



H1 2004

Aalberts Industries N.V.



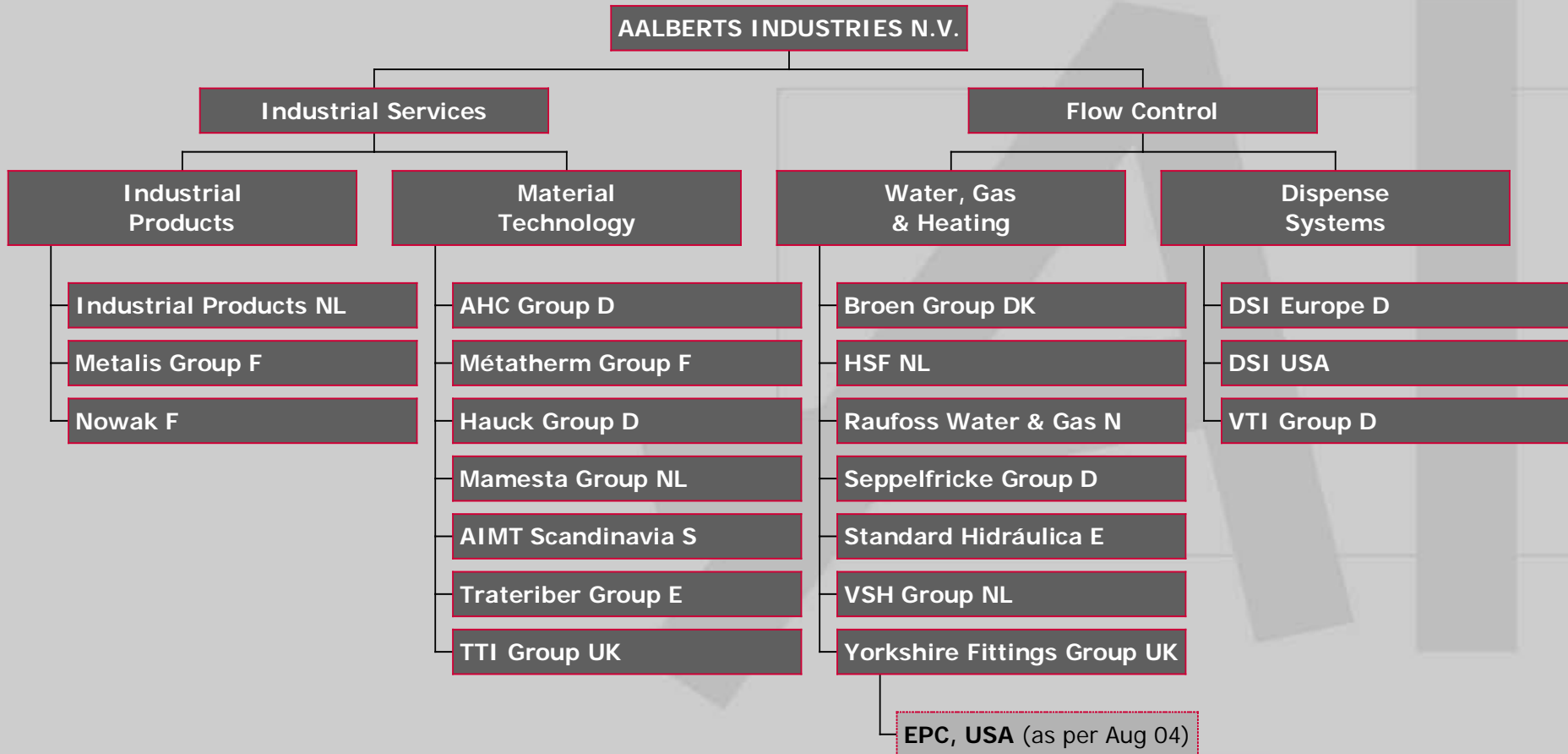
Agenda

- Highlights H1 2004
- Profile
- Strategy
- Financial review
- Operational review
- The Aalberts Industries share
- Outlook

