

From Executive board ERIKS group nv
Telephone +31-72 54 75 888
Date 13 May 2009
Subject FINANCIAL RESULTS FIRST QUARTER 2009 ERIKS GROUP

HIGHLIGHTS FOR THE FIRST QUARTER 2009

Financial results (€ millions)	First quarter 2009	First quarter 2008	Change
▪ Sales	270.0	245.2	10.1%
▪ Organic growth, excluding currency fluctuations	-14.3%	+4.5%	
▪ Organic growth per working day	-13.5%	+7.0%	
▪ EBITDA	18.4	24.1	-23.6%
▪ EBITA, excluding reorganisation costs / result divestment participating interest	15.7	21.6	-27.3%
▪ EBITA, including reorganisation costs / result divestment participating interest	15.1	22.6	-33.2%
▪ Amortization of intangible fixed assets	1.8	1.3	
▪ Operating result	13.3	21.3	-37.4%
▪ Net result	6.3	14.6	-56.9%

Ratios

▪ EBITDA as a percentage of sales	6.8	9.8	
▪ EBITA, excluding reorganisation costs, as a percentage of sales	5.8	8.8	
▪ Interest coverage ratio (EBITA / financial expenses)	6.5	12.7	
▪ Net debts / EBITDA	2.1	1.3	
▪ EBITA as a percentage of net capital invested (incl. goodwill)	11.3	20.9	

CEO J. van der Zouw: *'The market conditions for ERIKS deteriorated rapidly in the space of a few months due to the worldwide recession. We do not see any improvement yet. The industrial business units are being adapted to the reduced level of activity without impacting the organisations commercial power. As a result, the number of employees will decline by approximately 450. All clusters will continue their present strategies. ERIKS has the know-how, products and services to expand its market share also in difficult economic conditions.'*

for further information please contact Mr. J. van der Zouw, CEO
and/or Mr. J.G. de Boer, CFO

Commercial / Operational

- Organic growth per working day in the past five quarters:

Q1 2008:	+7.0%	Q1 2009:	-13.5%
Q2 2007:	+7.4%		
Q3 2007:	+3.7%		
Q4 2007:	-1.4%		
- Taking into account the development of sales of the companies acquired in 2008, growth per working day decreased by about 10%.
- Cost saving programs have been implemented in all clusters and operating companies. This will result in a cost cutback of approximately € 20 million on an annual basis. In addition to the cost savings already realised in the first quarter, costs will further decrease in the coming months. Operations are being adapted to the reduced level of activity without compromising intrinsic strength.

Expansion

In order to strengthen its activities in Germany, ERIKS acquired the commercial activities of Arnold Frommeyer GmbH & Co. KG in Isernhagen (Hanover), Germany. The company realises annual sales of € 3.0 million with 15 employees (see press release of 17 March 2009).

Divestment of participating interests

On 1 January 2009, the shares of Baudoux Industries sas were transferred to MB Industrie in Lyon, France.

In 2008, Baudoux realised sales of € 7.75 million with 47 employees. The divested activities did not contribute to the operational result of the ERIKS group in the last 2 years (see press release of 23 December 2008).

AMOUNTS PER ORDINARY SHARE OF EUR 0.50 PAR VALUE (x € 1)

	First quarter 2009	First quarter 2008	Change
Net result	0.58	1.38	-58.0%
Result from ordinary activities before amortization of goodwill	0.71	1.47	-51.7%
Cash flow from ordinary activities	1.00	1.75	-42.9%
Shareholders' equity (as at 31 March and 31 December respectively)	28.88	28.69	
Weighted annual average number of ordinary shares issued	10,787,416	10,582,614	
Total number of ordinary shares issued	10,787,416	10,582,614	

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Please refer to appendix 1.

SALES

Sales for the first quarter 2009 were € 270.0 million, an increase of 10.1% compared to the same period last year. This increase may be further specified as follows:

- increase of € 75.1 million due to the acquisitions realised in 2008 and 2009;
- negative organic growth of € 32.6 million or -14.3% (per working day: 13.5%). Due to the recession, demand for ERIKS' products and services decreased in all regions;
- decrease of € 5.6 million due to the sale of activities;
- decrease of € 12.1 million due to lower exchange rates (especially of the Pound Sterling).

Sales by cluster (€ millions)

	<u>First quarter 2009</u>	First quarter 2008	Change in %	Organic growth in % (excl. currency fluctuations)
ERIKS Belgium	39.3	41.4	-5.0	-14.1
ERIKS Germany	44.1	35.7	23.6	-21.3
ERIKS Netherlands	79.2	65.4	21.0	-15.4
ERIKS UK	69.6	86.0	-19.1	-8.1
Rest of Europe	5.5	5.6	-1.0	-4.9
	<hr/>	<hr/>		
ERIKS Europe	237.7	234.1	1.5	-13.6
ERIKS USA	7.7	9.2	-16.2	-27.1
ERIKS Middle East	20.7	-	-	-
ERIKS South-east Asia	3.9	1.9	104.3	-22.8
	<hr/>	<hr/>		
	270.0	245.2	10.1	-14.3

As of 1 June 2008, the results of Econosto are included in the consolidation. The realised sales are spread among the various clusters.

