
| Own work capitalised | 2.172 | 5.131 | 9.511 |
| Other operating income | 15.570 | 10.141 | 11.059 |
| **Total operating income** | **609.065** | **575.581** | **488.672** |
| Raw materials and consumables | -38.954 | -39.064 | -47.992 |
| Services and other goods | -243.462 | -219.250 | -174.972 |
| Renumeration, social security costs and pensions | -167.159 | -155.144 | -131.907 |
| Depreciations and amounts written off on fixed assets | -96.963 | -86.274 | -76.641 |
| Amounts written off stocks, contracts in progress and trade debtors | -6.900 | -6.656 | -15.736 |
| Provisions for liabilities and charges | -1.065 | -3.997 | -2.436 |
| Other operating charges | -8.587 | -13.209 | -7.099 |
| **Total operating charges** | **-563.090** | **-523.594** | **-456.783** |
| **Operating profit (EBIT)** | **45.975** | **51.987** | **31.889** |
| Income from financial fixed assets | | | 12 |
| Income from current assets | 959 | 657 | 555 |
| Other financial income | 14.600 | 15.116 | 24.405 |
| **Financial income** | **15.559** | **15.773** | **24.972** |
| Debt charges | -30.975 | -28.490 | -23.645 |
| Other financial charges | -35.168 | -22.534 | -21.455 |
| **Financial charges** | **-66.143** | **-51.024** | **-45.100** |
| **Profit on ordinary activities before taxes** | **-4.609** | **16.736** | **11.761** |
| **Extraordinary income** | **2.645** | **717** | **132** |
| **Extraordinary charges** | **-59** | **-2.283** | **-525** |
| **Profit for the period before taxes** | **-2.023** | **15.170** | **11.368** |
| Transfer to/from deferred taxes | -7.569 | -7.553 | 192 |
| Income taxes | -9.107 | -4.933 | -6.814 |
| **Income tax expenses** | **-16.676** | **-12.486** | **-6.622** |
| **Profit of the period** | **-18.699** | **2.684** | **4.746** |
| Share in result of the companies using the equity method | 187 | 133 | -3 |
| **Consolidated net result for the period** | **-18.512** | **2.817** | **4.743** |
| Share of the group | -18.414 | 2.302 | 3.498 |
| Share of third parties | -98 | 515 | 1.245 |

# Consolidated cash flow statement

| Thousands EUR | 2013 | 2012 | 2011 |
|---|---|---|---|
| **Operating profit** | **45.975** | **51.987** | **31.889** |
| Depreciation, amortization and impairment | 96.963 | 86.274 | 76.641 |
| Write-offs on inventories and trade debtors | 6.900 | 6.656 | 15.736 |
| Provisions for liabilities and charges | 1.065 | 3.998 | 2.436 |
| EBITDA | 150.903 | 148.915 | 126.702 |
| Non cash-adjustments | -3.215 | -3.881 | 2.323 |
| Changes in working capital | 2.949 | 8.852 | -28.826 |
| Income tax paid | -9.453 | -7.134 | -6.814 |
| **Cash flow from operating activities** | **141.184** | **146.752** | **93.385** |
| Net investments in intangible fixed assets | -453 | -1.006 | -438 |
| Net investments in tangible fixed assets | -117.843 | -168.951 | -177.989 |
| Net investments in financial fixed assets | 481 | 104 | 4.219 |
| Acquisition of subsidiaries | -3.078 | -2.278 | |
| Acquisition of interest from minorities | | -2.349 | |
| Disposal of subsidiaries | 61 | -87 | |
| Dividends received/(paid) | -150 | | 567 |
| **Cash flow from investing activities** | **-120.982** | **-174.568** | **-173.641** |
| **Net cash used in extraordinary activities** | **1.548** | **64** | **-393** |
| **Consolidated free cash flow** | **21.750** | **-27.752** | **-80.649** |
| Capital increase | | 25.000 | 50.000 |
| Financial results | -33.445 | -35.251 | -23.645 |
| Net debt movements | 13.891 | 79.668 | 46.830 |
| Costs debt rescheduling | | -20.353 | |
| **Cash flow from financing activities** | **-19.554** | **49.064** | **73.185** |
| Changes in consolidation scope | | 12 | 2.950 |
| **Net change in cash and cash equivalents** | **2.196** | **21.323** | **-4.515** |
| Cash and cash equivalents at the beginning of the year | 40.170 | 18.847 | 23.362 |
| **Cash and cash equivalents at the end of the year** | **42.366** | **40.170** | **18.847** |

Bremerhaven - Germany

# Notes to the consolidated financial statements

1. General
2. Basis of preparation
3. Basis of consolidation
4. Accounting policies
5. Consolidation entities
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7. Goodwill and intangible fixed assets
8. Tangible fixed assets
9. Financial fixed assets
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20. Events after balance sheet date

## 1. General

Sarens Bestuur NV is a limited liability company incorporated under Belgian Law. The company has its registered offices at Autoweg 10, 1861 Meise/Wolvertem and was incorporated on 10th November 1993 with registration number 0451.416.125. The company's share capital is € 80,000,000, represented by 12.244 shares.

The company's financial year begins on 1st January and ends on 31st December of each year.

Sarens Bestuur NV is the ultimate parent company of the Sarens group and the consolidating entity.

## 2. Basis of preparation

The company's consolidated financial statements are prepared in accordance with Belgian Generally Accepted Accounting Principles (BGAAP) and the specifications of Chapter III, Title II of the Royal Decree of 30th January 2001 regarding the consolidated accounts of trading companies.

The consolidated financial statements are presented in thousands of EUR, which is the company's functional and presentation currency.

According to Belgian GAAP, the historical cost principle is applied as the measurement basis.

Unless expressly stated otherwise, the accounting policies are applied consistently from year to year.

The consolidated companies undertake the necessary consolidation audits themselves in order to apply the valuation rules of the group and to ensure they are consistent with the accounting regulations applicable in Belgium.

The following audits were undertaken primarily for this purpose: recalculation of depreciation as a result of the expected economic lifespan of the assets, inclusion of off-balance sheet leasing agreements and the inclusion of off-balance sheet social obligations.

## 3. Basis of consolidation

The consolidated financial statements include the financial data of the company and its subsidiaries, jointly controlled entities and associates.