Highlights H1 2004

- 7% organic growth in turnover (€30 million)
- Turnover increased by 11% to €437.3 million
- Net profit rose by 24% to €31.7 million (7.3% of turnover)
- Net earnings per share increased by 21% to €1.31
- Position strengthened in Scandinavia by acquisition of Raufoss Water & Gas
- Substantial position in the USA by acquisition of Elkhart Products

Profile



Long term strategy

- Growth in earnings per share
 - Average well above market level
- Continuous growth in turnover
 - Organic growth and acquisitions
- Balanced distribution of turnover
 - Independence on developments in any one segment (lowering risk for shareholders)
- Leading positions in the market
 - One of the top 3 providers in all relevant markets
- Healthy balance sheet ratios
 - Capital base >25%, interest cover >4

Financial Review

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Financial highlights

- Strong increase of raw material and energy costs passed on to market
- Operational margins improved
- Limited currency fluctuations (USD/GBP)
- Increase in working capital by seasonal patterns in stocks, increased sales and acquisition of Raufoss
- Further improvement of important ratios
- 80% of dividend 2003 was taken in shares

Profit & loss account

<i>(x EUR million)</i>	H1 2004	H1 2003	Change	
Turnover	437.3	395.1	↑	11%
Operating profit (EBITA)	50.1	43.6	↑	15%
Interest charges	7.4	9.2	↓	20%
Taxes	9.4	7.7	↑	22%
Dividend on cumprefs	1.0	1.1	↓	11%
Net profit	31.7	25.6	↑	24%
Goodwill amortisation	5.7	5.5	↑	4%
Cash flow (profit plus depreciation)	52.3	46.7	↑	12%
Investments	16.8	14.8	↑	14%

before amortisation of goodwill

H1 2004

Balance sheet

ASSETS <i>(x EUR million)</i>	30/06/04	31/12/03	30/06/03
Intangible fixed assets (goodwill)	198.5	201.7	203.9
Tangible fixed assets	227.4	226.5	233.5
Financial fixed assets	0.6	1.0	1.4
Total fixed assets	426.5	429.2	438.8
Stocks	167.6	147.6	157.8
Debtors	167.2	122.3	147.0
Cash at bank and in hand	0.1	0.1	0.1
Total current assets	334.9	270.0	304.9
Total assets	761.4	699.2	743.7

Balance sheet

LIABILITIES <i>(x EUR million)</i>	30/06/04	31/12/03	30/06/03
Group Equity	240.5	213.3	192.4
Subordinated loan	7.6	15.2	22.7
Capital Base	248.1	228.5	215.1
Provisions	23.1	23.7	23.4
Long-term liabilities	154.3	167.8	192.5
Current liabilities (interest-bearing)	185.9	155.3	183.8
Current liabilities (non interest-bearing)	150.0	123.9	128.9
Total group equity & liabilities	761.4	699.2	743.7

Cash flow statement

<i>(x EUR million)</i>	H1 2004	H1 2003
Operating profit	44.4	38.1
Depreciation of tangible fixed assets	20.6	21.1
Amortisation of goodwill	5.7	5.5
EBITDA	70.7	64.7
Changes in provisions	(0.6)	(0.3)
Changes in working capital	(40.4)	(16.6)
Cash flow from operations	29.7	47.8

Cash flow statement

<i>(x EUR million)</i>	H1 2004	H1 2003
Interest charges	(7.4)	(9.2)
Taxes	(3.0)	(8.5)
Acquisitions of group companies	(7.9)	(15.2)
Investments in tangible fixed assets	(17.4)	(12.8)
Long-term liabilities contracted	-	25.0
Repayments on long-term liabilities	(29.8)	(30.8)
Dividend paid	(3.6)	(3.3)
Other movements	1.2	(1.3)
Net cash flow	(38.2)	(8.3)

Key figures

	H1 2004	H1 2003	Change
Operating profit (EBITA) as a % of turnover	11.5	11.0	
Net profit as a % of turnover	7.3	6.5	
Net profit per share (in EUR)	1.31	1.08	↑ 21%
Cash flow per share (in EUR)	2.16	1.97	↑ 10%
Average number of shares issued (in million)	24.2	23.7	↑ 2%
Total number of employees	6,562	6,466	↑ 1%

