

## OFFER MEMORANDUM

dated 13 January 2011

### RECOMMENDED MANDATORY CASH OFFER

BY

Go Acquisition B.V.

(a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands, with its corporate seat in Utrecht, The Netherlands)

FOR ALL THE ISSUED AND OUTSTANDING ORDINARY SHARES AND ORDINARY PARTICIPATING PREFERENCE SHARES EACH NOT ALREADY HELD BY THE OFFEROR, GILDE AND/OR PARCOM AND EACH WITH A PAR VALUE OF EUR 2.50 IN THE SHARE CAPITAL OF

Gamma Holding N.V.



(a public limited liability company (*naamloze vennootschap*) incorporated under the laws of The Netherlands, with its corporate seat in Helmond, The Netherlands)

This offer memorandum (the “**Offer Memorandum**”) contains details of the recommended mandatory cash offer within the meaning of Article 5:70 of the Netherlands Financial Supervision Act (*Wet op het financieel toezicht*) (“**Wft**”) by Go Acquisition B.V. (the “**Offeror**” or “**Go Acquisition**”), a subsidiary whose shares are jointly owned by Gilde Buy-Out Fund III B.V. (“**GBOF III BV**”) and by Gilde Buy-Out Fund III C.V. (“**GBOF III CV**”, and together with GBOF III BV, “**Gilde**”), to (i) all holders, save for the Offeror, Gilde and Parcom Investment Fund I B.V. (“**PIF I BV**”) and Parcom Buy-Out Fund IV B.V. (“**BOF IV BV**”) and together with PIF I BV, “**Parcom**”), of issued and outstanding ordinary shares (the “**Ordinary Shares**” holders of such Ordinary Shares, other than the Offeror, Gilde and Parcom, being referred to as “**Ordinary Shareholders**”) and (ii) all holders, save for the Offeror, Gilde and Parcom, of issued and outstanding ordinary participating preference shares (the “**Ordinary Preference Shares**” holders of such Ordinary Preference Shares, other than the Offeror, Gilde and Parcom, being referred to as “**Ordinary Preference Shareholders**”), each with a nominal value of EUR 2.50 (the Ordinary Shares and the Ordinary Preference Shares being together referred to as the “**Shares**”, holders of such Shares, other than the Offeror, Gilde and Parcom, being together referred to as “**Shareholders**”), in the share capital of Gamma Holding N.V. (“**Gamma Holding**” or the “**Company**”) to purchase for cash the Ordinary Shares and/or Ordinary Preference Shares held by them subject to the terms and restrictions contained in this Offer Memorandum (the “**Offer**”). Capitalised terms used in this Offer Memorandum have the meanings as set out in Section 2 of Part A (*Definitions*).

Ordinary Shareholders tendering their Ordinary Shares under the Offer will be paid, on the terms and subject to the terms and restrictions contained in this Offer Memorandum, in consideration of each Ordinary Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*), a cash amount of EUR 29.00 per Ordinary Share (the “**Ordinary Offer Price**”). The Ordinary Offer Price is equal to the highest price the Offeror paid for the issued and outstanding ordinary shares in the capital of Gamma Holding in the 12 months preceding the public announcement of the mandatory public offer of 6 December 2010 and therefore constitutes the fair price (*billijke prijs*) pursuant to Article 5:80a Wft.

Ordinary Preference Shareholders tendering their Ordinary Preference Shares under the Offer will be paid, on the terms and subject to the terms and restrictions contained in this Offer Memorandum, in consideration of each Ordinary Preference Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*), a cash amount of EUR 3.50 per Ordinary Preference Share (the “**Ordinary Preference Offer Price**”). The Ordinary Preference Offer Price is equal to the highest price the Offeror paid for the issued and outstanding ordinary participating preference shares in the capital of Gamma Holding in the period between the public announcement of the mandatory public offer of 6 December 2010 and the date of this Offer Memorandum and therefore constitutes the Ordinary Preference Offer Price pursuant to Article 25 of the Decree on public offers Wft (*Besluit openbare biedingen Wft*) (the “**Takeover Decree**”).

The supervisory board (*raad van commissarissen*) (the “**Supervisory Board**”) and the management board (*raad van bestuur*) (the “**Management Board**”) of Gamma Holding support the Offer and unanimously recommend the Offer to the Shareholders. A fairness opinion rendered to the Supervisory Board by ABN AMRO Bank N.V. supports this recommendation from a financial point of view. See Part C of this document (*Position Statement*).

The Acceptance Period under the Offer commences at 09:00 hours CET, on 14 January 2011 and, unless extended, expires at 18:00 hours CET, on 11 February 2011 (the “**Acceptance Closing Date**”). Acceptance under the Offer must be made in the manner specified in this Offer Memorandum. Shares tendered on or prior to the Acceptance Closing Date may not be withdrawn, subject to the right of withdrawal of any tender during any extension of the Acceptance Period in accordance with the provisions of Article 15, paragraph 3 and/or 7 of the Takeover Decree. The Offeror reserves the right to extend the Offer past the Acceptance Closing Date. If the Offer is extended past the Acceptance Closing Date, the Offeror will make an announcement to that effect in accordance with the Takeover Decree. See Section 5 of Part A (*Invitation to the Shareholders*). The provisions of Article 15, paragraph 2 of the Takeover Decree require that such an announcement be made within three Business Days following the initial Acceptance Closing Date.

