



Share purchase agreement regarding the acquisition of Royal Van Kempen & Begeer signed by Royal Delft

Intended equity offering and announcement of Extraordinary General Meeting of Shareholders

Publication of first half year results 2008

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Delft – Today, close of business, N.V. Koninklijke Delftsch Aardewerkfabriek “De Porceleyne Fles Anno 1653”, late Joost Thooft & Labouchere (Royal Delft), listed on Euronext Amsterdam signed a share purchase agreement concerning the acquisition of the shares in the capital of B.V. Koninklijke Van Kempen & Begeer (“VKB”) from its sole shareholder Corpeq B.V. VKB, headquartered in Zoetermeer, is a Dutch producer of cutlery, pans, tableware and kitchenware.

Patrick Grasso, CEO of Royal Delft:

“I am very delighted with this important milestone for the future of both Royal Delft and Royal Van Kempen & Begeer. After the acquisition of Royal Leerdam Crystal in early 2008, the time is ripe for a major step towards the envisaged multi-brand & multi-channel strategy. Through this acquisition a reputable company with a focus on kitchen and tableware will complement Royal Delft, including well-known brands such as BK, Keltum, Gero and Royal VKB. In addition to the bundling of forces of two centuries-old Dutch companies, the combination of Royal Delft and VKB offers many opportunities to create an even stronger international organisation. Going forward, we will first focus on growth and the realization of synergy potential that is embedded in this combination.”

Intended equity offering and announcement of Extraordinary General Meeting of Shareholders

As announced in our press release of 22 may 2008, Royal Delft intends to finance the acquisition of VKB by means of an equity offering. The equity offering will be a rights issue that is expected to take place at the end of September of this year. Moreover, Royal Delft will continue the existing debt facilities of VKB.

Royal Delft will ask approval for both the acquisition of VKB and the rights issue during the Extraordinary General Meeting of Shareholders (“EGM”) to be held on 21 August 2008. The complete agenda and a shareholders’ circular will be available on our website ([www.royaldelft.com](http://www.royaldelft.com)) as of today. These documents are also available through the main paying agent ABN Amro. The shareholders’ circular includes

information on the acquisition of VKB, the rights issue, the companies (Royal Delft, Leerdam Crystal and VKB) and the new strategy of the combination going forward.

Boron Investments N.V., representing 51.64% of the issued share capital of Royal Delft, has indicated that it intends to exercise its rights in connection with the rights issue to maintain its relative shareholding. It will also take up any shares that are not placed as part of the rights issue. Moreover, Boron Investments intends to vote in favour of the acquisition, the rights issue and all related decisions.

#### New strategy Royal Delft

Following a management change in 2006, Royal Delft has focused its strategy on becoming less dependent on tourism and is refocusing the strategy towards a multi-brand & multi-channel producer of exclusive interior design products for the higher segments of the market. This strategy of Royal Delft is built on the following four pillars:

1. Entering into outsourcing partnerships
2. Developing additional sales channels
3. Adding new products and brands to the range
4. Focusing product development on younger and more dynamic customers

To realise this, Royal Delft has chosen a strategy that is based on both organic growth as well as acquisitions. In early 2008, Royal Delft made a first step in realising its multi-brand & multi-channel strategy through the acquisition of the exclusive producer of crystal Royal Leerdam Crystal from the US-based company Libbey. The envisaged acquisition of VKB is the second acquisition that substantially contributes to Royal Delft's multi-brand & multi-channel strategy.

#### Profile and strategy VKB

VKB offers branded products with a high brand recognition in the field of cutlery, pans, tableware and kitchenware. VKB's most important brands are BK (pans and kitchenware), Keltum (cutlery and tableware), Gero (cutlery, pans and kitchenware), and Royal VKB (design pans and kitchenware). The manufacturing of VKB's product line is outsourced to the Far East. VKB mainly sources from five large Asian suppliers, which account for approximately 75 percent of the total procurement of VKB. Procurement and quality control are the main activities of VKB's Hong Kong subsidiary. VKB's activities in Zoetermeer include sales, packaging, logistics management, quality control, storage, showroom, design and development. Although VKB has a diverse and broad customer base, approximately 60 percent of VKB's revenues are generated by its top ten clients. Even though VKB's share of sales generated outside the Netherlands is growing, the majority of its sales are still generated in The Netherlands.

VKB employs a strategy that is built on two pillars: 1) the strengthening of its three market leader brands BK, Gero and Keltum in The Netherlands and 2) the acceleration of international expansion and further development of the Royal VKB brand.

With net sales of approximately € 23 million in 2007, VKB is considerably larger compared to Royal Delft, which will enable the Royal Delft combination to leverage the synergies in terms of economies of scale. For a more detailed description on the companies and the transaction, reference is being made to the shareholders' circular.

