

# Press release

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## Strategic expansion of Aalberts Industries Flow Control in North America

Aalberts Industries N.V., which operates in the fields of Industrial Services and Flow Control, has reached agreement with Tomkins Industries, Inc. to acquire 100% of the shares of LASCO Fittings, Inc., a leading US manufacturer and distributor of plastic fittings and related accessories for the plumbing, irrigation and pool/spa markets. The acquisition will be effected subsequent to finalizing all formalities, which is expected before March 1<sup>st</sup>, 2007.

With more than 500 employees generating an annual turnover of approximately USD 104 million (about EUR 80 million), LASCO Fittings is one of the key players in the American market for plastic plumbing, irrigation and spa & pool solutions. Additionally it has a comprehensive range of Flow Control products in its portfolio for both the retail and industrial sector. LASCO Fittings operates one manufacturing facility in Brownsville, Tennessee and has a nationwide distribution network of regional service centers.

Customers of LASCO Fittings' include the major plumbing buying groups and wholesalers, big box retail chains and pool & irrigation distributors. In addition, the company has strong relationships with international golf course specification agencies and developers. LASCO Fittings serves its customer base through its own sales teams complemented by a national and international network of independent manufacturers' representatives. Through its broad distribution network, LASCO Fittings provides differentiated, customer-oriented service including nationwide overnight delivery together with field and technical support.

The acquisition of LASCO Fittings fits into the strategy of Aalberts Industries, which is aimed at continuously strengthening of the group's position in the global Flow Control market. In 2004, Elkhart Products Corporation (EPC), an Indiana based producer and distributor of copper fittings, was acquired as strategic entrance into the American Flow Control market. Since then EPC has, through organic developments and by leveraging the know how of its sister companies in the group, significantly strengthened its market position as one of the leading copper fitting producers and distributors in the US. With the acquisition of LASCO Fittings, the next major strategic step is taken into the US market that will directly contribute to fulfilling customers' plumbing requirements and

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provide Aalberts Industries with a strategic entrance into the (inter)national irrigation and pool/spa markets.

First and foremost, this acquisition strengthens Aalberts Industries' activities in a geographical sense: LASCO Fittings' strong presence in North America, coupled with a solid export into the international irrigation markets, ensures the strategic expansion of Aalberts Industries' coverage of the US Flow Control market. Secondly, the acquisition provides Aalberts Industries with a broad range of complementary plastic products, a strong customer base and a nationwide sales & distribution network. LASCO Fittings' extensive range of plastic fittings and accessories for the plumbing sector form an important expansion of EPC's copper products portfolio, particularly for a number of strategic buying groups and wholesalers.

In addition, LASCO Fittings provides Aalberts Industries with a strategic entrance into the regional, national and international irrigation markets. The company is also active in the plumbing sector through its drain, waste and vent applications. This product package also fully complements that of Aalberts Industries and will enable it to penetrate this market.

LASCO Fittings' plastic production knowledge and expertise are also largely complementary to Aalberts Industries' existing activities in Europe. Aalberts Industries has developed and introduced a range of plastic products through its German subsidiary Simplex Armaturen + Fittings and the recent acquisitions of KAN (Poland) and Comap (France). The LASCO Fittings acquisition will enable Aalberts Industries to consolidate its knowledge and accelerate the time to market for new plastic products and solutions both in Europe and the US.

It is expected that LASCO Fittings' results will be consolidated with effect from March 1<sup>st</sup>, 2007, and will make a direct contribution to earnings per share. In order to finance the acquisition of LASCO Fittings, Aalberts Industries intends to issue 750,000 ordinary shares by way of an accelerated bookbuilt offering without a prospectus. Based on the closing price of Monday 12 February 2007 of EUR 73.30, this issue will involve an amount of approximately EUR 55 million. The new ordinary shares will be offered to institutional investors outside the US by means of a private placement (Regulation S). The ordinary shares to be issued will be fully entitled to receive dividends over the financial year 2006 and subsequent years and are interchangeable with shares already issued. Aalberts Industries has instructed ABN AMRO Rothschild to act as Sole Global Co-ordinator and Bookrunner in respect of the proposed offering. The offering will be launched immediately following this announcement and is expected to close on Tuesday 13 February 2007 at 17:30 hours CET, but may be closed earlier or later at the discretion of ABN AMRO Rothschild. The offering is subject to the usual conditions, including listing of the new shares on Euronext Amsterdam N.V.'s Eurolist by Euronext, but is not dependent on the completion of the acquisition of LASCO Fittings. The payment on and issue of the shares (settlement) is expected to take place on Friday, 16 February 2007. The remaining part of the purchase price to be paid for the acquisition of LASCO Fittings will be financed through credit facilities.

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Aalberts Industries notifies, subject to audit, that operating profit, net profit and earnings per share (all results before amortisation) in the second half of 2006 are expected to be approximately 10% higher than in the first half of 2006.

Aalberts Industries will organize a conference call today, February 13, 2007 at 10.00 hours CET. Topic of the conference call will be the acquisition of LASCO Fittings followed by a question and answer session. To participate in the conference call, please call the following number within 10 minutes prior to commencement:

**Dial in number: +31 (0)20 718 8530 - Pass code: 8806073**

For more information about LASCO Fittings please visit: [www.lascofittings.com](http://www.lascofittings.com)

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