Unless the Acceptance Period is extended, the Offeror will, in accordance with Article 16 of the Takeover Decree, announce on a day within three Business Days following the Acceptance Closing Date, the aggregate value, the number and the corresponding percentage of Shares tendered and delivered to the Offeror prior to the Acceptance Closing Date (the “**Acceptance Date**”) and the number of Shares then owned by the Offeror.

Announcements in relation to an extension of the Offer past the Acceptance Closing Date will be made by press release. See Section 5.9 of Part A (*Announcements*).

The Shareholders who have tendered and delivered their Shares to the Offeror prior to the Acceptance Closing Date will receive promptly, but in any event within three Business Days following the Acceptance Date (the “**Settlement Date**”), the Ordinary Offer Price in respect of each Ordinary Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*) the Ordinary Preference Offer Price in respect of each Ordinary Preference Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*).

This document consists of three separate parts, which have been published together for ease of reference. Part A taken together with Part B constitutes the Offer Memorandum as referred to in Article 8 of the Takeover Decree. Part B taken together with Part C constitutes the position statement made by the Supervisory Board and the Management Board (the “**Position Statement**”).

The Offer Memorandum (Part A and Part B of this document) has been prepared in accordance with Article 5:76 Wft in conjunction with the provisions of Article 8 of the Takeover Decree, including schedules A and E thereto, and has been approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten* or “**AFM**”) in accordance with the provision of Article 8 of the Takeover Decree on 13 January 2011. The Position Statement is included as Part C of this document on a voluntary basis for information purposes only. The Position Statement is not part of the Offer Memorandum in the meaning of the Takeover Decree and has not been prepared in accordance with Schedule G of the Takeover Decree. The Position Statement does not qualify as a position statement within the meaning of Article 18 paragraph 2 of the Takeover Decree and Schedule G of the Takeover Decree. The AFM has no authority to approve the Position Statement. Consequently the Position Statement has not been subject to approval of the AFM.

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**PART A**  
**THE OFFER MEMORANDUM**

1. RESTRICTIONS AND IMPORTANT INFORMATION

1.1 Restrictions

The Offer is not being made, and the Shares will not be accepted for purchase from or on behalf of any Shareholders, in any jurisdiction in which the making or acceptance thereof would not be in compliance with the securities or other laws or regulations of such jurisdiction or would require any registration, approval or filing with any regulatory authority not expressly contemplated by the terms of this Offer Memorandum. However, acceptances of the Offer by Shareholders not residing in The Netherlands will be accepted by the Offeror if such acceptances comply with the acceptance procedure set out in this Offer Memorandum. Persons obtaining the Offer Memorandum are required to take due note and observe all such restrictions and obtain any necessary authorisations, approvals or consents. Neither the Offeror, nor Gilde nor Parcom, nor any of their respective affiliates or any of their respective directors, employees or advisers accepts any liability for any violation by any person of any such restriction. Any person (including, without limitation, custodians, nominees and trustees) who would or otherwise intends to forward this Offer Memorandum or any related document to any jurisdiction outside The Netherlands should carefully read this Section 1 (*Restrictions and important information*) before taking any action. The distribution of this document in jurisdictions other than The Netherlands may be restricted by law and therefore persons that obtain possession of this Offer Memorandum should inform themselves about and observe such restrictions. Any failure to comply with any such restrictions may constitute a violation of the law of any such jurisdiction.

1.1.1 *United States of America*

The Offer is not being made, directly or indirectly, into the United States of America and may not be accepted in or from the United States of America by use or means of the interstate or foreign commerce or of any facility of a securities exchange in these jurisdictions including, but without limitation, electronic mail, post, facsimile transmission, telex and telephone. This Offer Memorandum has not been submitted to or reviewed by the United States Securities and Exchange Commission (“SEC”) or any state securities commission and neither the SEC nor any such state securities commission has approved or disapproved or determined whether this Offer Memorandum is truthful or complete. Any representation to the contrary is a criminal offence in the United States of America.

This Offer Memorandum is not being and should not be mailed or otherwise distributed or sent in or into the United States of America.

1.1.2 *Canada and Japan*

The Offer and any solicitation in respect thereof is not being made, directly or indirectly, in or into Canada or Japan, or by use of the mails, or by any means or instrumentality of interstate or foreign commerce, or any facilities of a national securities exchange, of Canada or Japan. This includes, but is not limited to, post, facsimile transmission, telex or any other electronic form of transmission and telephone. Accordingly, copies of this Offer Memorandum and any related press announcements, acceptance forms and other documents are not being sent and must not be mailed or otherwise distributed or sent in, into or from Canada or Japan or, in their capacities as such, to custodians, nominees or trustees holding Shares for persons residing in Canada or Japan. Persons receiving this Offer Memorandum and/or such other documents must not distribute or send them in, into or from Canada or Japan, or use such mails or any such means, instrumentality or facilities for any purpose in connection with the Offer; so doing will invalidate any purported acceptance of the Offer. The Offeror will not accept any tender by any such use, means, instrumentality or facility from within Canada or Japan.

## 1.2 Important information

### 1.2.1 *Important information in the Offer Memorandum*

This Offer Memorandum contains important information that should be read carefully before any decision is made to tender Shares in connection with the Offer. Shareholders are advised to seek independent advice where necessary. In addition, Shareholders may wish to consult with their tax advisers regarding the tax consequences of tendering their Shares in the Offer.

