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Aalberts Industries increases net profit by 23%

Highlights 1st half of 2007

- Revenue increased by 23% to EUR 859 million
- Organic revenue growth of 8% and 15% growth from acquisitions
- Operating profit (EBITA) increased by 21% to more than EUR 97 million
- Net profit increased by 23% to more than EUR 62 million
- Earnings per ordinary share increased by 21% to EUR 0.63
- Acquisitions in Flow Control (LASCO Fittings, US and KAN, Poland)
- Acquisitions in Industrial Services (Genlis and GSA/Garnier, France)

Key figures (before amortisation) in EUR x million

	H1 2007	H1 2006	Change
Revenue	858.6	697.4	23%
Operating profit (EBITA)	97.3	80.3	21%
Net profit	62.7	51.0	23%
Average number of ordinary shares*	100.1	98.2	2%
Earnings per ordinary share (x EUR 1)*	0.63	0.52	21%
Cash flow (net profit plus depreciation)	92.6	77.2	20%
Capital base as a % of total assets	33.0	28.5	
Net debt	667.5	604.5	10%
Interest cover	6.6	6.7	
Net debt / Total equity (gearing)	1.4	1.8	

*rounded after ordinary share split 4:1 (May 2007)

Jan Aalberts, President & CEO: *'The first six months generated good results and solid organic growth... We were pleased with the equity issuance, in combination with the acquisition of LASCO Fittings, allowing us to maintain healthy balance sheet ratios while continuing our path of organic growth and acquisitions... Our order position and intake remain good providing us with confidence for the second half of 2007...*

During the first six months Industrial Services was able to benefit from the positive industry sentiment across the various markets we offer our high grade components and services... Particularly the automotive, semiconductor, medical and aerospace industries provide us stable organic growth and future potential.... We were able to further strengthen our position with a number of key customers and invested in our technological capabilities, capacity and geographic presence...

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In Flow Control we were able, through the acquisition of LASCO Fittings, to further strengthen and diversify our US market position, mitigating some of the slowdown in the residential construction sector... The revenues in Eastern Europe increased considerably through both organic growth and the consolidation of KAN in Poland as of January 1st... Both in France and the UK significant steps were taken to integrate companies to strengthen our market positions and increase efficiency...'

During the first six months of 2007, Aalberts Industries was able to continue its path of profitable growth through organic development and acquisitions. Aalberts Industries successfully introduced a number of new products and services and was able to improve its position in a number of markets. Again, price volatility in the raw material market was relatively high and much effort was invested to maintain the margin levels.

The organic revenue growth came to 8%, to which both Flow Control and Industrial Services contributed. Both the acquisitions of 2006 and the first half of 2007 had a further positive effect on the revenue and profit development. The EBITA margin in Industrial Services amounted to 12.0% (11.6% in the first half of 2006). The EBITA margin in Flow Control came to 11.1% (11.5% in the first half of 2006), mainly due to the slowdown in the US residential construction sector and the integration in France. The number of employees increased over the last twelve months, primarily resulting from acquisitions, from 9,472 to 11,215.

Capital expenditure amounted to approximately EUR 48 million, an increase of 34% over last year. Investments were realised, among other things, in the French Flow Control activities, as part of the integration plan in which the number of production and distribution facilities will be rationalised. Both Flow Control and Industrial Services invested in Poland to establish new and expand existing production facilities. Sizeable investments occur in Germany to meet the increasing demand for heat treatment services.

The capital base amounted to 33% of the balance sheet total, interest cover was 6.6 and gearing (net debt/total equity) came to 1.4. To increase the marketability of its ordinary shares, Aalberts Industries has split each share (par value EUR 1.00) into four shares with a par value of EUR 0.25 each in May 2007.

For the second half of the year the prospect of a stable development of the markets Aalberts Industries is active in justifies the expectation that, barring unforeseen circumstances, the earnings per share over the whole year 2007 will develop in line with the average growth of the past years.

Attachments:

- Consolidated balance sheet
- Consolidated income statement
- Consolidated cash flow statement
- Changes in shareholders' equity, Key figures and Geographical spread of revenue
- Segment reporting, Explanatory notes to the summary financial statements and Financial Agenda 2008

More information on the acquisitions can be found at: www.aalberts.nl/news

CONSOLIDATED BALANCE SHEET

in EUR x million

	30 June 2007	31 December 2006	30 June 2006
ASSETS			
Goodwill	311.0	270.4	281.2
Other intangible assets	107.1	69.7	61.2
Property, plant and equipment	425.0	378.0	358.6
Investments in associated companies	-	-	0.1
Deferred income tax assets	12.6	12.3	9.3
Non-current assets	855.7	730.4	710.4
Inventories	372.4	314.2	281.0
Trade receivables	290.5	213.2	261.4
Other current assets	29.0	21.0	23.3
Cash and cash equivalents	0.1	0.1	0.1
Current assets	692.0	548.5	565.8
Total assets	1,547.7	1,278.9	1,276.2
EQUITY AND LIABILITIES			
Shareholders' equity	483.3	383.6	329.0
Minority interests	6.7	3.9	3.5
Total equity	490.0	387.5	332.5
Non-current borrowings	395.2	334.3	361.0
Cumulative preference shares	20.4	20.4	30.6
Employee benefit plans	34.7	34.2	32.1
Deferred income tax liabilities	22.9	12.5	8.5
Other provisions	7.8	7.0	10.5
Non-current liabilities	481.0	408.4	442.7
Current borrowings	189.8	117.7	148.9
Current portion of non-current borrowings	62.1	60.6	64.0
Trade and other payables	189.3	189.9	171.9
Current income tax liabilities	21.7	14.4	13.5
Other current liabilities	113.8	100.4	102.7
Current liabilities	576.7	483.0	501.0
Total equity and liabilities	1,547.7	1,278.9	1,276.2

