



# FY2006 RESULTS

2006 was without doubt a good year

# Today's agenda

- Highlights
- Profile
- Strategy
- Financial review
- Operational developments
- The Aalberts Industries share
- Outlook
- Questions and answers

# Without doubt a good year

- Increase in **revenue** 37% to EUR 1.44 billion
- Strong **organic growth** of 14% with consistent acquisition strategy
- **Operating profit** increased 40% to EUR 168.1 million
- **Net profit** rose by 29% to EUR 107.5 million
- **Earnings per share** EUR 4.38, an increase of more than 28%
- **Dividend** increase of 29% to EUR 1.10
- **Strategic expansion** Flow Control, acquisitions Comap (France) and KAN (Poland)
- Preparation acquisition **LASCO Fittings** (US)
- **Continuous development and introduction** of new innovative products and services



# Profile

Million markets, billion solutions

# Profile

## AALBERTS INDUSTRIES N.V.

Decentralised structure  
with significant operational management responsibilities  
Small holding; 12 employees

Small team of group managers reporting to the holding

### **INDUSTRIAL SERVICES**

31% of total revenue

Subcontracting of products &  
processes for high-grade  
industries

### **FLOW CONTROL**

69% of total revenue

Products & systems to  
connect, distribute and  
regulate liquid and gas flows



# Industrial Services markets



Aircraft industry



Semiconductor industry



Medical industry



Precision engineering



Aluminium industry



Defence industry



Automotive industry

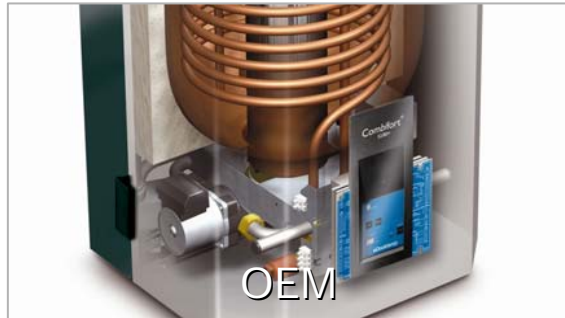


Communication industry



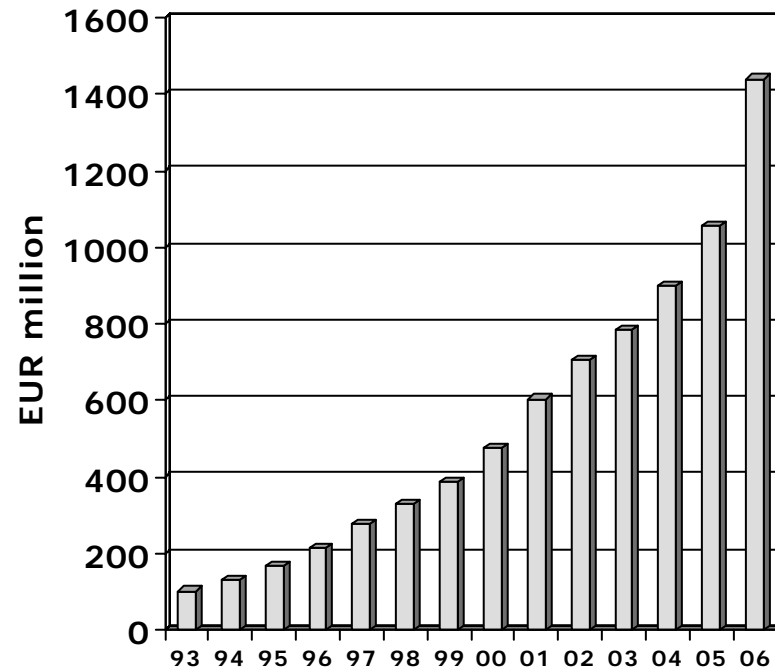
Optical industry

# Flow Control markets

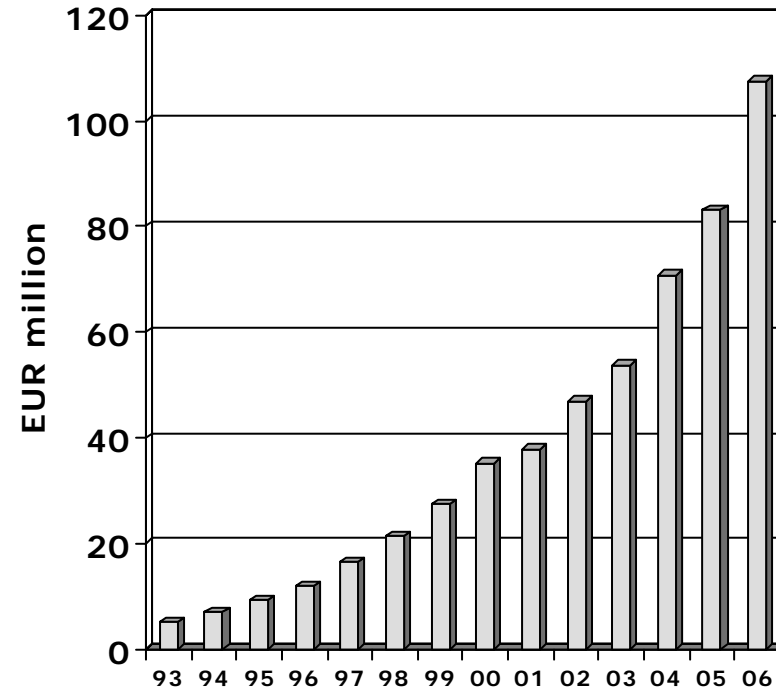


# One of its kind

## Revenue



## Net profit







# Operating companies

- Worldwide presence
- More than 150 own production locations and a few sales offices





# Strategy

Focus on growth

## Long term strategy

- Stable growth in earnings per share