The information included in Sections 1.1, 3.1, 3.2, 3.4-3.10, 4.1, 4.2, 4.3.1-4.3.3, 4.5, 5, 8, 9(ii), 9(iii), 9(iv), 9(vi), 10, 11.1, 11.3, 11.4, 11.6-11.10 11.16-11.18 and 12 of Part A of the Offer Memorandum has been solely provided by the Offeror. The information included in Sections 3.3, 6, 7, 9(v) and 11.5 of Part A of the Offer Memorandum has been solely provided by Gamma Holding. The information included in Sections 1.2, 2, 4.3.4-4.3.7, 4.4, 9(i), 11.2, 11.11-11.15 and 13 of Part A of the Offer Memorandum has been provided by the Offeror and Gamma Holding jointly.

The information included in Sections 1, 2.1-2.3, 3.1-3.5, 3.6.1, 3.6.2, 4 and 6 of Part B Financial Information has been solely provided by Gamma Holding. The information included in Sections 2.4, 3.6.3 and 5 of Part B Financial Information has been provided by PwC and is identical to the original auditor's report as of the date issued by PwC.<sup>1</sup>

The Offeror and Gamma Holding are exclusively responsible for the accuracy and completeness of the information provided in this Offer Memorandum, each with respect to such information as it has provided, and together with respect to the information they have provided jointly, except for information that has not been provided by either of them (which includes the information in Sections 2.4, 3.6.3 and 5 of Part B Financial Information which has been provided by PwC). Each of the Offeror and Gamma Holding confirms, that to the best of its knowledge and belief (i) the information contained in this Offer Memorandum is in accordance with the facts and (ii) contains no omission likely to affect its import.

The information included in this Offer Memorandum reflects the situation as at the date of this Offer Memorandum unless specified otherwise. Neither the issue nor the distribution of this Offer Memorandum shall under any circumstances imply that the information contained herein is accurate and complete as of any time subsequent to this date or that there has been no change in the information set out in this Offer Memorandum or in the affairs of Gamma Holding and/or its subsidiaries and/or its affiliates since the date of this Offer Memorandum. The foregoing does not affect the obligation of both the Offeror and Gamma Holding, each in so far as it concerns them, to make a public announcement of any insider information pursuant to Article 5:25(i) Wft and (with respect to the Offeror) to Article 4, paragraph 3 of the Takeover Decree, if applicable.

No person, other than the Offeror and Gamma Holding, is authorised in connection with the Offer to provide any information or to make any statements on behalf of the Offeror or Gamma Holding in connection with this Offer or any information contained in this Offer Memorandum. If any such information or statement is provided or made by parties other than the Offeror or Gamma, such information or statements should not be relied upon as having been provided by or made by or on behalf of the Offeror or Gamma Holding. Any information or representation not contained in this Offer Memorandum must not be relied upon as having been provided by or made by or on behalf of the Offeror or Gamma Holding.

<sup>1</sup> *The auditor's report included in Section 3 of Part B (The Annual Financial Statements for the Financial Year 2009, Including Explanatory Notes and Auditor's Report) is the original auditor's report as published on 25 February 2010 in connection with the 2009 annual report of Gamma Holding N.V. in which, other than the financial statements, also a report by the executive board was included. For the purpose of this Offer Memorandum the report by the executive board is not included. The page numbers included in the auditor's report stated above refer to the page numbers in the original 2009 financial statements of Gamma Holding N.V.*

Any tender, purchase and delivery of the Shares means acceptance of the conditions contained in this Offer Memorandum.

This Offer Memorandum and the agreements entered into between the Offeror and the Shareholders pursuant to the Offer are, and any tender, purchase or delivery of Shares will be, governed by and construed in accordance with the laws of The Netherlands. The District Court of Amsterdam (*Rechtbank Amsterdam*) and its appellate courts shall have exclusive jurisdiction to settle any disputes which might arise out of or in connection with this Offer Memorandum, the agreements entered into between the Offeror and the Shareholders pursuant to the Offer and/or any tender, purchase or delivery of Shares. Accordingly, any legal action or proceedings arising out of or in connection with the Offer Memorandum, the Offer and/or any tender, purchase or delivery of Shares may be brought exclusively in such courts.

This Offer Memorandum is published in the English language and a Dutch language summary is included as Section 11 of Part A (*Nederlandse samenvatting van het bod*). In the event of any differences, whether or not in interpretation, between the English language text of the Offer Memorandum and the Dutch language summary of this Offer Memorandum, the English language text of the Offer Memorandum shall prevail.

Rabobank International Global Financial Markets - Syndications has been appointed as Settlement Agent in the context of the Offer.