CONSOLIDATED INCOME STATEMENT

in EUR x million

	H1 2007	H1 2006
Revenue	858.6	697.4
Other income	2.4	2.4
Total operating income	861.0	699.8
Raw materials and work subcontracted	(358.3)	(265.8)
Personnel expenses	(226.2)	(198.2)
Depreciation of property, plant and equipment	(29.9)	(26.2)
Amortisation of intangible assets	(4.6)	(3.7)
Other operating expenses	(149.3)	(129.3)
Total operating expenses	(768.3)	(623.2)
Operating profit	92.7	76.6
Net finance cost	(14.9)	(12.0)
Profit before tax	77.8	64.6
Tax expenses	(19.0)	(16.9)
Profit after tax	58.8	47.7
Attributable to:		
Ordinary shareholders	58.1	47.3
Minority interest	0.7	0.4
Net profit before amortisation	62.7	51.0
Earnings per ordinary share before amortisation (in EUR x 1)	0.63	0.52

CONSOLIDATED CASH FLOW STATEMENT

in EUR x million

H1 2007

H1 2006

Cash flows from operating activities

Operating profit	92.7	76.6
Adjustments for:		
Depreciation of property, plant and equipment	29.9	26.2
Amortisation of intangible assets	4.6	3.7
Changes in provisions	1.0	(1.1)
Changes in working capital	(114.7)	(68.2)
Cash flow from operations	13.5	37.2
Net finance cost paid	(17.2)	(12.0)
Income taxes paid	(13.4)	(13.7)
Net cash from operating activities	(17.1)	11.5

Cash flows from investing activities

Acquisition of subsidiaries	(111.3)	(119.5)
Capital expenditure and intangibles	(46.9)	(37.9)
Other cash flows	-	2.6
Net cash from investing activities	(158.2)	(154.8)

Cash flows from financing activities

Proceeds from issue of share capital	54.6	0.2
Proceeds from non-current borrowings	92.4	136.5
Repayment of non-current borrowings	(31.9)	(34.0)
Dividends paid	(12.5)	(12.1)
Other cash flows	0.5	(7.9)
Net cash from financing activities	103.1	82.7

Net increase/(decrease) in cash and current borrowings

(72.2) (60.6)

CHANGES IN SHAREHOLDERS' EQUITY

in EUR x million

	H1 2007	H1 2006
Balance as at the beginning of the period	383.6	298.5
Net profit for ordinary shareholders	58.1	47.3
Issue of ordinary shares	54.6	-
Dividend for ordinary shareholders	(12.5)	(12.1)
Exchange rate differences and other movements	(0.5)	(4.7)
Total net effect	99.7	30.5
Balance as at the end of the period	483.3	329.0

KEY FIGURES

(before amortisation in EUR x million)

	H1 2007	H1 2006
Cash flow (net profit plus depreciation)	92.6	77.2
Capital expenditure	47.7	35.5
Capital base as a % of total assets	33.0	28.5
Operating profit (EBITA) as a % of revenue	11.3	11.5
Interest cover	6.6	6.7
Tax rate in %	23.3	24.8
Net profit as a % of revenue	7.3	7.3
Earnings per ordinary share (x EUR1)	0.63	0.52
Average number of ordinary shares (x million)	100.1	98.2
Number of ordinary shares (x million)	102.0	98.2
Number of employees as at end of period (x 1)	11,215	9,472

GEOGRAPHICAL SPREAD OF REVENUE

	H1 2007 in EUR million	Change com- pared to H1 2006	H1 2007 as a % of revenue	H1 2006 as a % of revenue
Germany	154.4	13%	18.0	19.7
United Kingdom	131.0	19%	15.3	15.8
Benelux	122.3	26%	14.2	13.9
United States	102.5	20%	11.9	12.2
France	101.0	16%	11.8	12.5
Eastern Europe	69.8	72%	8.1	5.8
Spain & Portugal	48.6	11%	5.7	6.3
Scandinavia	43.0	39%	5.0	4.4
Other	86.0	31%	10.0	9.4
Total	858.6	23%	100.0	100.0

SEGMENT REPORTING

(before amortisation in EUR x million)

Industrial Services	H1 2007	H1 2006	Change
Revenue	257.6	227.9	13%
Operating profit (EBITA)	30.9	26.4	17%
Operating profit (EBITA) as a % of revenue	12.0	11.6	
Capital expenditure	18.1	12.4	46%
Depreciation	14.5	13.3	9%
Average number of employees (x1)	4,386	4,086	7%

Flow Control	H1 2007	H1 2006	Change
Revenue	601.0	469.5	28%
Operating profit (EBITA)	66.4	53.9	23%
Operating profit (EBITA) as a % of revenue	11.1	11.5	
Capital expenditure	29.6	23.1	28%
Depreciation	15.4	12.2	26%
Average number of employees (x1)	6,303	4,835	30%

EXPLANATORY NOTES TO THE SUMMARY FINANCIAL STATEMENTS

- The accounting principles applied are based on IFRS
- The data included in this report are unaudited

FINANCIAL AGENDA 2008

subject to change

28 February	Publication of annual figures 2007 (before start of trading)
23 April	General Meeting of Shareholders in the Okura Hotel, Amsterdam (start: 14:00 hrs)
25 April	Ex-dividend listing
25 April - 14 May	Option period stock dividend or cash dividend
29 April	Record date
15 May	Fixation of stock dividend conversion ratio (after close of trading)
20 May	Making payable of dividend and delivery of new ordinary shares
13 August	Publication of interim figures 2008 (before start of trading)