  - Average well above market level
- Continuous growth in revenue
  - Organic growth and acquisitions
- Wide spread of revenue
  - Lowering risk for shareholders
- Leading market positions
  - One of the top 3 in all relevant markets
- Solid balance sheet ratios



# Financial Review

## Financial highlights

- Major effect from **Comap** acquisition
- Increase in **net working capital**, due to acquisitions and raw material price increases
- **EU fine** not provided for, but part of contingent liabilities

# Income statement

In EUR x million	2006	2005	Change
Revenue	1,440.3	1,055.0	▲ 37%
Operating profit (EBITA)	168.1	120.4	▲ 40%
Amortisation	7.4	4.3	▲
Operating profit (EBIT)	160.7	116.1	▲ 38%
Net finance cost	26.0	17.1	▲ 52%
Taxes	33.7	19.0	▲ 77%
Minority interest	1.0	1.2	▼
Net profit before amortisation	107.5	83.1	▲ 29%

# Balance sheet

<b>ASSETS</b> In EUR x million	<b>31-12-2006</b>	<b>31-12-2005</b>
Goodwill	270.4	249.5
Other intangible assets	69.7	39.1
Property, plant and equipment	378.0	321.6
Investments in associated companies	-	0.1
Deferred tax assets	12.3	6.9
<b>Non-current assets</b>	<b>730.4</b>	<b>617.2</b>
Inventories	314.2	195.8
Trade receivables	213.2	146.3
Other current assets	21.0	18.5
Cash and cash equivalents	0.1	0.2
<b>Current assets</b>	<b>548.5</b>	<b>360.8</b>
<b>TOTAL ASSETS</b>	<b>1,278.9</b>	<b>978.0</b>

# Balance sheet

<b>EQUITY AND LIABILITIES</b> In EUR x million	<b>31-12-2006</b>	<b>31-12-2005</b>
<b>Total equity</b>	<b>387.5</b>	<b>302.2</b>
Non-current borrowings	334.3	255.2
Cumulative preference shares	20.4	30.6
Employee benefit plans	34.2	28.2
Deferred tax liabilities	12.5	9.6
Other provisions	7.0	4.7
<b>Non-current liabilities</b>	<b>408.4</b>	<b>328.3</b>
Current borrowings	178.3	153.5
Trade and other payables	189.9	103.7
Other current liabilities	114.8	90.3
<b>Current liabilities</b>	<b>483.0</b>	<b>347.5</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,278.9</b>	<b>978.0</b>