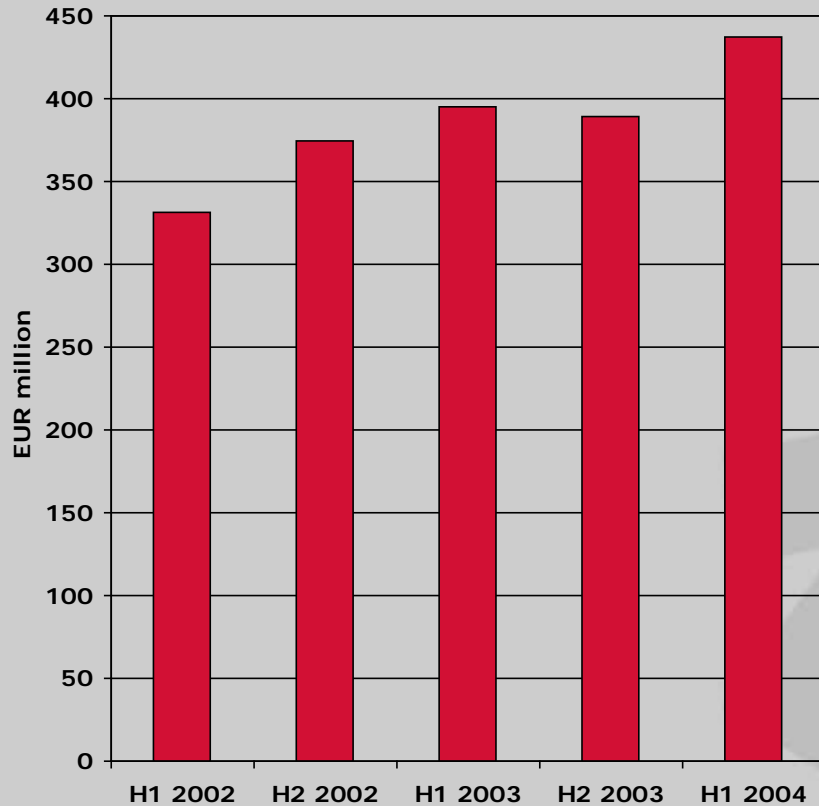
before amortisation of goodwill

Key figures

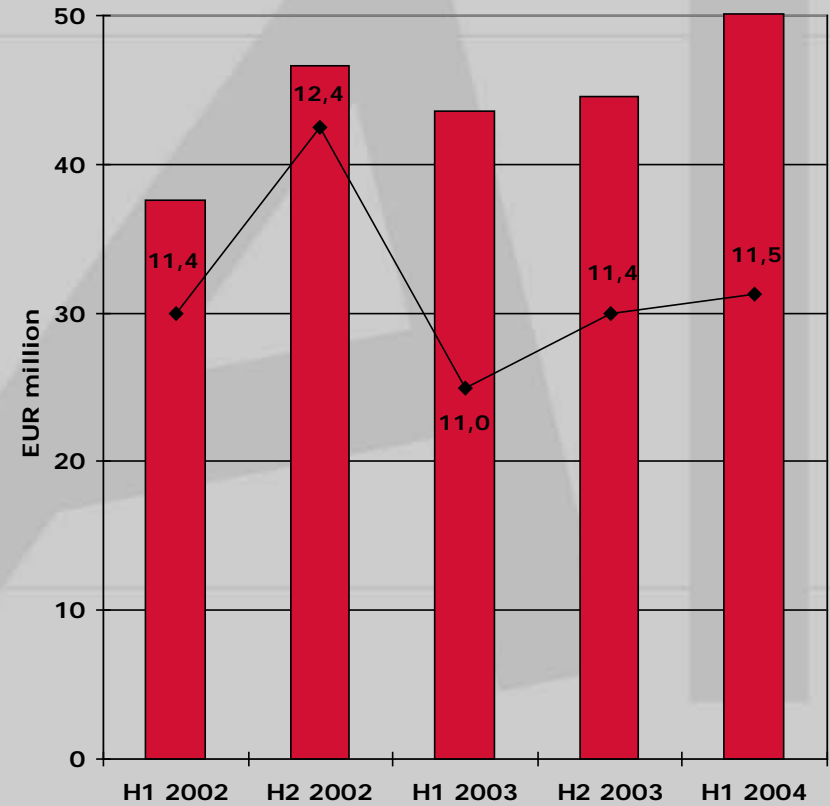
	H1 2004	H1 2003
Interest cover (EBITA / Interest)	6.7	4.7
Group equity	240.5	192.4
% Capital base / Total assets	32.6	28.9
Interest-bearing debt	347.9	399.1
Debt to equity ratio (Gearing)	1.45	2.07