### a. Subsidiaries

Subsidiaries are all entities over which the company has the power, directly or indirectly, to govern the financial and operating policies in order to obtain benefits from them, generally involving 50% +1 of the voting rights. The financial statements of each subsidiary are included in the consolidated financial statements from the date on which the group acquires control until the date that control ceases. Subsidiaries are consolidated by the full consolidation method.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated; unrealized losses are also eliminated unless such losses are permanent.

### b. Investments in jointly controlled entities

Jointly controlled entities are all entities over which the company has direct or indirect joint control. This means that strategic, financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control. The proportionate consolidation method is applied to all jointly controlled entities. This method combines, line by line, the company's share of each of the assets, liabilities, income and expense of the jointly controlled entity with similar items in the company's consolidated financial statements.

Intercompany transactions, balances and unrealized gains on transactions between the jointly controlled entity and group entities are eliminated to the extent of the interests held by the group. Unrealized losses are also eliminated unless such losses are permanent.

### c. Investments in associates

Associates are all entities over which the company has a significant direct or indirec influence and which are neither subsidiaries nor jointly controlled entities. This is presumed if the company holds at least 20% of the voting rights. Associates are consolidated by the equity method. The equity method is a method whereby the investment is initially recognized at cost and adjusted subsequently for the post-acquisition change in the group's share of the net assets of the associate.

## 4. Accounting policies

### a. General

The accounting information disclosed in the consolidated financial statements of Sarens Bestuur NV provides a true and fair view of its statement of financial position and income statement, in compliance with Belgian GAAP. However, financial statements do not provide all of the information that users may need to make economic decisions since they represent the financial effects of past events and do not necessarily present non-financial information.

Assets are recognized in the statement of the company's financial position when it is considered that probable future economic benefits will flow to the entity and the cost of the asset can be measured reliably. Liabilities are recognized in the financial statement when it is probable that the settlement of those liabilities will result in an outflow of resources bringing economic benefits and the amount at which the settlement will take place can be measured reliably. In both circumstances 'probable' means more likely than not.

Income is recognized in the income statement when an increase in future economic benefits related to an increase in an asset or decrease of a liability has arisen that can be measured reliably. Expenses are recognized in the income statement when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

If a transaction results in the termination of future economic benefits or when all risks relating to an asset or a liability are transferred to a third party, the asset or liability is no longer recognized in the statement of financial position.

### b. Use of estimates

The principal of substance over form is applied, whereby the ultimate goal is to include all details of any importance to form an opinion on the assets, financial position and results of the company.

In preparing the financial statements, management is required to form judgments, assumptions and estimates about the assets and liabilities carried forward. The judgments, estimates and assumptions are reviewed on an ongoing basis. Changes in estimates are recognized in the period in which the revision is made and in future periods for which the revision has consequences. However, the resulting estimates will not always be equal to the actual corresponding results.

### c. Foreign currencies

The consolidated financial statements are presented in thousands of EUR, which is the company's functional and the group's reporting currency.

(i) Foreign currency conversion

Each group entity reports in its own functional currency, which is the currency of the primary economic environment in which the entity operates. If a foreign operation reports in a functional currency that is different to the group's reporting currency, the financial statements of the foreign operation will be converted as follows:

- Assets and liabilities are converted at the closing exchange rate published by the European Central Bank;
- Income and expenses are converted at the average exchange rate for the year;
- Shareholder's equity and its components, consolidation goodwill and participations are converted at the historical exchange rate.

The resulting conversion adjustments are recorded in shareholder equity under the heading of "Conversion Differences". When a foreign operation is partially disposed of or sold, exchange differences recorded under the caption "currency conversion reserve" are recognized in the income statement as part of the gain or loss on the sale.

(ii) Foreign currency transactions

Foreign currency transactions are recognized during the period in the functional currency of each entity at the exchange rate applicable at the date of the transaction. The transaction date is the date at which the transaction first qualifies for recognition.

Subsequently monetary assets and liabilities denominated in foreign currencies are converted at the closing rate on the balance sheet date. Gains and losses resulting from the settlement of foreign currency transactions and from the conversion of monetary assets (see above) are recognized in the income statement as a financial result.

From 2013 onwards the group presents unrealized exchange differences on intercompany loans of a permanent nature and for which the group has the intention to incorporate these in the capital of the subsidiary, no longer as a financial result, but directly under the heading “currency translation reserve” in equity.

Non-monetary assets and liabilities carried in terms of historical cost denominated in a foreign currency are measured using the exchange rate on the date of the transaction.

### d. Consolidation differences

(i) Negative consolidation differences (liabilities)/badwill

The negative difference between the purchase price of a new participating interest and the net book value of the net assets obtained upon the acquisition (the negative price when it comes to the acquisition of shares) is included under this heading.

The initial consolidation differences with respect to participating interests are offset as long as a negative balance remains for the liabilities on the balance sheet.

(i) Positive consolidation differences/goodwill

The positive difference between the purchase price of a new participating interest and the net book value of the net assets obtained upon the acquisition (the additional price when it comes to the acquisition of shares) is included under this heading.

The positive consolidation differences are amortized on a straight-line basis over a period of 5 years.

Positive consolidation differences are subject to impairment if economic conditions or technological developments have a negative impact on the entity’s future business.

### e. Formation expenses

Formation expenses are recorded at cost and depreciated 100%. Specific transaction-related costs on debt issuance are capitalized at cost and depreciated on a straight-line basis over the period of the loan agreement.

### f. Intangible fixed assets

Intangible fixed assets comprise research and development costs, patents and other similar rights, as well as customer lists and other intangible commercial assets, such as brand names.

Intangible assets are recognized if and only if:

- the asset is identifiable;
- the group has control over the asset;
- it is probable that future economic benefits that are attributable to the asset will flow to the entity and;
- the cost of the asset can be measured reliably.

Intangible assets are initially measured at their purchase price, including any import duties and non-refundable purchase taxes, plus any directly attributable expenditure on preparing the assets for its intended use.

The cost of intangible assets acquired through a business combination is the fair value of the acquired asset on the acquisition date. Internally generated intangible assets are measured as the sum of expenditures incurred from the date when the intangible assets meet the recognition criteria.