# Cash flow statement

In EUR x million	2006	2005
Operating profit (EBIT)	160.7	116.1
Depreciation	54.0	46.7
Amortisation	7.4	4.3
<b>EBITDA</b>	<b>222.1</b>	<b>167.1</b>
Changes in provisions	0.8	(1.4)
Changes in working capital	(36.9)	11.0
<b>Cash flow from operations</b>	<b>186.0</b>	<b>176.7</b>

# Cash flow statement

In EUR x million	2006	2005
Net finance cost	(27.7)	(16.5)
Taxes	(29.7)	(14.3)
Acquisitions	(124.3)	(93.4)
Capital expenditure (net of disposals)	(73.5)	(57.3)
Long-term debt contracted	137.1	112.5
Repayments on long-term debt	(78.6)	(77.6)
Dividend paid	(12.1)	(10.0)
Other movements	(6.5)	7.5
<b>Net cash flow</b>	<b>(29.3)</b>	<b>27.6</b>

# Key figures

In EUR x million	2006	2005	Change
Operating profit as a % of turnover	11.7	11.4	▲
Tax rate in %	23.8	18.4	▲
Earnings per share (EUR x 1)	4.38	3.41	▲ 28%
Average number of shares issued	24.6	24.4	▲ 1%
Number of employees (x 1)	9,370	8,017	▲ 17%
Capital expenditure	77.3	64.5	▲ 20%
Interest cover (EBITA / Net finance cost)	6.5	7.0	▼
Total equity	387.6	302.2	▲ 28%
Capital base as a % of total assets	31.9	34.0	▼
Net debt (including preference shares)	533.0	439.4	▲ 21%
Net debt / Total equity (Gearing)	1.4	1.5	▼



# Operational Developments

# Spread of revenue

	2006 in EUR million	Change relative to 2005	2006 as a % of revenue	2005 as a % of revenue
Germany	280.1	▲ 15%	19	23
United Kingdom	240.1	▲ 50%	17	15
Benelux	198.9	▲ 35%	14	14
France	175.8	▲ 51%	12	11
United States	153.0	▲ 20%	11	12
Eastern Europe	102.6	▲ 57%	7	6
Spain & Portugal	84.4	▲ 55%	6	5
Scandinavia	65.4	▲ 17%	4	6
Other	140.0	▲ 66%	10	8
<b>TOTAL</b>	<b>1,440.3</b>	<b>▲ 37%</b>	<b>100</b>	<b>100</b>

# Events after balance sheet date

- Acquisitions:



KAN (Poland),  
51% stake  
EUR 25 million

Thomson Genlis  
(France)  
EUR 12 million

Eloxal-Werk-  
Burg (Germany)  
EUR 1 million

LASCO Fittings  
(US)  
EUR 80 million

- BROEN (Russia) buy-out 49% minority share
- Issue of 750,000 ordinary shares



# Industrial Services

# Industrial Services highlights

- Organic growth ▲ 6%
- Overall positive developments; better economic conditions
- Increase in energy costs
- Minor growth in UK and Scandinavia
- Start new building Metalis Poland
- First coating facilities in Poland



# Industrial Services

In EUR x million	2006	2005	Change
Revenue	449.5	410.2	▲ 10%
Operating profit (EBITA)	49.9	45.9	▲ 9%
EBITA as a % of revenue	11.1	11.2	▼
Capital expenditure	33.1	40.1	▼ 17%
Depreciation	27.2	25.7	▲ 6%
Average number of employees (x1)	4,136	4,014	▲ 3%



# Flow Control

# Flow Control highlights

- Organic growth ▲17%, incl. effects of raw material price increases
- Favourable market conditions
- Acquisition of Comap (France)
- US strong 1st half year; weaker 2nd half year
- Strong developments in district heating Eastern Europe
- Strong demand for steel & stainless steel fittings
- Further development in plastic products
- Limited growth in dispense systems for soft drink and beer industry
- Stronger demand for dispense systems for automotive industry in Europe and Asia