Turnover & EBITA

TURNOVER



EBITA



Operational Review

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Geographic breakdown of turnover

	H1 2004 in EUR million	Change	H1 2004 as a % of turnover	H1 2003 as a % of turnover
Germany	133.8	↑ 11%	30.6	30.6
Netherlands	66.9	↑ 2%	15.3	16.6
United Kingdom	64.0	↑ 6%	14.6	15.3
France	53.1	↑ 12%	12.1	12.0
Nordic countries	23.4	↑ 36%	5.4	4.4
Spain	22.2	↑ 11%	5.1	5.0
Eastern Europe	21.5	↑ 34%	4.9	4.1
United States of America	10.6	↓ 4%	2.4	2.8
Other European countries	30.1	↑ 10%	6.9	6.9
Other non-European countries	11.7	↑ 23%	2.7	2.3



Industrial Services



Industrial Services

- Production started in Poland (Metalis)
- Market growth in Spain, France and Germany
- Improved utilisation rates in Industrial Products due to pick-up in semi-conductor industry and telecom



Industrial Services



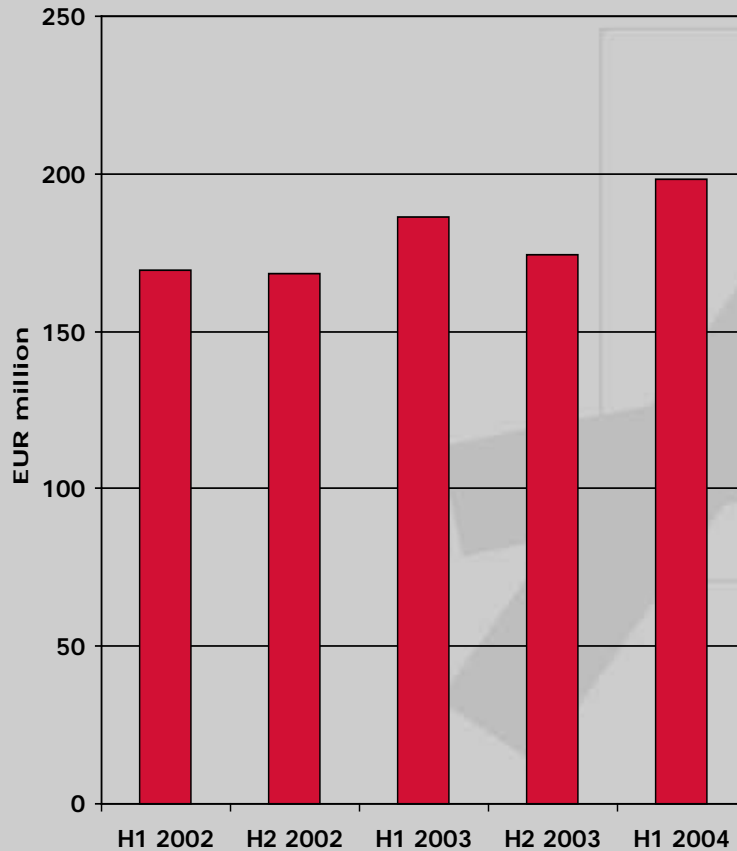
<i>(x EUR million)</i>	H1 2004	H1 2003	Change
Turnover	198.1	186.1	↑ 6%
Operating profit (EBITA)	23.3	21.2	↑ 10%
EBITA as a % of turnover	11.8	11.4	
Investments	8.7	9.1	↓ 4%
Total number of employees (x 1)	3,695	3,667	↑ 1%