#### 1.2.2 *Addresses*

<u>The Offeror</u>	<u>The Company</u>
Go Acquisition B.V. Newtonlaan 91 3584 BP Utrecht The Netherlands	Gamma Holding N.V. Panovenweg 12 5708 HR Helmond The Netherlands
<u>The Settlement Agent</u>	
Rabobank International Global Financial Markets – Syndications  Croeselaan 18, 3521 CB Utrecht The Netherlands  P.O. Box 17100 3500 HG Utrecht The Netherlands  Tel: +31 (0)30 712 4451 Fax: +31 (0)30 712 4018 Email: <a href="mailto:prospectus@rabobank.com">prospectus@rabobank.com</a>	

#### 1.2.3 *Availability of copy documentation*

Digital copies of this Offer Memorandum are available on the website of Gamma Holding. Gamma Holding's website does not constitute a part of, and is not incorporated by reference into, this Offer Memorandum. Copies of this Offer Memorandum are furthermore available free of charge at the head office of Gamma Holding in Helmond, The Netherlands, and at the office of the Settlement Agent at the addresses mentioned above.

Copies of the Offeror's Articles of Association are available free of charge at the offices of Go Acquisition and can be obtained by contacting Go Acquisition at the address mentioned above. Go Acquisition is a newly incorporated entity and accordingly no annual reports of the Offeror are available.



#### 1.2.4 *Presentation of financial information*

This Offer Memorandum contains financial information of Gamma Holding relating to the Financial Year 2009, Financial Year 2008 and Financial Year 2007 which is derived from and is consistent with the financial statements for the Financial Year 2009, Financial Year 2008 and Financial Year 2007. These financial statements have been audited by PwC as described in Part B Financial Information. In general, the financial information contained in this Offer Memorandum has not been audited nor reviewed, unless it is specifically identified as audited or reviewed financial information.

#### 1.2.5 *Documentation incorporated by reference*

A copy of the Gamma Holding Articles of Association is incorporated by reference in, and forms an integral part of, this Offer Memorandum, and is available free of charge at the head office of Gamma Holding in Helmond, The Netherlands, and can be obtained by contacting Gamma Holding at the address stated above. This information is also available on the website of Gamma Holding ([www.gammaholding.nl](http://www.gammaholding.nl)).

#### 1.2.6 *Forward looking statements*

This Offer Memorandum includes forward looking statements that involve risk and uncertainty. Generally, words such as may, will, expect, intend, estimate, anticipate, believe, plan, seek, continue or similar expressions identify forward looking statements. Although each of the Offeror and Gamma Holding, each with respect to the statements it has provided, believes that the expectations reflected in such forward looking statements are based on reasonable assumptions and are, to the best of its knowledge, true and accurate on the date of this Offer Memorandum, no assurance can be given that such statements will be fulfilled or prove to be correct, and no representations are made as to the future accuracy and completeness of the forward looking statements. Any such forward looking statement must be considered together with the fact that actual events or results may vary materially from such forward looking statements due to, among other things, political, economic or legal changes in the markets and environments in which the Offeror, Gilde, Parcom and/or Gamma Holding do business, to competitive developments or risks inherent to their respective business plans and to uncertainties, risk and volatility in financial markets and other factors affecting them.

The Offeror and Gamma Holding undertake no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise, except as required by applicable laws and regulations or by any appropriate regulatory authority.

#### 1.2.7 *Financial advisers*

ING Corporate Finance and Rabobank International M&A are acting as financial advisers exclusively to the Offeror, Gilde and Parcom and to no one else in connection with the Offer and will not be responsible to anyone (whether or not recipient of this Offer Memorandum) other than the Offeror for providing the protections afforded to the clients of ING Corporate Finance and Rabobank International M&A, respectively, or for providing advice in relation to the Offer.

Lazard B.V. is acting as financial adviser exclusively to Gamma Holding and to no one else in connection with the Offer and is and will not be responsible to anyone (whether or not recipient of this Offer Memorandum) other than Gamma Holding in relation to the Offer.

ABN AMRO Bank N.V. is acting as financial adviser exclusively to the Supervisory Board and to no one else in connection with the Offer and will not be responsible to anyone (whether or not recipient of this Offer Memorandum) other than the Supervisory Board for providing the protections afforded to the clients of ABN AMRO Bank N.V. or for providing advice in relation to the Offer.

## 2. DEFINITIONS

Any reference in this Offer Memorandum to defined terms in plural form shall constitute a reference to such defined terms in singular form, and vice versa. All grammatical and other changes required by the use of a definition in singular form shall be deemed to have been made herein and the provisions hereof shall be applied as if such changes have been made. A reference to “**including**” means “**including without limitation**”.

Defined terms used in this Offer Memorandum shall have the following meaning:

“ <b>Acceptance Closing Date</b> ”	the time and date on which the Offer expires, being at 18:00 hours CET, on 11 February 2011, or, where appropriate, as extended in accordance with Article 15 of the Takeover Decree
“ <b>Acceptance Date</b> ”	the date on which the Offeror shall publicly announce the aggregate value, the number and the corresponding percentage of Shares tendered to the Offeror prior to the Acceptance Closing Date, in accordance with the Takeover Decree. Article 16 of the Takeover Decree requires that such announcement be made within three Business Days following the Acceptance Closing Date
“ <b>Acceptance Period</b> ”	the period during which the Shareholders can tender their Shares to the Offeror, which begins at 09:00 hours CET on 14 January 2011 and ends on the Acceptance Closing Date
“ <b>Admitted Institutions</b> ”	those institutions admitted to Euronext Amsterdam
“ <b>AFM</b> ”	the Netherlands Authority for the Financial Markets ( <i>Stichting Autoriteit Financiële Markten</i> )
“ <b>Boards</b> ”	the Supervisory Board and the Management Board together
“ <b>Business Day</b> ”	any day other than a Saturday, Sunday or legal holiday on which banks in the Netherlands, according to the collective agreements for the banking sector ( <i>Algemene Bank-CAO</i> ) are generally open for business
“ <b>CET</b> ”	Central European Time
“ <b>Company</b> ”	Gamma Holding N.V., a public limited liability company ( <i>naamloze vennootschap</i> ), incorporated under the laws of The Netherlands, having its statutory seat ( <i>statutaire zetel</i> ) in Helmond, having its registered office at Panovenweg 12, 5708 HR, Helmond, The Netherlands, and registered with the chamber of commerce under number 17026110, including the affiliates owned by it
“ <b>Cumulative Preference Shares</b> ”	four per cent (4%) cumulative preference shares in the capital of Gamma Holding with a nominal value of EUR 2.50
“ <b>EUR</b> ”, “ <b>Euro</b> ” or “ <b>€</b> ”	Euro, the legal currency of the European Monetary Union
“ <b>Euronext Amsterdam</b> ”	Euronext Amsterdam by NYSE Euronext, the regulated market of Euronext Amsterdam N.V.
“ <b>Exemption Decree</b> ”	Exemption Decree Mandatory Offers ( <i>Vrijstellingsbesluit overnamebiedingen Wft</i> )
“ <b>Financial Year 2007</b> ”	financial year of Gamma Holding ended 31 December 2007
“ <b>Financial Year 2008</b> ”	financial year of Gamma Holding ended 31 December 2008
“ <b>Financial Year 2009</b> ”	financial year of Gamma Holding ended 31 December 2009
“ <b>GBOF III BV</b> ”	Gilde Buy-Out Fund III B.V., a private company with limited liability ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ) established under the laws of The Netherlands, and its registered office at Newtonlaan 91, 3584 BP Utrecht, The Netherlands, and registered with the chamber of commerce under number 30206477

<b>“Gamma Holding”</b>	Gamma Holding N.V., a public limited liability company ( <i>naamloze vennootschap</i> ), incorporated under the laws of The Netherlands, having its statutory seat ( <i>statutaire zetel</i> ) in Helmond, having its registered office at Panovenweg 12, 5708 HR Helmond, The Netherlands, and registered with the chamber of commerce under number 17026110, including the affiliates owned by it
<b>“Gamma Holding Articles of Association”</b>	the articles of association ( <i>statuten</i> ) of Gamma Holding N.V., as most recently amended on 7 September 2009
<b>“Gamma Holding Group”</b>	Gamma Holding N.V. and its group companies as referred to in Article 2:24b of the Dutch Civil Code
<b>“GBOF III CV”</b>	Gilde Buy-Out Fund III C.V., a limited partnership ( <i>commanditaire vennootschap</i> ) established under the laws of The Netherlands, and its registered office at Newtonlaan 91, 3584 BP Utrecht, The Netherlands, and registered with the chamber of commerce under number 30207551
<b>“Gilde”</b>	GBOF III BV together with GBOF III CV
<b>“Go Acquisition”</b>	Go Acquisition B.V., a private limited liability company ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ) incorporated on 7 October 2010 and validly existing under the laws of The Netherlands, having its statutory seat ( <i>statutaire zetel</i> ) in Utrecht, The Netherlands and registered with the chamber of commerce under number 50903462, including the group companies as described in Article 2:24b of the Dutch Civil Code owned by it and the affiliates owned by it. Go Acquisition B.V. is a company whose shares are held by Gilde. Gilde holds 100 per cent. of the shares in the capital of the Offeror. See also Section 8.1 of Part A ( <i>Information on the Offeror</i> )
<b>“IFRS as adopted by the EU”</b>	the international accounting standards, international financial reporting standards and the related interpretations of these standards issued by the International Accounting Standards Board from time to time as adopted by the European Union
<b>“Legal Merger”</b>	has the meaning ascribed thereto in Section 3.7 of Part A ( <i>Legal structure of Gamma Holding following the Offer</i> )
<b>“LTM”</b>	last 12 months
<b>“Management Board”</b>	the management board ( <i>raad van bestuur</i> ) of Gamma Holding
<b>“Merger Rules”</b>	all applicable laws and regulations relating to the Offer, including without limitation the applicable provisions of the Wft, the Takeover Decree, any rules and regulations promulgated pursuant to the Wft and/or the Takeover Decree, the Dutch Works Council Act ( <i>Wet op de ondernemingsraden</i> ), the Merger Code 2000 ( <i>SER besluit Fusiegedragsregels 2000</i> ), the rules and regulations of Euronext Amsterdam, the Dutch Civil Code and any other applicable securities or competition regulatory laws
<b>“Offer”</b>	the offer described in this Offer Memorandum
<b>“Offer Memorandum”</b>	this offer memorandum relating to the Offer, consisting of Part A of the Offer Memorandum and Part B Financial Information
<b>“Offeror”</b>	Go Acquisition
<b>“Offeror’s Articles of Association”</b>	the articles of association ( <i>statuten</i> ) of Go Acquisition as they stand since its incorporation on 7 October 2010 or as amended from time to time
<b>“Offeror’s Group”</b>	the Offeror and its group companies as referred to in Article 2:24b of the Dutch Civil Code