After initial recognition, an intangible asset is carried at its cost less any accumulated amortization and impairment loss. Intangible assets are amortized over their useful estimated economic life using a straight-line method. The group has determined the following annual depreciation rates for intangible assets:

| | |
|---|---|
| • Research and development costs | 20% |
| • Concessions, patents and other similar rights | 20% - 33,33% |
| • Customer lists and other intangible commercial assets | 20% |

An impairment loss will be recorded if the carrying amount of the intangible asset exceeds its recoverable amount, which is the higher of its value in use or its sales value.

### g. Property, plant and equipment

Property, plant and equipment are recognized if and only if:

- the group has control over the asset;
- it is probable that future economic benefits associated with the asset will flow to the entity;
- the cost of the item can be measured reliably.

Property, plant and equipment are recognized initially at cost. Cost is defined as the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire an asset at the time of its acquisition or construction.

Costs include all expenditures directly attributable to bringing the asset to the location and condition necessary for its intended use (e.g. import duties and non-refundable purchase taxes, directly attributable costs of bringing the assets ex-works to the location, etc.).

Costs incurred to upgrade property, plant and equipment significantly or to extend their lifetime will be capitalized up to the maximum market value and written off over the remaining lifetime of the asset.

Any costs in excess of market value of the equipment will be entered as expenses.

The cost of property, plant and equipment with a limited service life is reduced to its estimated residual value by the systematic allocation of depreciation over the assets service life.

Amortization is applied on the grounds of linear economic percentages calculated on the basis of the duration of the depreciation and taking into account the residual value, namely:

| | Amortized Peroid | Residual Value |
|---|---:|---:|
| Industrial Buildings | 10 Years | 0% |
| Barges | 20 years | 20% |
| Office Buildings | 33 Years | 0% |
| Plant, Machinery and Equipment | 5 Years | 0% |
| Furniture | 10 Years | 0% |
| Vehicles | | |
| • Mobile cranes up to 200 ton | 7 Years | 10% |
| • Mobile cranes more than 200 ton | 10 Years | 15% |
| • Lattice Boom Cranes | 15 Years | 20% |
| • Hydraulic Trailers | 15 Years | 20% |
| • Other Vehicles | 5 Years | 5% |
| Leasing and Similar Rights | According to category | |
| Other Tangible Assets | 5 Years | 0% |

Assets held under finance lease are depreciated on the same basis as owned assets.
An impairment loss will be recorded if the carrying amount of the tangible asset exceeds its recoverable amount, which is the higher of its value in use or its sales value.

Gains and losses on disposal of equipment used in the ordinary course of business are included in operating results, while all other gains and losses on disposal are included in extraordinary results.

Additional expenses are debited at the same percentage as the principal sum.

All gains arising from an internal group transaction since 2009 have been eliminated.
Losses arising from internal group sales have been eliminated and impairment is accounted on the corresponding fixed asset.

### h. Leasings

Rights-of-use on goods are classified as finance leases when the following conditions are met:

- The contractual agreed lease terms, increased by the amount to be paid upon excercising the purchase option, in addition to the interest and the costs of the transaction, should recover the full capital invested by the lessor;
- The amount of the purchase option may not exceed 15% of the invested capital;
- The agreement must stipulate the transfer of ownership and the purchase option.

The group has only rights-of-use on movable assets.

Rights-of-use on movable assets under which substantially all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognized as an expense.

### i. Financial fixed assets

The Group classifies its financial assets in the following categories:

- investments in associates;
- participating interests in other entities
- other financial fixed assets

(i) Investments in associates

Associates are all entities over which the group has significant influence but no control over the strategic, financial and operating policies. This is presumed if the company holds at least 20% of the voting rights. Investments in associates are accounted for using the equity method.

If the group's share of losses of an associate equals or exceeds its interests, the group will discontinue recognizing its share of further losses. After the group's interest is reduced to nil, the group recognizes a liability if the group has incurred legal or constructive obligations or made payments on behalf of the associate.

The group's share in the annual profit or loss of the associate is included in the income statement under the caption "share of results in associates".

(ii) Participating interests in other entities

Participating interest in other entities are all entities over which the group has no significant influence, but in which the group wants to hold or build a long-term relationship.

Participating interests in other entities are initially recorded at acquisition cost and are subsequently measured at the lowest of their acquisition value or fair value, which is the amount at which the interest could be bought or sold in a transaction between knowledgeable and willing parties in an arm's-length transaction.

(iii) Other financial assets

Other financial assets comprise mainly long-term paid guarantees. Other financial assets are measured at their nominal value. The group does not discount any interest-free long-term receivables included in other financial assets.

### j. Inventories

The Group classifies its inventories in the following categories:

- raw materials and consumables:  covering tyres, spare parts, fuel, consumables and tools;
- goods purchased for resale: covering all assets purchased with an intention to resell;
- contracts in progress

(i) Raw materials, consumables and goods purchased

Raw materials, consumables and goods purchased for resale are measured at the lower of cost of purchase and net realizable value. Cost of purchase is based on the FIFO method, assuming that the goods purchased first are sold first. If the net realizable value is lower than the cost of purchase, the group writes off the excess immediately in profit or loss.

(ii) Contracts in progress

Because of the nature of the activities (construction contracts) in which the group is involved, the date on which the contract activity begins and the date at which the activity ends usually falls in a different accounting period. The group uses the percentage of completion method in order to allocated contract revenue and contract costs to the accounting period in which the work is performed.

Therefore, the group recognizes a gross amount in inventories, for all contracts in progress for which costs incurred, plus recognized profits (or less recognized losses), exceed the progress billing.

### k. Trade receivables

Trade receivables are measured at nominal value, less the appropriate impairments for amounts regarded as unrecoverable. At each reporting date the group assesses whether there are indications that a trade receivable should be impaired. A trade receivable is impaired if it is probable that the entity will not collect the amounts due or only partially.

### l. Cash and cash equivalents

The other investments are valued at nominal value.

### m. Prepayments and accrued income

The accrued income and deferred charges are reported pro rata temporis on the balance sheet date, based on the facts known.

### n. Investment grants

Investment grants are reported after deduction of deferred taxes, which are included under the caption "Provisions and deferred taxes".

### o. Revaluation surplus

Until 2008, gains realized on the sale of tangible fixed assets within the group were not eliminated because these transactions take place at arm's length. The gains realized through these transactions were eliminated from the result of the year and reported as a revaluation surplus (included in equity). Despite the fact that these gains are taxed in the statutory accounts of the subsidiaries involved, no deferred tax asset was accounted for. At the moment that the fixed asset item is sold to a third party, the revaluation surplus will be released through the income statement.