before amortisation of goodwill

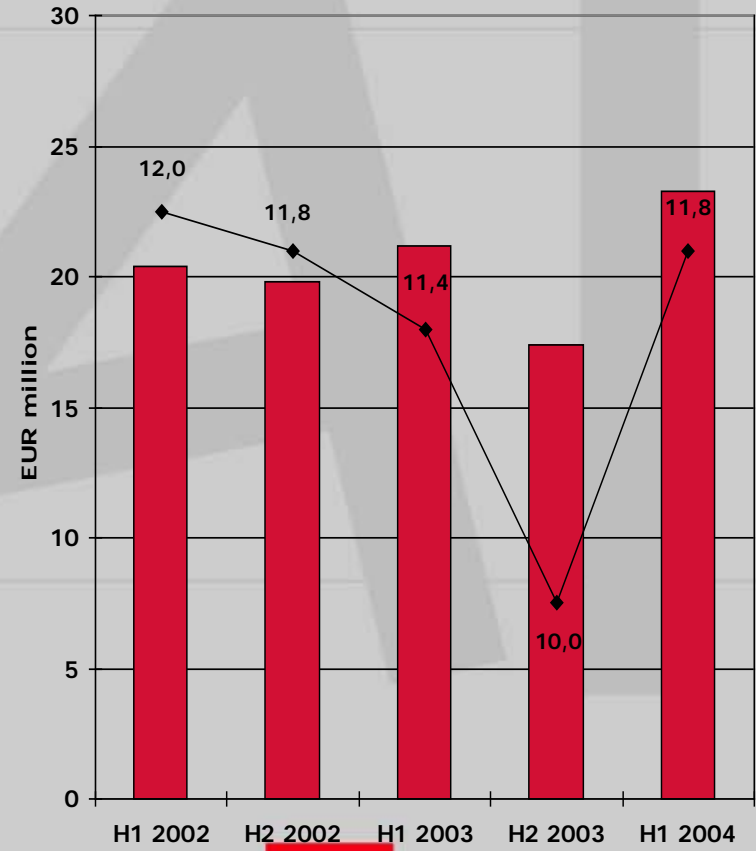
Industrial Services



TURNOVER



EBITA



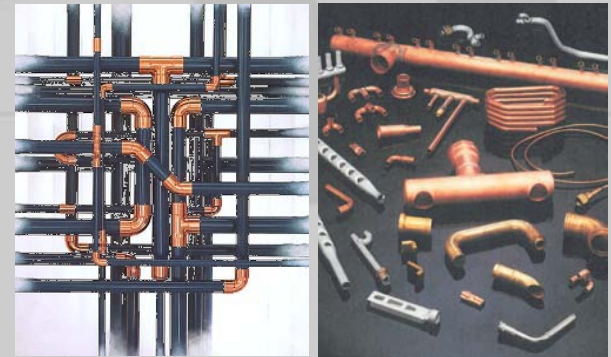


Flow Control



Flow Control

- Acquisition: Raufoss, Norway
- Market growth in Eastern Europe, Spain, France and Germany
- Improved margins in Dispense Systems
- Raw material prices
- Announcement of acquisition: EPC, USA



Flow Control



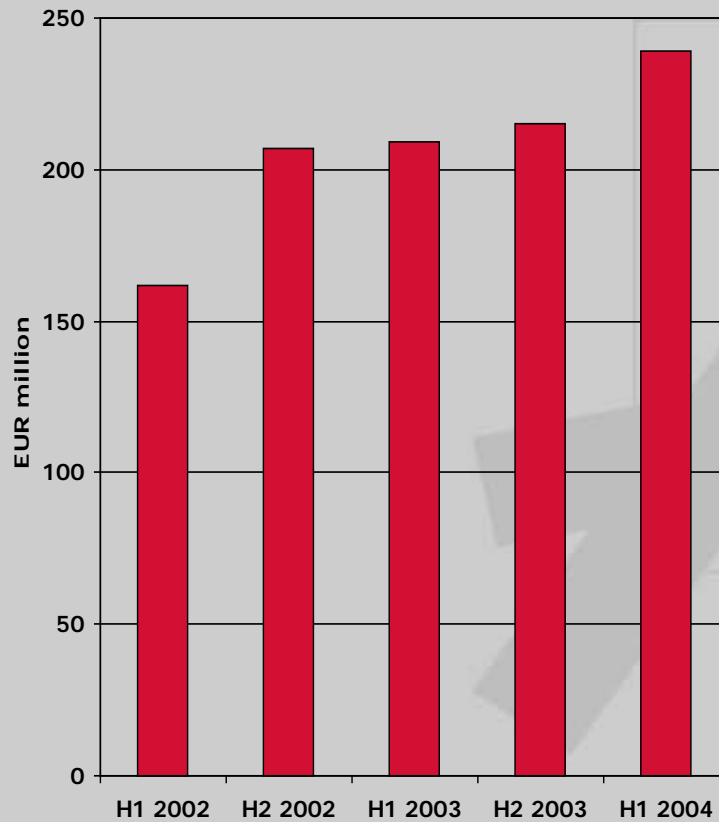
<i>(x EUR million)</i>	H1 2004	H1 2003	Change
Turnover	239.2	209.0	↑ 14%
Operating profit (EBITA)	26.8	22.4	↑ 20%
EBITA as a % of turnover	11.2	10.7	
Investments	8.1	5.7	↑ 42%
Total number of employees (x 1)	2,852	2,782	↑ 3%