<b>“Offeror’s Shares”</b>	the issued and outstanding ordinary shares in the capital of Gamma Holding each with a nominal value of EUR 2.50 and issued and outstanding ordinary preference participating shares in the capital of Gamma Holding each with a nominal value of EUR 2.50, already held by the Offeror
<b>“Ordinary Offer Price”</b>	a cash amount of EUR 29.00 per Ordinary Share in consideration of each Ordinary Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered ( <i>geleverd</i> ) on the terms and subject to the terms and restrictions of this Offer.
<b>“Ordinary Preference Offer Price”</b>	a cash amount of EUR 3.50 per Ordinary Preference Share in consideration of each Ordinary Preference Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered ( <i>geleverd</i> ) on the terms and subject to the terms and restrictions of this Offer
<b>“Ordinary Preference Shareholder(s)”</b>	holder(s) of one or more Ordinary Preference Shares, save for the Offeror, Gilde and Parcom
<b>“Ordinary Preference Shares”</b>	ordinary participating preference shares in the capital of Gamma Holding each with a nominal value of EUR 2.50, save for any such shares held by the Offeror, Gilde and/or Parcom
<b>“Ordinary Shareholder(s)”</b>	holder(s) of one or more Ordinary Shares, save for the Offeror, Gilde and Parcom
<b>“Ordinary Shares”</b>	ordinary shares in the capital of Gamma Holding each with a nominal value of EUR 2.50, save for any such shares held by the Offeror, Gilde and/or Parcom
<b>“Parcom”</b>	PIF I together with PBOF IV
<b>“Parcom Shares”</b>	the issued and outstanding ordinary shares in the capital of Gamma Holding each with a nominal value of EUR 2.50 and issued and outstanding ordinary preference participating shares in the capital of Gamma Holding each with a nominal value of EUR 2.50, already held by Parcom
<b>“PBOF IV”</b>	Parcom Buy-Out Fund IV B.V., a private company with limited liability ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ) established under the laws of The Netherlands, and its registered office at Schiphol Boulevard 375, WTC Toren D, 1118 BJ Luchthaven Schiphol, The Netherlands, and registered with the chamber of commerce under number 34363412
<b>“PIF I”</b>	Parcom Investment Fund I B.V., a private company with limited liability ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ) established under the laws of The Netherlands, and its registered office at Schiphol Boulevard 375, WTC Toren D, 1118 BJ Luchthaven Schiphol, The Netherlands, and registered with the chamber of commerce under number 32132285
<b>“Position Statement”</b>	the recommendation of the Supervisory Board and Management Board and the fairness opinion as included in Part C of this document.
<b>“Post Acceptance” Period”</b>	the period after the Acceptance Date during which Shares not tendered under the Offer may be tendered to the Offeror in the same manner and on the same terms as set out in this Offer Memorandum ( <i>na-aanmeldingstermijn</i> )
<b>“PwC”</b>	PricewaterhouseCoopers Accountants N.V.
<b>“SEC”</b>	the United States Securities and Exchange Commission
<b>“Section”</b>	a section of this Offer Memorandum

<b>“Settlement Agent”</b>	Rabobank International Global Financial Markets-Syndications
<b>“Settlement Date”</b>	the date on which, in accordance with the terms and restrictions of the Offer, (i) payment of the Ordinary Offer Price shall be made by the Offeror to the Ordinary Shareholders who have validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) under the Offer prior to the Acceptance Closing Date, against delivery ( <i>levering</i> ) of their Ordinary Shares and (ii) payment of the Ordinary Preference Offer Price shall be made by the Offeror to the Ordinary Preference Shareholders who have validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered ( <i>geleverd</i> ) their Ordinary Preference Shares under the Offer prior to the Acceptance Closing Date, which date shall be promptly, but in any event within three Business Day following the Acceptance Date
<b>“Share(s)”</b>	Ordinary Share(s) and/or Ordinary Preference Share(s), save for any such shares held by the Offeror, Gilde and/or Parcom
<b>“Shareholder(s)”</b>	holder(s) of one or more Ordinary Shares and/or Ordinary Preference Shares, save for the Offeror, Gilde and Parcom
<b>“Shareholders Arrangements”</b>	has the meaning described thereto in the description of the transactions paragraph in Section 8.6 ( <i>Shareholder Arrangements</i> )
<b>“Squeeze-Out”</b>	has the meaning ascribed thereto in Section 3.7 of Part A ( <i>Legal structure of Gamma Holding following the Offer</i> )
<b>“Supervisory Board”</b>	the supervisory board ( <i>raad van commissarissen</i> ) of Gamma Holding.
<b>“Takeover Decree”</b>	the Decree on public offers Wft ( <i>Besluit openbare biedingen Wft</i> )
<b>“Vlisco”</b>	the Vlisco Group as sold by Gamma Holding to Actis Capital LLP on 7 September 2010
<b>“Wft”</b>	Netherlands Financial Supervision Act ( <i>Wet op het financieel toezicht</i> )

### 3. SUMMARY

This summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this Offer Memorandum. Shareholders are advised to review the Offer Memorandum in detail and to seek independent advice where appropriate in order to reach a reasoned judgment in respect of the contents of the Offer Memorandum and the Offer itself. Unless the context requires otherwise, capitalised terms used in this Offer Memorandum shall have the meanings set out in Section 2 of Part A (*Definitions*).