From 2009 onwards, all gains realized on the sale of tangible fixed assets have been eliminated in the income statement.

### p. Amounts payable

These debts are valued at nominal value.

### q. Accrued charges and deferred income

The accrued charges and deferred income are reported pro rata temporis on the balance sheet date, based on the facts known.

### r. Non-controlling interests

Non-controlling interests represent the share of minority shareholders in the equity of subsidiaries that are not fully owned by the group. Non-controlling interests are initially measured at the non-controlling shareholders proportion in the net assets of the acquired subsidiary. Subsequently, they are adjusted by the appropriate non-controlling interest share of profits or losses.

### s. Provisions

Provisions are systematically created on the basis of the principals of prudence, honesty and good faith.

Provisions are recognized when and only when:

- the group has a current legal or constructive obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each balance sheet date and are adjusted to reflect the best estimate of the minimum expenditure required to settle the present obligation.

### t. Deferred taxes

Deferred taxes are the amounts of income tax recoverable or payable in future periods in respect of:

- deductible or taxable temporary differences;
- the carry forward of unused tax losses; and
- the carry forward of unused tax credits.

In accordance with Belgian GAAP rules, the group recognizes only deferred tax liabilities.

Deferred tax assets and liabilities are measured at the tax rate the group's company is subject to.

If a group company has deferred tax assets and liabilities, it offsets the deferred tax assets to the extent of the deferred tax liabilities and ceases to recognize any remaining deferred tax asset.

### u. Pensions

The group has various post-employment benefits schemes in accordance with the practices of the countries it operates in.

(i) Defined contribution plans

The majority of the pension plans within the group are defined contribution plans whereby the group pays fixed contributions into a separate fund (e.g. an insurance fund). Obligations in respect of contributions to the fund are recognized as an expense in the income statement as they fall due.

Supplementary pensions plans in Belgium are legally subject to a minimum guaranteed return to the employee, and hence they are accounted for as defined contribution plans since the minimum legally required return is sufficiently guaranteed by the insurance company.

(ii) Defined benefit plans

In case of early retirement, the group records a provision for the expected cost of early retirement. The expected cost is measured as the sum of the possible future payments the group has to make in order to comply with local legislation. The provision for early retirement is not based on actuarial calculations.

### v. Recognition of income

If the outcome of a project can be estimated reliably, the operating income from such a project is recognized using the percentage of completion method. Progress is measured for each contract on the proportion of the expected total cost for the contract incurred to date, excluding the cost of subcontracted work. An expected loss on a project is recognized immediately in the income statement. Crane rental income is recognized over the rental period. Profits on trading of equipment and profits on sale of fixed assets are accounted for at the time of transfer of economic ownership.

## 5. Consolidation entities

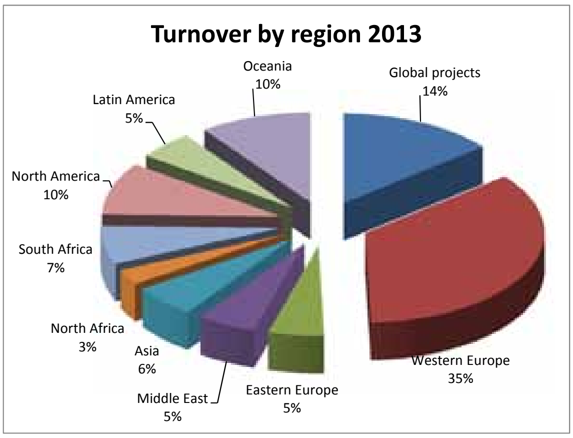
| Entity | Country of incorporation | % of ownership | Consolidation method |
|---|---|---|---|
| Sarens Bestuur NV | Belgium | 100 | Full consolidation |
| Sarens NV | Belgium | 100 | Full consolidation |
| Sarens SARL (branch) | Algeria | 100 | Full consolidation |
| Sarens GmBH | Germany | 100 | Full consolidation |
| Sarens Italia Srl | Italy | 100 | Full consolidation |
| Sarkran NV | Belgium | 100 | Full consolidation |
| Sarens France (Branch) Nouvelle Caledonie | New-Caledonia | 100 | Full consolidation |
| Sarens NV - Ogranak (Branch) | Serbia | 100 | Full consolidation |
| Sarens Transport and Heavy Lift DOO | Serbia | 100 | Full consolidation |
| Sarens BE NV | Belgium | 100 | Full consolidation |
| Sarens France SAS | France | 100 | Full consolidation |
| Sarens Normandie sarl | France | 100 | Full consolidation |
| Sarens Nord Ouest SAS | France | 100 | Full consolidation |
| Sarens Sud sarl | France | 100 | Full consolidation |
| Eurolevage SARL | France | 100 | Full consolidation |
| Holding Sarens Nederland BV | Netherlands | 100 | Full consolidation |
| Management Sarens Nederland BV | Netherlands | 100 | Full consolidation |
| Sarens Montage BV | Netherlands | 100 | Full consolidation |
| Sarens Materieel BV | Netherlands | 100 | Full consolidation |
| Sarens Nederland BV | Netherlands | 100 | Full consolidation |
| Sarens Steel Erectors BV | Netherlands | 100 | Full consolidation |
| Sarens A/S | Norway | 100 | Full consolidation |
| Sarens Kranservice AS | Norway | 100 | Full consolidation |
| Sarens UK Ltd | United Kingdom | 100 | Full consolidation |
| Sarens Construction Ltd | United Kingdom | 100 | Full consolidation |
| G.E. Curtis Ltd | United Kingdom | 100 | Full consolidation |
| Sarens Polska Spzoo | Poland | 100 | Full consolidation |
| Zuraw Gdansk Spzoo | Poland | 100 | Full consolidation |
| Sarens Atyrau Gmbh (Branch) | Kazakhstan | 100 | Full consolidation |
| Sarens Russia LLC | Russia | 100 | Full consolidation |
| Sarens KM Ltd | Russia | 100 | Full consolidation |
| UAB Sarens Balticum | Lithuania | 100 | Full consolidation |
| Sarens Qatar LLC | Qatar | 100 | Full consolidation |
| Sarens for General Trading and Contracting WLL | Iraq | 100 | Full consolidation |
| Sarens for General Trading and Contracting LLC | Iraq | 100 | Full consolidation |
| Sarens Thailand Co. Ltd. | Thailand | 100 | Full consolidation |
| Sarens Asia (ROH) Ltd. | Thailand | 100 | Full consolidation |
| Sarens Korea (Branch) | Korea | 100 | Full consolidation |
| Sarens Korea Ltd. | Korea | 100 | Full consolidation |
| Sarens Vietnam Co. Ltd. | Vietnam | 100 | Full consolidation |
| Sarens Heavy Lift India Private Limited | India | 100 | Full consolidation |
| Sarens (Malaysia) SDN. BHD. | Malaysia | 100 | Full consolidation |
| Sarens Algérie Sarl | Algeria | 60 | Full consolidation |
| Sarens Maroc | Morocco | 100 | Full consolidation |