'Rest of Europe' covers the activities in Central Europe, France and Spain.

Sales by customer type (€ millions)

	<u>First quarter 2009</u>	First quarter 2008	Change in %	Organic growth in % (excl. currency fluctuations)
Maintenance	141.5	151.2	-6.4	-9.8
OEM	66.3	67.3	-1.6	-19.7
Contractors and projects	48.6	10.0	487.6	-26.8
Distributors and export	13.6	16.7	-18.4	-23.6
	<hr/>	<hr/>		
	270.0	245.2	10.1	-14.3

The sales figures are being impacted considerably by fluctuations of foreign currencies (first quarter 2009: €-12.1 million).

For the most important foreign currencies, the following average exchange rates were applied:

Average exchange rates

	<u>First quarter 2009</u>	First quarter 2008	Change
Pound Sterling	1.1004	1.3210	-16.7%
US dollar	0.7675	0.6677	+14.9%
U.A.E. Dirham	0.2110	-	-
Singapore dollar	0.5074	0.4738	+7.1%

EBITA

EBITA excluding reorganisation costs decreased by € 5.9 million to € 15.7 million, equalling 5.8% of sales (2008: 8.8%). All clusters realised positive EBITA, yet EBITA decreased compared to 2008.

The reorganisation costs concern additional costs in the context of the realisation of the cost saving programmes.

FINANCIAL INCOME AND EXPENSES

Specification:

	<u>First quarter 2009</u>	<u>First quarter 2008</u>
Movements in actual value financial derivatives	-1.1	+1.0
Interest paid	-3.8	-1.9
	<u>-4.9</u>	<u>-0.9</u>
	=====	=====

TAXES ON RESULT FROM ORDINARY ACTIVITIES

The tax rate on the result for the first quarter of 2009 amounted to 25.2%. The tax rate was positively influenced by the application of certain group financing tax rules.

OUTLOOK FOR THE FULL YEAR 2009

In all regions where ERIKS operates, industrial activity decreased significantly. To date there are no signs that activities will increase in the short term. With the implementation of the cost savings program, € 20 million on an annual basis, the ERIKS organisation is being adapted to the reduced activities. Just as in previous years, ERIKS expects to be able to increase its market share. At this time, however, we are unable to pronounce a forecast of sales and results for the full year 2009.

AUDIT

The financial data has not been audited.

FINANCIAL DIARY

14 May 2009	- 10 am Conference call first quarter results for 2009. - 3 pm Annual general meeting of shareholders in Alkmaar.
18 May 2009	1 st ex dividend listing.
21 May to 1 June 2009 incl. 2 June 2009	Option period. Determination of the number of dividend rights giving entitlement to 1 new share.
5 June 2009	Dividend payable and delivery of shares.
20 August 2009	Publication of first half results for 2009 during trading hours, followed by an analysts' meeting.
12 November 2009	Publication of nine months' results for 2009 during trading hours, followed by a conference call.
26 February 2010	Publication of annual results for 2009 during trading hours, followed by an analysts' meeting.
20 May 2010	Annual general meeting of shareholders in Alkmaar. Publication of first quarter results for 2010 during trading hours, followed by a conference call.

Please refer to our website www.eriks.com for detailed information about the ERIKS group.

- Appendices:**
1. Consolidated profit and loss account
 2. Consolidated balance sheet as at 31 March 2009
Movements in shareholders' equity
Consolidated cash flow statement

CONSOLIDATED PROFIT AND LOSS ACCOUNT (€ millions)

	First quarter 2009		First quarter 2008	
		<u>in %</u>		<u>in %</u>
Net sales	<u>270.0</u>	<u>100.0</u>	<u>245.2</u>	<u>100.0</u>
EBITDA, excluding reorganisation costs / result divestment participating interest	18.4	6.8	24.1	9.8
Depreciations, including software	<u>-2.7</u>	<u>-1.0</u>	<u>-2.5</u>	<u>-1.0</u>
EBITA, excluding reorganisation costs / result divestment participating interest	15.7	5.8	21.6	8.8
Reorganisation costs / result divestment participating interest	<u>-0.6</u>	<u>-0.2</u>	<u>1.0</u>	<u>0.4</u>
EBITA	15.1	5.6	22.6	9.2
Amortization intangible fixed assets	<u>-1.8</u>	<u>-0.7</u>	<u>-1.3</u>	<u>-0.5</u>
Operating result	13.3	4.9	21.3	8.7
Financial income and expenses:				
- interest	-3.8	-1.4	-1.9	-0.8
- movements in actual value of financial instruments	<u>-1.1</u>	<u>-0.4</u>	<u>1.0</u>	<u>0.4</u>
Result before taxes	8.4	3.1	20.4	8.3
Taxes	<u>-2.1</u>	<u>-0.8</u>	<u>-5.7</u>	<u>-2.3</u>
Result after taxes	6.3	2.3	14.7	6.0
Minority interest	<u>-</u>	<u>-</u>	<u>-0.1</u>	<u>-0.1</u>
Result at the disposal of shareholders	<u>6.3</u>	<u>2.3</u>	<u>14.6</u>	<u>5.9</u>
Average number of employees	5,353		4,682	
Number of employees at the end of first quarter	5,328		4,640	