The Position Statement is included as Part C of this document on a voluntary basis for information purposes only. The Position Statement is not part of the Offer Memorandum in the meaning of the Takeover Decree and has not been prepared in accordance with Schedule G of the Takeover Decree. The Position Statement does not qualify as a position statement within the meaning of Article 18 paragraph 2 of the Takeover Decree and Schedule G of the Takeover Decree. The AFM has no authority to approve the Position Statement. Consequently the Position Statement has not been subject to approval of the AFM.

#### 3.1 The Offer

The Offeror hereby makes an Offer to purchase from the Shareholders all the Shares held by them, on the terms and subject to the terms and restrictions contained in this Offer Memorandum. Ordinary Shareholders tendering their Ordinary Shares under the Offer will be paid a cash amount of EUR 29.00 in respect of each Ordinary Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*). Reference is made to Section 5.1 of Part A (*Offer Price*).

The Ordinary Offer Price of EUR 29.00 is equal to the highest price paid by the Offeror for ordinary shares in the capital of Gamma Holding in the 12 months preceding the announcement of the Offer and therefore constitutes a fair price (*billijke prijs*) pursuant to Article 5:80a Wft. Reference is also made to Section 4.2 of Part A (*Substantiation of the Offer Price*).

Ordinary Preference Shareholders tendering their Ordinary Preference Shares under the Offer will be paid a cash amount of EUR 3.50 in respect of each Ordinary Preference Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*). Reference is made to Section 5.1 of Part A (*Offer Price*).

The Ordinary Preference Offer Price of EUR 3.50 is equal to the highest price the Offeror paid for the issued and outstanding ordinary participating preference shares in the capital of Gamma Holding in the period between the public announcement of the mandatory public offer of 6 December 2010 and the date of this Offer Memorandum and therefore constitutes the Ordinary Preference Offer Price pursuant to Article 25 of the Takeover Decree. Reference is also made to Section 4.2 of Part A (*Substantiation of the Offer Price*).

#### 3.2 Financing of the Offer

On 6 December 2010, the Offeror announced in accordance with Article 7 paragraph 4 of the Takeover Decree that it has taken all reasonable measures to pay the Ordinary Offer Price and Ordinary Preference Offer Price under the Offer. The Offeror will finance the acquisition of shares in the capital of Gamma Holding not already held by the Offeror, Gilde or Parcom as at 6 December 2010 on the basis of a EUR 64 million PIK Facility between ING Corporate Investments Mezzanine Fonds B.V. and Coöperatieve Centrale Raiffeisen Boerenleenbank B.V., trading as Rabobank International, as lenders and Go Acquisition, as borrower.

#### 3.3 Shares and options held by members of the Supervisory Board and the Management Board

None of the current members of the Supervisory Board or the Management Board holds any Shares nor have they traded in Shares during the year preceding the date of the Offer Memorandum. Mr Albers has been awarded a conditional right to acquire 17,510 Ordinary Shares, Mr Van Reeuwijk has been awarded conditional rights to acquire 21,325 Ordinary Shares in aggregate. In addition, Mr van Reeuwijk unconditionally holds 3,000 options to acquire Ordinary Shares. None of the members of the Supervisory Board holds Shares or options.

In the case of Mr Albers 11,638 Shares and in the case of Mr Van Reeuwijk 15,459 Shares will vest. It has been agreed that the value of these Shares will, with respect to Mr. Albers be cash settled by Gamma Holding for a total amount of EUR 337,502 and with respect to Mr. Van Reeuwijk be cash settled by Gamma Holding for a total amount of EUR 448,311. Treasury shares in the capital of Gamma Holding will not be used for such purposes. The conditional rights to the Shares that do not vest expire on the Settlement Date.

The exercise price of the options granted to Mr Van Reeuwijk is higher than the Ordinary Offer Price. As a consequence thereof, these options will expire on the Settlement Date.

### 3.4 Acceptance Period, extension and settlement of the Offer

#### 3.4.1 *Acceptance Period*

The Acceptance Period begins on 14 January 2011 at 09:00 hours CET and ends, subject to extension in accordance with Article 15 of the Takeover Decree, on 11 February 2011 at 18:00 hours CET. Reference is made to Section 5.4 of Part A (*Acceptance Period (aanmeldingstermijn)*).

The Offeror may extend the Acceptance Period for a minimum period of two weeks and a maximum period of ten weeks. Reference is also made to Section 5.5 of Part A (*Extension of the Acceptance Period*).

Shares tendered on or prior to the Acceptance Closing Date may not be withdrawn, subject to the right of withdrawal of any tendered Shares during any extension of the Acceptance Period in accordance with the provisions of Article 15 of the Takeover Decree. During any such extension of the Acceptance Period, any Shares previously tendered and not withdrawn will remain subject to the Offer, subject to the right of each Shareholder to withdraw the Shares he or she has already tendered.

The Offeror will accept all Shares that have been validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and not previously withdrawn pursuant to the terms of the Offer in accordance with, for the Shares held by Shareholders through an Admitted Institution, the procedures set forth in Section 5.2 of Part A (*Acceptance by Shareholders through an Admitted Institution*).