| Entity | Country of incorporation | % of ownership | Consolidation method |
|---|---|---|---|
| Sarens Tunisie sarl | Tunisia | 70 | Full consolidation |
| Sarens South Africa Limited | South Africa | 100 | Full consolidation |
| Sarens Cranes Services Nigeria Limited | Nigeria | 100 | Full consolidation |
| Sarens Heavy Lift Namibia (Pty Ltd) | Namibia | 100 | Full consolidation |
| Sarens North America Holding, Inc. | United States | 100 | Full consolidation |
| Sarens USA, Inc. | United States | 100 | Full consolidation |
| Sarens Heavy Lift Canada Ltd. | Canada | 100 | Full consolidation |
| Sarens Canada Inc. | Canada | 90 | Full consolidation |
| Servicios Corporativos Latino-americanos SA de CV | Mexico | 100 | Full consolidation |
| SRNS Latinoamérica SA de CV | Mexico | 100 | Full consolidation |
| Sarens de Colombia S.A.S. | Colombia | 100 | Full consolidation |
| Sarens Brasil Locação de Equipamentos para Construção Ltda. | Brazil | 100 | Full consolidation |
| Groep Sarens de Venezuela C.A. | Venezuela | 100 | Full consolidation |
| SarensEcuador SA | Ecuador | 100 | Full consolidation |
| Sarens Chile SA | Chile | 100 | Full consolidation |
| Servicios para Maquinaria, S.A. | Chile | 100 | Full consolidation |
| Sarens (Australia) Pty Ltd | Australia | 100 | Full consolidation |
| Sarens Cranes Ltd | Ireland | 100 | Full consolidation |
| Sarens N. Middle East Holding Ltd. | Bahrein | 100 | Full consolidation |
| Epequip SPC | Bahrein | 100 | Full consolidation |
| Sarens Mauritius | Mauritius | 100 | Full consolidation |
| Sarens SZR LLC | Russia | 100 | Full consolidation |
| Sarens Tunglyft AB | Sweden | 100 | Full consolidation |
| Sarens Ukraine LLC | Ukraine | 100 | Full consolidation |
| Sarens Gulf Heavy Lift LLC | Sultanate of Oman | 100 | Full consolidation |
| Sarens Saudi Arabia Ltd | Saudi Arabia | 100 | Full consolidation |
| Sarens Agir Yük Kaldirma Tic. Ltd. Sti | Turkey | 100 | Full consolidation |
| Sarens Heavy Lift Egypt LLC | Egypt | 95 | Full consolidation |
| Sarens Mozambique LDA | Mozambique | 100 | Full consolidation |
| Sarens Zambia Ltd. | Zambia | 100 | Full consolidation |
| Sarens Botswana (Pty) Ltd | Botswana | 100 | Full consolidation |
| Sarens Tanzania Limited | Tanzania | 100 | Full consolidation |
| Sarens Congo SARL | Congo | 70 | Full consolidation |
| Samoco NV | Belgium | 100 | Full consolidation |
| Sarens JWS (M) Sdn Bhd | Malaysia | 75 | Full consolidation |
| U.E.S. Logistics (Malaysia) Sdn Bhd | Malaysia | 75 | Full consolidation |
| Sarens JWS (S) Pte. Ltd. | Singapore | 75 | Full consolidation |
| Sarens Transport (Pty) Ltd. | South Africa | 100 | Full consolidation |
| Sarbra 1750 NV | Belgium | 50 | Proportional consolidation |
| WS Vermietung GmbH | Germany | 50 | Proportional consolidation |

| Entity | Country of incorporation | % of ownership | Consolidation method |
|---|---|---|---|
| Sarens Nass Middle East w.l.l. | Bahrein | 50 | Proportional consolidation |
| Sarens Buildwell Nigeria Ltd | Nigeria | 50 | Proportional consolidation |
| Nebem BV | Netherlands | 50 | Proportional consolidation |
| BSM Sarens Serviços Técnicos De Engenharia E Locação Ltda | Brazil | 50 | Proportional consolidation |
| EOLE Overseas NV | Belgium | 33,33 | Equity method |
| Alvian Most s.r.o | Czech Republic | 25 | Equity method |
| TAGI Logistics | Vietnam | 49 | Equity method |
| Betonbouw Nederland Holding | Nederland | 25 | Equity method |
| Sarens - Abu Dhabi (Branch) | United Arab of Emirates | 100 | Not consolidated |
| Sarens Argentina SA | Argentina | 100 | Not consolidated |
| PT Sarens OCS Indonesia | Indonesia | 49 | Not consolidated |
| Sarens Panama S.A. | Panama | 100 | Not consolidated |
| Transportes y servicios especializados de izamiento Sarens Bolivia S.A. | Bolivia | 100 | Not consolidated |

## 6. Turnover

The group's turnover for 2013 and 2012 can be detailed as follows:




| Thousands EUR | 2013 | 2012 |
|---|---|---|
| Global projects | 83.657 | 93.440 |
| Western Europe | 208.957 | 187.961 |
| Eastern Europe | 29.564 | 30.634 |
| Middle East | 31.532 | 24.179 |
| Asia | 34.204 | 35.549 |
| North Africa | 16.293 | 14.144 |
| South Africa | 41.343 | 46.437 |
| North America | 55.954 | 50.901 |
| Latin America | 30.005 | 33.410 |
| Oceania | 59.489 | 41.041 |
| Leasing and trading | 1.067 | 2.592 |
| | 592.065 | 560.288 |