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2009 (€ millions)

	31 March 2009	31 December 2008
ASSETS		
Fixed assets		
Intangible fixed assets: - goodwill and from acquisitions	272.1	270.1
Intangible fixed assets: - software	8.0	8.2
Tangible fixed assets	78.3	76.6
Deferred tax assets	20.6	22.0
Derivative financial instruments	5.3	19.1
	384.3	396.0
Current assets		
Inventories	167.1	175.7
Accounts receivable trade	202.0	211.1
Other current assets	14.8	13.5
Liquid resources	78.7	60.1
	462.6	460.4
Total ASSETS	846.9	856.4
LIABILITIES		
Shareholders' equity	310.6	303.8
Minority interest	1.0	1.1
Total shareholders' equity	311.6	304.9
Long-term liabilities		
Loans	226.3	245.3
Provisions	13.0	12.9
Deferred tax liabilities	29.5	32.3
	268.8	290.5
Short-term liabilities		
Bank overdrafts – current account overdraft	46.5	42.1
Repayment obligations on long-term liabilities	16.7	16.7
Suppliers	116.0	115.7
Income tax	-1.8	1.2
Other short-term liabilities	89.1	85.3
	266.5	261.0
Total LIABILITIES	846.9	856.4
Net capital invested, incl. intangible fixed assets	538.9	553.0
Working capital	253.1	271.1
Net debt	210.8	244.0

MOVEMENTS IN SHAREHOLDERS' EQUITY (EUR millions)

Balance 31 December 2008	303.8
add: net result first quarter	6.3
less: exchange differences on net asset value and participating interests in the permanent financing of foreign investments	3.8
add: hedge reserve	-3.3
	<hr/>
Balance 31 March 2009	310.6
	<hr/> <hr/>

CONSOLIDATED CASH FLOW STATEMENT (EUR millions)

	<u>First quarter 2009</u>	<u>First quarter 2008</u>
Operating activities		
Result after taxes (before minority interests)	6.3	14.7
Adjustments for:		
- depreciations, including amortization of software	2.7	2.5
- amortization of other intangible fixed assets	1.8	1.3
	<hr/>	<hr/>
Cash flow from ordinary activities	10.8	18.5
Exceptional gain	-	-1.0
Financial income and expenses	3.8	1.9
Income tax	2.1	5.7
Movements in working capital	15.1	-9.8
Other accounts receivable and short-term liabilities, excl. repayment obligations	-0.5	-2.9
Movements in deferred tax liabilities	0.5	2.7
Movements in provisions	0.1	-2.5
Movements in actual value financial derivatives	1.1	-1.0
	<hr/>	<hr/>
Cash flow generated from operating activities	33.0	11.6
Financial expenses paid	-0.8	-1.6
Income tax paid	-5.0	-7.0
	<hr/>	<hr/>
Cash flow from operating activities	27.2	3.0
	<hr/> <hr/>	<hr/> <hr/>
Investments in tangible fixed assets and software	-4.3	-2.9
Disposals of tangible fixed assets and software	0.9	0.1
Acquisition of participating interests	-	-30.4
Divestment of participating interests	-	15.5
	<hr/>	<hr/>
Cash flow from investing activities	-3.4	-17.7
	<hr/> <hr/>	<hr/> <hr/>
Repayment of loans, including repayment obligations	-19.0	-6.0
Repayment of bank overdrafts – cash loans	-	1.5
Movements in actual value financial derivatives (currency fluctuations)	7.9	-8.4
Dividend minority interest	-	-0.3
	<hr/>	<hr/>
Cash flow from financing activities	-11.1	-13.2
	<hr/> <hr/>	<hr/> <hr/>
Cash flow on balance	12.7	-27.9
Liquid resources and bank overdrafts 1 January	18.0	33.3
Exchange differences	1.5	3.5
	<hr/>	<hr/>
Liquid resources and bank overdrafts 31 March	32.2	8.9
	<hr/> <hr/>	<hr/> <hr/>