# Flow Control acquisitions



- France
- Consolidation: March 2006
- Annual turnover EUR 180 million



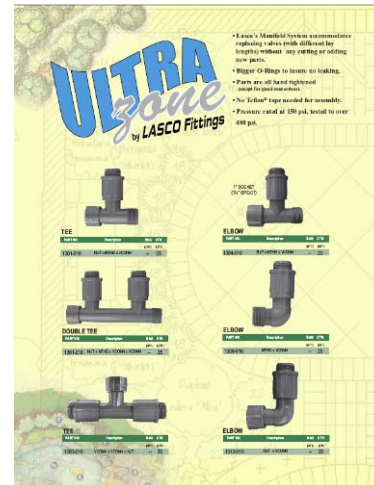
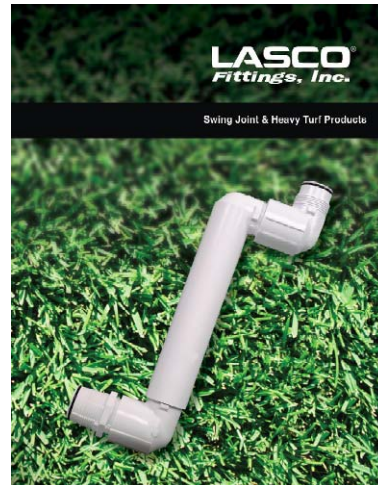
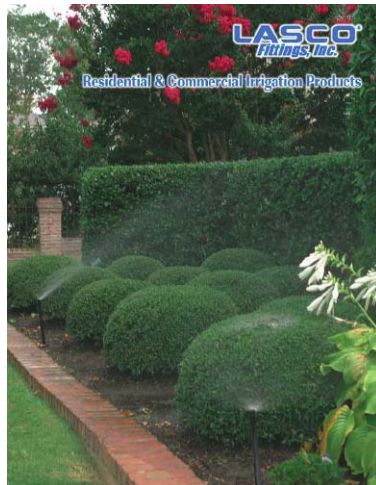
- Sweden
- Consolidation: Oct 2006
- Annual turnover EUR 8 million



- Spain
- Consolidation: April 2006
- Annual turnover EUR 4 million

# LASCO Fittings acquisition

- Leading US manufacturer & distributor of plastic fittings and accessories for the plumbing, irrigation and pool/spa markets



# Flow Control

In EUR x million	2006	2005	Change
Revenue	990.8	644.8	▲ 54%
Operating profit (EBITA)	118.2	74.4	▲ 59%
EBITA as a % of revenue	11.9	11.5	▲
Capital expenditure	44.2	23.5	▲ 88%
Depreciation	26.8	20.0	▲ 34%
Average number of employees (x 1)	5,033	3,688	▲ 36%



# The Aalberts Industries share

# The Aalberts Industries share

	2006	2005	2004	2003	2002	2001
	IFRS			Dutch Gaap		
Average trading volume <i>(number of shares)</i>	<b>84,114</b>	58,157	67,565	33,411	34,997	24,958
Closing share price <i>(in EUR)</i>	<b>65.50</b>	44.85	35.70	20.53	14.80	22.05
Earnings per share	<b>4.38</b>	3.41	2.93	2.26	2.15	1.94
Share price / Earnings per share	<b>14.9</b>	13.2	12.2	9.1	6.9	11.4
Shares in issue <i>(in EUR million)</i>	<b>24.6</b>	24.4	24.2	23.7	23.2	19.5
Market capitalisation <i>(in EUR million)</i>	<b>1,609</b>	1,095	865	488	344	429





# Outlook

# Long term target

- Continuity of growth in revenue and profits in our core businesses
  - Organic
  - Acquisitions

## Agenda 2007

- Strong order position by year-end
- Continuation of acquisition policy
- Favourable economic circumstances in general
- Continuous development and introduction of new innovative products and processes
- Sound financial basis
- Share split 1:4 by mid 2007

# Outlook

The management board expects that, barring unforeseen circumstances, the growth in profit per share for 2007 will be in line with the average growth of the past years.



# Questions and Answers