before amortisation of goodwill

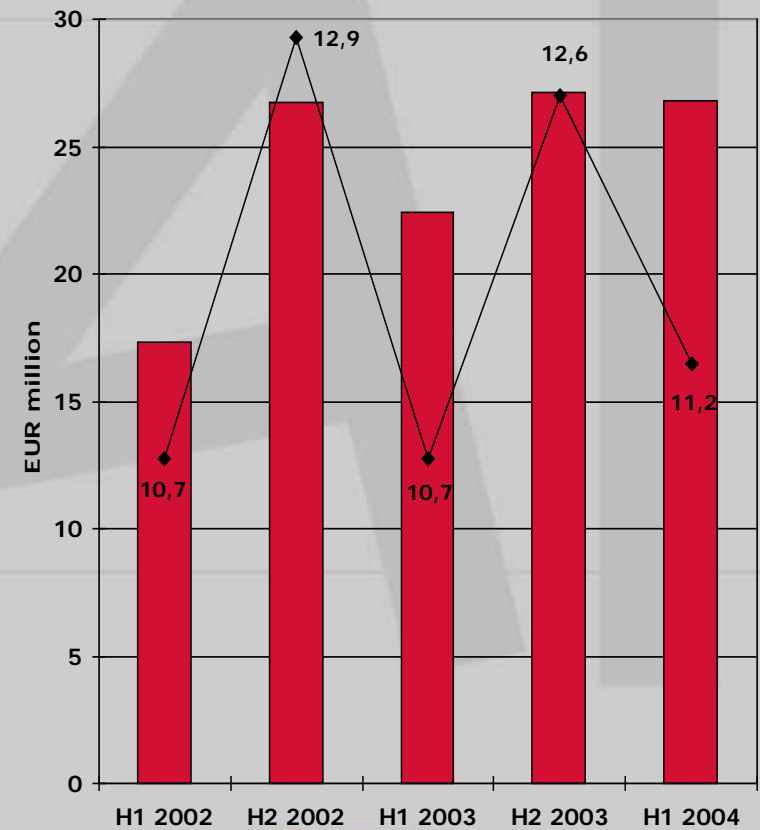
Flow Control



TURNOVER



EBITA



The Aalberts Industries share

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The Aalberts Industries share

	Jan-Sep 2004	2003	2002	2001	2000	1999
Average trading volume <i>(number of shares)</i>	75,224	33,411	34,997	24,958	34,766	35,654
Closing share price <i>(in EUR)</i>	29.25	20.53	14.80	22.05	26.00	20.10
Shares in issue <i>(in EUR million)</i>	24.2	23.7	23.2	19.5	19.2	18.9
Market capitalisation <i>(in EUR million)</i>	700	488	344	429	500	380

Outlook



Outlook

- Long term target
 - Continuity of growth
 - Organic
 - Acquisitions
- Points of interest in H2 2004
 - Integration of EPC, USA as per August 2004
 - Continued efficiency improvements
 - Further development of IFRS project
 - Possible acquisition(s)
- Influences
 - Changes can soon occur, both positively and negatively

Outlook

Barring unforeseen circumstances,
we expect business to continue
developing positively throughout 2004