

date 5 January 2006  
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## Major expansion of Aalberts Industries in Southern Europe

Aalberts Industries N.V. has the intention of acquiring a 100% stake in the French company Comap S.A. from the also French company Legris Industries S.A. Negotiations have now reached the stage where full agreement between the parties is in the offing and, subject to approval from the regulatory authorities and advise of the works council of Comap, the takeover will be completed in the first quarter of 2006.

Comap, with a projected turnover in 2005 of approximately EUR 180 million and about 1,100 employees, is one of the leading players in the European market for Flow Control products. With its head office in Lyon, it has eight production units spread over France, Italy, Great Britain and Brazil. It also has an extensive sales network anchored in Southern Europe.

Comap's present management will remain with the firm, and will be collaborating closely with the other companies within the Aalberts Industries Group.

Comap's activities are divided into two main categories: water products and gas products. Water products are responsible for about 80% of its turnover, and comprise products for both drinking water systems and heating systems. Comap's product portfolio includes fittings, radiator valves, water control/quality systems and ready-to-install solutions for the installer. Gas products make up the remaining 20% of Comap's turnover, and include pressure control systems and tank connection sets for LPG.

Comap has an especially strong market position in Southern Europe, particularly in France, Italy, Spain and, to a lesser extent, Greece. It is also well represented in the Benelux and on the British market. Comap is also building up important market positions in an increasing number of Eastern European countries. Comap is also European market leader in the field of measurement and control systems for LPG.

### **Aalberts Industries N.V.**

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Customers for Comap products include all the major European wholesalers' organisations. Comap also supplies products to so-called OEM customers and to utility companies (water and gas). Comap has strong links with internationally active installation firms, which are served via wholesalers using the so-called one-stop-shopping concept.

Comap owns a number of renowned brand names in the most important product groups. These include SUDO (fittings), SAR (heating systems) and Clesse (LPG control systems).

Over the last four years Comap has upgraded a large part of its product portfolio to include self-developed, innovative products. These include press fittings with a visual control facility, a new thermostatically-controlled radiator valve programme and total ready-to-install solutions for drinking-water and heating systems.

The takeover of Comap fits into the long-term strategy of Aalberts Industries, which is aimed at strengthening the group's position in the Flow Control sector. The takeover creates a (for Europe, unique) network of cooperating companies within the Aalberts Industries Group, who will jointly assume a leading market position in almost all European countries. Thanks to its extensive network at local, national and pan-European levels, Aalberts Industries will now be able to directly meet the needs of all its Flow Control customers; needs that can differ very widely at the various levels of the market.

First and foremost, the takeover of Comap complements Aalberts Industries' activities in a geographical sense: Comap's strong presence in Southern Europe ensures that the Aalberts Industries Group now enjoys full coverage of the European market. Second, Comap has a number of additional product lines that are important for Aalberts Industries. These include a well-developed fittings programme for synthetic pipe systems. Comap has developed its so-called press/crimp fittings on the basis of an alternative technology; as a result this product line also fully complements Aalberts Industries' own press fittings line and therefore forms an important expansion of the fittings programme, particularly for a number of specialist markets, including Germany. Besides these new fittings the whole updated thermostatic valve range is complementary to the Aalberts Industries product portfolio.

Under the trade name ROC, Comap is also active in water quality with, among other products, filter systems, water descaling systems and UV sterilizers. This product package also fully complements that of Aalberts Industries and will enable it to penetrate a niche market in which, up to now, it has been relatively inactive.

Comap's gas activities, at present primarily focused on LPG, are also largely complementary to Aalberts Industries' existing activities. Aalberts Industries has itself developed and introduced products primarily for natural gas, although via its German subsidiary VTI it is also active in high-value (including medical) gases and high-value applications of, among other, natural gas (in the automotive sector). The takeover will enable Aalberts Industries to considerably extend the reach of its total gas activities and acquire an even stronger position as a gas specialist.

In the years to come Comap will be able to increase its profitability, partly as a result of the recent reorganisation and partly because of its new marketing and product development approach. Further improvements in profitability will also be made possible by Comap's collaboration with sister companies.

This collaboration will find expression in a wide range of subsectors. The most important focal points are:

- Reciprocal utilisation of the existing sales network
- Integrated product and market development on the basis of product specialisation
- Exchange of production technology and know-how
- Coordination of purchasing activities, including raw materials
- Utilisation of cross-selling opportunities.

The positive yield effects of the collaboration will become apparent over the next 18 months.

In order to finance this acquisition Aalberts Industries has already arranged the necessary loans to this end.

The takeover of Comap will contribute positively to the growth in earnings per share during 2006. In the years thereafter organic developments within the enterprise and synergistic effects will bring about a further structural increase in the profitability of Comap and therefore the Aalberts Industries Group as a whole. The takeover is accordingly a logical step in the already firmly established trend of growth through both organic developments and acquisitions that has characterised Aalberts Industries for so many years.

For more information about Comap please visit: [www.comap-group.com](http://www.comap-group.com)