## Rationale of the acquisition of VKB

After a thorough analysis of VKB and the markets within which it operates, Royal Delft expects to realise various synergies in terms of both production and sales. More specifically, Royal Delft expects to realise advantages in the following areas:

- Outsourcing to the Far East: Royal Delft intends to outsource the "bulk" production of its assortment to low-wage countries, and can leverage VKB's knowledge and successful experience in the Far East;
- Develop additional sales channels: in view of VKB's longstanding relationship with chain store retailers and specialty stores in The Netherlands and its international sales channel in over twenty countries, Royal Delft believes these relationships and sales channels will be beneficial to the brand awareness and visibility of the other brands within the new organization;
- Design: integrating Royal Delft, Royal Leerdam Crystal and VKB offers a broader product portfolio that will improve the existing relationships with designers and galleries;
- Demographic customer base: the design brand "Royal VKB" has a strong focus on a young and dynamic demographic target group. VKB's expertise in marketing to these demographic customer base can be used for product development at Royal Delft and Royal Leerdam Crystal;
- Cost and other operational synergies: the combination of the three companies will lead to substantial cost synergies in the areas of, amongst others, the combination of sales and marketing initiatives, logistics, storage and administration.

After closing of the acquisition, Royal Delft will pursue an integration path focused on realizing the synergy potential.

## Publication of first half year results 2008

Royal Delft concluded the first half year with a positive operating result before interest and taxes in the amount of € 37,000. This result includes a one-off benefit of € 282,000 related to negative goodwill (badwill) that was realised as a consequence of the acquisition of Royal Leerdam Crystal. This acquisition was finalised on 2 January 2008. Compared to the acquired assets and liabilities, Royal Delft paid an attractive purchase price, resulting in a negative goodwill. This negative goodwill has had a positive impact on the result over the first half year of 2008 in the consolidated figures of Royal Delft. The consolidated figures over the first half year of 2008 include both the financials of Royal Delft and Royal Leerdam Crystal. Royal Delft's figures for the first half year of 2007, excluding Royal Leerdam Crystal, reported a positive operating result before interest and taxes of € 283,000.

The difference in operating result for the first half year of 2007 compared to 2008 can be attributed to the decline in sales to tourists by both Royal Delft and Royal Leerdam Crystal. At Royal Delft, both the number of visitors and the average spending per customer was lower compared to the first half year of 2007. This decline can be explained by the weakening of the US dollar compared to the Euro. Moreover, both the business-to-business sales of Royal Delft and Royal Leerdam Crystal in the first half of 2008 lagged as a result of the changing economic climate.

Royal Delft's management has started various measures to improve the operating result, including:

- New commercial initiatives for both Royal Delft and Royal Leerdam Crystal that will have a positive impact on sales and decrease the dependency on tourism;
- Cost reduction by reducing the number of standby employees;

- Work out plan for long-term measures at Royal Delft and Royal Leerdam Crystal.

The plan for long-term measures at Royal Delft is related to the integration with VKB. The company expects to realise substantial synergy potential. Moreover, the development of the operating result underscores the importance of the started multi-brand & multi-channel strategy, which in turn stresses the importance of the acquisition of VKB.

#### Results HY1 2008/ 2007

Total in thousands of Euros	2008	2007
Net sales	2,397	2,102
Operating result	37	283
Net result	14	195
Per share in Euros		
Net result	0.05	0.73

#### Advisors in the acquisition of VKB

Lindenaar & Co Corporate Finance acted as advisor to Royal Delft in connection with the acquisition process. KPMG Corporate Finance acted as financial advisor to Corpeq. NautaDutilh N.V. and 2BLegal are acting as Legal advisor to Royal Delft regarding the rights issue and the acquisition, respectively. VKB is acting as the Legal advisor to Corpeq.

#### About Royal Delft

Royal Delft is the leading producer of authentic Delftware (Delft Blue) and special ceramic products in small quantities and also operates as a ceramics knowledge centre. Additionally, it also welcomes more than 150,000 visitors from all over the world to experience the traditional production process of Delftware products. In 2007, Royal Delft acquired crystal producer Royal Leerdam Crystal.

#### About Royal Leerdam Crystal

Royal Leerdam Crystal produces a broad selection of traditionally made crystal design and tableware products. Since the beginning of the twentieth century, the factory has engaged artists to create an aesthetically sound product portfolio. Leerdam's reputation has been formed by famous glass designers such as Berlage, De Bazel, Lebeau, Lanooy, A.D. Copier and Meydam. In the past few years, together with Leerdam's designer Siem van der Marel, a varying group of (young) designers and artists have committed themselves to the factory, and help determine the Royal Leerdam Crystal image.

#### About Koninklijke Van Kempen & Begeer

VKB, incorporated in 1789, is owner of the brands Keltum (cutlery and tableware), Gero (cutlery, pans and kitchenware), BK (pans and kitchenware), Q-Linair (pans and kitchenware) and Royal VKB (design pans and kitchenware). The company's experience for over 200 years is reflected in the traditional craftsmanship combined with modern techniques to produce and market cutlery, pans, tableware and kitchenware.