## 7. Goodwill and intangible fixed assets

| Thousands EUR | Positive consolidation differences | Research & development | Concessions, patents and similar rights | Customer lists and other intangible commercial assets | Formation expenses and loan issue expenses | Total intangible fixed assets |
|---|---|---|---|---|---|---|
| **Acquisition value** | | | | | | |
| **Balance at 1 January 2012** | **24.730** | **1.453** | **4.710** | **1.183** | **4.955** | **12.301** |
| Additions | 2.182 | 70 | 166 | 789 | 20.360 | 21.385 |
| Disposals and retirements | | -83 | | | | -83 |
| Effect of foreign currency exchange differences | -353 | 14 | | -1 | | 13 |
| Other movements | -761 | | | | 6 | 6 |
| **Balance at 31 December 2012** | **25.798** | **1.455** | **4.876** | **1.971** | **25.321** | **33.623** |
| Additions | 2.714 | 9 | 254 | | 43 | 306 |
| Disposals and retirements | | -23 | -9 | | | -32 |
| Effect of foreign currency exchange differences | 301 | -75 | | -1 | -1 | -77 |
| Other movements | | | | | -3 | -3 |
| **Balance at 31 December 2013** | **28.813** | **1.366** | **5.121** | **1.970** | **25.360** | **33.817** |
| **Accumulated depreciation and impairment losses** | | | | | | |
| **Balance at 1 January 2012** | **-19.383** | **-763** | **-1.772** | **-1.183** | **-966** | **-4.684** |
| Depreciation expense recorded | -2.885 | -204 | -887 | -161 | -1.214 | -2.466 |
| Effect of foreign currency exchange differences | 70 | -6 | | 1 | | -5 |
| Other movements | 761 | 9 | | | -6 | 3 |
| Tranfer to other assets categories | | | | 40 | | 40 |
| **Balance at 31 December 2012** | **-21.437** | **-964** | **-2.659** | **-1.303** | **-2.187** | **-7.113** |
| Depreciation expense recorded | -3.331 | -223 | -892 | -209 | -1.748 | -3.072 |
| Disposals and retirements | | 7 | 9 | | | 16 |
| Effect of foreign currency exchange differences | -67 | 50 | | | 2 | -15 |
| Other movements | | | -22 | | 3 | -19 |
| **Balance at 31 December 2013** | **-24.835** | **-1.130** | **-3.564** | **-1.512** | **-3.930** | **-10.136** |
| **Carrying amount** | | | | | | |
| **At 31 December 2013** | **3.978** | **236** | **1.557** | **458** | **21.430** | **23.681** |

## 8. Tangible fixed assets

| Thousands EUR | Land and buildings | Plant, machinery and equipment | Cranes & rolling equipment | Cranes under capital lease | Other leasings and similar rights | Other tangible fixed assets | Assets under construction and advance payments | Total tangible fixed assets |
|---|---|---|---|---|---|---|---|---|
| **Acquisition value** | | | | | | | | |
| **Balance at 1 January 2012** | **10.944** | **41.712** | **499.953** | **456.874** | **43.203** | **4.540** | **5.067** | **1.062.293** |
| Additions | 402 | 11.220 | 125.283 | 18.647 | 10.636 | 1.277 | 12.450 | 179.915 |
| Disposals and retirements | -1.640 | -1.242 | -25.319 | | -926 | -277 | -8.120 | -37.524 |
| Effect of foreign currency exchange differences | 186 | -178 | -1.428 | 2.153 | 264 | 10 | 6 | 1.013 |
| Tranfer to other assets categories | | 4.006 | -56.692 | 56.052 | | -63 | -3.308 | -5 |
| Other movements | | -1 | -2.299 | | | -1 | 1 | -2.300 |
| **Balance at 31 December 2012** | **9.892** | **55.517** | **539.498** | **533.726** | **53.177** | **5.486** | **6.096** | **1.203.392** |
| Additions | 424 | 12.861 | 108.813 | 6.192 | 5.170 | 1.410 | 7.135 | 142.005 |
| Disposals and retirements | -555 | -2.304 | -1.668 | -23.940 | -970 | -20 | -1.321 | -30.778 |
| Effect of foreign currency exchange differences | -518 | -1.412 | -19.824 | -2.110 | -409 | -183 | -66 | -24.522 |
| Tranfer to other assets categories | 146 | -225 | -13.785 | 4.527 | 1.177 | -79 | -6.104 | -14.343 |
| Other movements | | 3.127 | | | | | | 3.127 |
| **Balance at 31 December 2013** | **9.389** | **67.564** | **613.034** | **518.395** | **58.145** | **6.614** | **5.740** | **1.278.881** |
| **Revaluation surplus** | | | | | | | | |
| **Balance at 1 January 2012** | **0** | **0** | **2.053** | **0** | **0** | **0** | **0** | **2.053** |
| Disposals and retirements | | | -337 | | | | | -337 |
| Effect of foreign currency exchange differences | | | -33 | | | | | -33 |
| Other movements | | | 2.299 | | | | | 2.299 |
| **Balance at 31 December 2012** | **0** | **0** | **3.982** | **0** | **0** | **0** | **0** | **3.982** |

