

# 2013 Annual Report: Executive Summary

## 1. 2013: A favourable stock exchange climate

2013 will hopefully enter the history books as the last year of the worldwide financial crisis which began in 2008. Last year it became clear that the sharp edges of the crisis had been rubbed off and share indices, in general, showed good returns

The Netherlands has gone through four recessions in five years. After the deep five-quarter recession in 2008 and 2009, the economy contracted again in 2011, 2012 and 2013. The recovery is clearly visible, but still fragile. The number of jobs fell in 2013 while corporate investments and consumer spending were under pressure. The Dutch reined in their spending and, if they were able, paid off their debts – particularly their mortgages – on a massive scale. Exports are the most important factor behind the Dutch economic recovery, which became apparent at the end of 2013. In the longer term, recovery on the housing market is an important precondition for the recovery of consumer confidence.

The forecasts do not indicate a strong recovery in 2014. The Netherlands Bureau for Economic Policy Analysis puts growth this year at around 0.5 percent. This means the Netherlands is performing relatively poorly compared with other European countries. This is largely due to the situation on the housing market and the uncertainty surrounding pensions.

The picture is not great in the rest of Europe. The German economy, long the driving force behind European growth, began to falter in 2013 and the French economy contracted. There was recovery in the Eurozone countries that had been most seriously affected – Spain, Portugal,

Italy, Greece and Ireland - where confidence began to return and interest rates fell.

In general, 2013 was a good year for investors. Shares in particular performed well and all the important indices showed strong profits. Developing countries were the exception to this.

Amsterdam's stock exchange profited from the cautious signs of recovery in Europe and a good performance by the American economy. After all, many Dutch multinationals now book an increasingly large part of their turnover outside Europe.

The AEX started the year on 342.17 points and ended over 17 percent higher at 401.79. 2013 was one of the better years this century. Only 2005 (+25 percent) and 2009 (+36 percent) were better. The small and medium cap indices also did well. The Amsterdam Midcap index was up 18 percent while the small cap index rose 26 percent.

## 2. Corporate Governance

### 2.1 KPN – Anti-takeover foundation helps out

KPN was global news last year, largely due to its power struggle with major shareholder América Móvil (AMX). KPN only remained out of Mexican clutches thanks to the intervention of its anti-takeover foundation – a typically Dutch invention. At the end of August, the friendly foundation exercised option rights it had been given when KPN was privatised in 1992 and which entitled it to half of the KPN voting rights. AMX had offered 2.40 euro for 50 percent plus one share of the company. Mexican