| Thousands EUR | Land and buildings | Plant, machinery and equipment | Cranes & rolling equipment | Cranes under capital lease | Other leasings and similar rights | Other tangible fixed assets | Assets under construction and advance payments | Total tangible fixed assets |
|---|---|---|---|---|---|---|---|---|
| **Balance at 31 December 2012** | **0** | **0** | **3.982** | **0** | **0** | **0** | **0** | **3.982** |
| Additions | - | - | 3 | - | - | - | - | 3 |
| Disposals and retirements | | | -24 | | | | | -24 |
| Effect of foreign currency exchange differences | | | -223 | | | | | -223 |
| Tranfer to other assets categories | | | 533 | | | | | 533 |
| **Balance at 31 December 2013** | **0** | **0** | **4.271** | **0** | **0** | **0** | **0** | **4.271** |
| **Accumulated depreciation and impairment losses** | | | | | | | | |
| **Balance at 1 December 2012** | **-2.301** | **-23.411** | **-221.692** | **-96.324** | **-11.216** | **-2.858** | **0** | **-357.802** |
| Depreciation expense recorded | -393 | -6.877 | -38.630 | -36.314 | -4.490 | -887 | | -87.591 |
| Written back because superfluous | | 138 | 3.883 | 1.509 | | | | 5.530 |
| Disposals and retirements | 72 | 347 | 26.388 | 7.284 | 1.127 | 408 | | 35.626 |
| Tranfer to other assets categories | | -99 | -3.609 | 3.702 | | | | -6 |
| Effect of foreign currency exchange differences | -59 | 48 | 1.185 | -769 | -116 | -8 | | 281 |
| Other movements | -1 | -30 | -5.689 | 2.178 | | -26 | | -3.568 |
| **Balance at 31 December 2012** | **-2.682** | **-29.884** | **-238.164** | **-118.734** | **-14.695** | **-3.371** | **0** | **-407.530** |
| Depreciation expense recorded | -397 | -8.296 | -41.905 | -36.737 | -4.287 | -682 | | -92.304 |
| Acquisitions from third parties | | -1.561 | -545 | -2.501 | -426 | -35 | | -5.068 |
| Disposals and retirements | 318 | 2.398 | 923 | 8.136 | 70 | 14 | | 11.859 |
| Tranfer to other assets categories | | -485 | -6.027 | 18.588 | 1.918 | -47 | | 13.947 |
| Effect of foreign currency exchange differences | 75 | 886 | 8.480 | 1.202 | 226 | 79 | | 10.948 |
| Other movements | | -2.356 | | | | | | -2.356 |
| **Balance at 31 December 2013** | **-2.686** | **-39.298** | **-277.238** | **-130.046** | **-17.194** | **-4.042** | **0** | **-470.504** |
| **Carrying amount** | | | | | | | | |
| **At 31 December 2013** | **6.703** | **28.266** | **340.067** | **388.349** | **40.951** | **2.572** | **5.740** | **812.648** |

## 9. Financial fixed assets

| Thousands EUR | Investments in associates | Participating interests in other entities | Other financial fixed assets | Total financial fixed assets |
|---|---|---|---|---|
| **Balance at 1 January 2012** | **784** | **1.649** | **504** | **2.937** |
| Acquisitions | 237 | 317 | 540 | 1.094 |
| Disposals | | -223 | | -223 |
| Repayments | | | -240 | -240 |
| Effect of foreign currency exchange differences | 8 | -10 | 3 | 1 |
| Other movements | | -88 | | -88 |
| Share in the result of the period | 133 | | | 133 |
| **Balance at 31 December 2012** | **1.162** | **1.645** | **807** | **3.614** |
| Acquisitions | | 49 | 238 | 287 |
| Disposals | | -65 | | -65 |
| Change in consolidation scope | 79 | -670 | | -591 |
| Repayments | | | -417 | -417 |
| Effect of foreign currency exchange differences | -75 | -23 | -5 | -103 |
| Other movements | | -246 | | -246 |
| Share in the result of the period | 187 | | | 187 |
| **Balance at 31 December 2013** | **1.353** | **690** | **623** | **2.666** |

## 10. Stocks and contracts in progress

| Thousands EUR | 2013 | 2012 |
|---|---|---|
| Raw materials and consumables | 4.622 | 3.109 |
| Goods purchased for resale | | 28 |
| Contracts in progress | 970 | 2.360 |
| **Stocks and contracts in progress** | **5.592** | **5.497** |

## 11. Trade and other receivables

| Thousands EUR | 2013 | 2012 |
|---|---|---|
| Trade debtors | 185.129 | 176.281 |
| Write-offs trade receivables | -25.478 | -21.279 |
| **Trade debtors** | **159.651** | **155.002** |
| | | |
| Other receivables after more than 1 year | 8.717 | 4.392 |
| VAT and other tax receivables | 18.178 | 18.354 |
| Other receivables within 1 year | 20.972 | 21.567 |
| **Other amounts receivable** | **47.867** | **44.313** |

## 12. Provisions

| Thousands EUR | 2013 | 2012 |
|---|---|---|
| Provisions for post-employment benefits | 2.695 | 2.852 |
| Provisions for claims | 3.349 | 1.563 |
| Other provisions | 8.917 | 8.568 |
| **Provisions for liabilities and charges** | **14.961** | **12.983** |


Hunter Valley - Australia

## 13. Statement of changes in equity

| Thousands EUR | Share capital | Revaluation surplus | Retained earnings | Consolidation badwill | Currency translation reserve | Total equity |
|---|---|---|---|---|---|---|
| **Balance at 1 January 2012** | **55.000** | **7.627** | **166.022** | **2.133** | **-2.417** | **228.365** |
| Profit for the period | | | 2.302 | | | 2.302 |
| Issue of capital | 25.000 | | | | | 25.000 |
| Revaluation surplus | | -299 | -38 | | | -337 |
| Change in consolidation scope | | | 136 | | | 136 |
| Other movements | | | 11 | 18 | -1.389 | -1.360 |
| **Balance at 31 December 2012** | **80.000** | **7.328** | **168.433** | **2.151** | **-3.806** | **254.106** |
| Profit for the period | | | -18.414 | | | -18.414 |
| Revaluation surplus | | 397 | | | | 397 |
| Change in consolidation scope | | | 31 | | -162 | -131 |
| Other movements | | | 1.781 | | -7.098 | -5.317 |
| **Balance at 31 December 2013** | **80.000** | **7.725** | **151.831** | **2.151** | **-11.066** | **230.641** |

## 14. Financial debts

| Thousands EUR | < 1 year | 1 - 5 years | > 5 years | Total |
|---|---|---|---|---|
| **31 December 2012** | | | | |
| Subordinated loans | 10.000 | 40.849 | | 50.849 |
| Leasing and other similar obligations | 67.180 | 186.790 | 59.655 | 313.625 |
| Credit institutions | 89.068 | 90.466 | 40.226 | 219.760 |
| Other loans | 225 | 772 | 680 | 1.677 |
| | **166.473** | **318.877** | **100.561** | **585.911** |
| | | | | |
| **31 December 2013** | | | | |
| Subordinated loans | | 41.887 | | 41.887 |
| Leasing and other similar obligations | 70.823 | 169.023 | 50.225 | 290.070 |
| Credit institutions | 46.389 | 172.578 | 47.120 | 266.087 |
| Other loans | | | 3.055 | 3.055 |
| | **117.212** | **383.488** | **100.400** | **601.100** |

## 15. Trade and other payables

| Thousands EUR | 2013 | 2012 |
|---|---|---|
| **Trade debts** | **121.076** | **102.880** |
| | | |
| **Advances received on contracts in progress** | **4.219** | **6.106** |
| | | |
| VAT and other tax payable | 29.100 | 26.215 |
| Renumeration and social security payable | 13.291 | 13.537 |
| Other amounts payable | 5.497 | 3.804 |
| **Other amounts payable** | **47.888** | **43.556** |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## 16. Risk management policies

Sarens, like any other company, is exposed to market, operational and financial risks because of its activities. These risks are mitigated by the group's business controls, organizational structure, management methods and internal control systems.

### Country risks

Sarens is active worldwide and therefore subject to inherent market risks which may include unfavourable political, regulatory, labour and tax conditions in each of the countries where it renders its services.

### Competitive risks

The majority of Sarens' activities are subject to competitive pressure from both local and international competitors. The development of new technologies by competitors or the entry on a market of any new or existing competitor may have a negative impact on Sarens' earnings.

### Activity risks

Sarens is subject to risks associated with the proper execution of its projects. These risks include amongst others, the risk of errors or omissions in the project planning and engineering, delays occurring in the completion of projects, worksite accidents, etc.
Sarens maintains a coherent health and safety policy and organizes proper training for its personnel. The group has insurance coverage for the operating risks associated with its activities, such as property insurance, property damage insurance, machinery breakdown, liability insurance, comprehensive third party product liability insurance, D&O liability, fleet insurance, marine liability, suretyship insurance, accident insurance, etc. However, we may be subject to liability against which Sarens has not been insured or cannot insure itself.

### Currency risks

Due to the worldwide activities that Sarens' carries out, it is subject to currency risks, mainly on the USD and USD related currencies. Hedging instruments are in place when deemed necessary.

### Liquidity risk

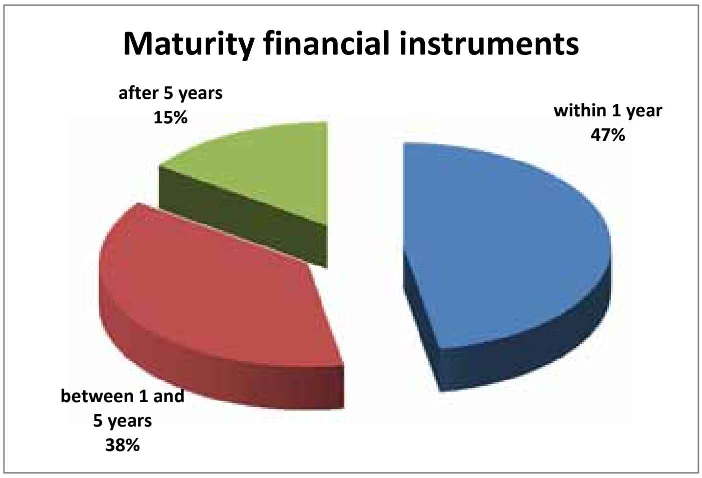
Sarens has entered into financial debt and leasing debt for the financing of its intensive capital expenditure plan 2011-2014. Due to these financial debts, Sarens is required to fulfill major financial obligations which may lead to liquidity risks. These financial obligations, and the capital expenditure plan, are monitored on a monthly basis. The vast majority of the financial debts have a long term nature.

### Credit risk

The risk of non-recoverability is small in view of the reputation and solvability of its clients, the diversification of its client portfolio and the constant monitoring of its outstanding receivables. One can however not exclude a risk of insolvency of such counterparties and any adverse effects on Sarens' earnings.

## 17. Financial instruments

The company uses financial instruments to hedge itself against unfavourable currency and interest movements. The financial instruments have a negative mark-to-market value of € 7.8 million and have following maturities as of 31.12.2013 (in m€):




## 18. Finance and lease agreements

Sarens has used financial and operating lease agreements to finance its fleet of cranes. These lease agreements are largely long term in nature and are recognized in accordance with Belgian GAAP. Because of the longevity of its cranes, the company is able to conclude sale and lease back agreements on cranes which are free of lease obligations. This provides a great deal of flexibility for financing and refinancing.

## 19. Commitments

### Operating leases

Long term commitments in connection with rental and operating lease agreements total €42.1 million. Their maturity as per 31 December can be broken down as follows (in %):


### Guarantees

In the course of its business, Sarens is required to issue bank guarantees (performance bonds etc.). As of 31.12.2013, the total value of these guarantees is €30.2 million.

### Claims

The company is not aware of any material litigation pending which is not adequately provided for in the balance sheet.

## 20. Events after balance sheet date

- In January 2014 a new company was founded in Kazakhstan, named Sarens Kazakhstan LLP.
- In February 2014 a new branch of Sarens NV was founded in Erbil, in Iraq.
- In March 2014 two new companies were founded, one in Peru and one in Ivory coast.
- As from January 2014 onwards Sarens has sold 15% of its interests in Sarens for General Trading and Contracting WLL in Iraq.

# Auditor’s report

Sarens Bestuur NV has prepared consolidated financial statements in accordance with the Belgian Company’s Act articles 108 to 121 and the Royal Decree of 30 January 2001 and 17 July 1975. Sarens publishes these consolidated financial statements under Belgian GAAP and they include a consolidated balance sheet and consolidated income statement.

The financial information included in the 2013 Annual Report has been extracted from the consolidated financial statements of Sarens Bestuur NV for the year ending 31 December 2013. The statutory auditor, KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises, represented by Filip De Bock, has issued an unqualified audit opinion on these financial statements. The audited consolidated financial statements have been filed and are available on the website of the National Bank (www.balanscentrale.be).

All data are up to date on April 18, 2014.


Prairie Island Nuclear Plant, USA

# Glossary

Sarens Group
The limited company under Belgian law Sarens Bestuur NV and all its fully consolidated subsidiaries

BE GAAP
Generally Accepted Accounting Principles in Belgium

EBIT
Earnings before interest and taxes

EBITDA
Earnings before interest, taxes, depreciation and amortization

IFRS
International Financial Reporting Standards

Rostock - Germany (photo supplied courtesy of Gwynt y Môr Offshore wind farm)

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