Holders of Shares individually recorded in Gamma Holding's shareholders' register wishing to accept the Offer in respect of such Shares must deliver a completed and signed acceptance form to the Settlement Agent in accordance with the terms and conditions of the Offer, not later than 18:00 hours, CET, on 11 February 2011, unless the Offer is extended in accordance with Section 3.4.2 (*Extension*). The acceptance forms are available upon request from the Settlement Agent. The acceptance form will serve as a deed of transfer (*akte van levering*) with respect to the Shares referenced therein.

#### 3.4.2 *Extension*

The Offeror may once only extend the Offer past the Acceptance Closing Date in accordance with Article 15(1) of the Takeover Decree, in which case all references in this Offer Memorandum to the “**Acceptance Closing Date**” or “**18:00 hours CET, on 11 February 2011**” shall, unless the context requires otherwise, be moved to the latest date and time to which the Offer has been so extended. A custodian, bank or stockbroker may set an earlier deadline for communication by Shareholders in order to permit the custodian, bank or stockbroker to communicate its acceptances to the Settlement Agent in a timely manner. If the Acceptance Period is extended, a public announcement to that effect shall be made in accordance with the Merger Rules. Article 15, paragraph 2 of the Takeover Decree requires that such announcement is made not later than the third Business Day following the initial Acceptance Closing Date. Reference is made to Section 5.5 of Part A (*Extension of the Acceptance Period*).

### 3.4.3 *Settlement of the Offer*

Shareholders who have tendered and delivered their Shares for acceptance pursuant to the Offer prior to or on the Acceptance Closing Date will receive on the Settlement Date (i) the Ordinary Offer Price in respect of each Ordinary Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*) and (ii) the Ordinary Preference Offer Price in respect of each Ordinary Preference Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*). Reference is made to Section 5.6 of Part A (*Settlement of the Offer*).

Admitted Institutions that obtain Shares from Shareholders who are tendering their Shares in acceptance of the Offer, will obtain these shares in their capacity of custodian. Upon obtaining such Shares, an Admitted Institution will tender these Shares for acceptance to the Settlement Agent in writing. In tendering these Shares for acceptance to the Settlement Agent, the Admitted Institutions are required to declare that they have the tendered Shares in their administration and they undertake to transfer these Shares to the Offeror prior to or ultimately on the Settlement Date. Reference is made to Section 5.2 of Part A (*Acceptance by Shareholders through an Admitted Institution*).

### 3.5 Offeror

The Offeror is Go Acquisition B.V., a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) duly incorporated on 7 October 2010 and validly existing under the laws of The Netherlands, with its statutory seat in Utrecht, The Netherlands.

The Offeror was incorporated by, and is a wholly owned subsidiary of, Gilde. Reference is made to Section 8.1 (*Information on the Offeror*).

### 3.6 Liquidity and Delisting

At the date of this Offer Memorandum, the Offeror holds 49.4 per cent. of the issued and outstanding ordinary shares in the capital of the Company and 15.0 per cent. of the issued and outstanding ordinary participating preference shares in the capital of the Company (the “**Offeror Shares**”). In addition, Parcom holds 29.6 per cent. of the issued and outstanding ordinary shares in the capital of the Company (the “**Parcom Shares**”), which shares will be transferred to the Offeror promptly following merger clearance having been obtained, which would bring the total interest in the ordinary share capital of the Company held by the Offeror to 79.1 per cent., and the total interest in the ordinary participating preference share capital of the Company held by the Offeror to 15.0 per cent. Evidently, the concentrated ownership of shares in the capital of Gamma Holding will adversely affect the liquidity and market value of the remaining Shares not tendered and not held by Gamma Holding.

The Offeror may seek to terminate the Company’s listing on Euronext Amsterdam. Any such termination of the listing would adversely affect the liquidity of any Shares not tendered under the Offer. In addition, the Offeror may initiate any of the procedures as set out in Section 3.7 of part A (*Legal structure of Gamma Holding following the Offer*) including procedures which would result in termination of the listing of the Shares (including Shares not being tendered under the Offer). Reference is made to Section 4.3.2 of Part A (*Liquidity and Delisting*).

### 3.7 Legal structure of Gamma Holding following the Offer

#### 3.7.1 *Summary of risk factors following the Offer*

Shareholders who do not tender their Shares in the Offer should carefully review this Section 3.7, which describes certain risks they will be subject to in the event they decide not to tender their Shares under the Offer. These risks are in addition to the exposure to the business of Gamma Holding and its subsidiaries, as such business and the structure of Gamma Holding may change from time to time after the Settlement Date. The following is a summary of the key additional risks:



- *COMPULSORY PURCHASE*

The Offeror may intend to acquire any remaining Shares through a Squeeze-Out procedure. Reference is made to Section 3.7.3. of Part A

- *LOSS OF LIQUIDITY*

The Offeror may seek to terminate the listing of Gamma Holding on Euronext Amsterdam and to convert Gamma Holding into a private limited company (*besloten vennootschap met beperkte aansprakelijkheid*), which would *inter alia* cause all shares in the capital of Gamma Holding to become subject to transfer restrictions.

Even if no conversion or merger (the latter as described in Section 3.7.3 (*Other Possible Measures*)) is implemented, the size of the free float in shares in the capital of Gamma Holding may be substantially reduced following the Offer. As a result of any measures to acquire 100 per cent. of the issued and outstanding shares in the capital of Gamma, after settlement of the Offer, trading volumes and liquidity of shares would most likely be materially adversely affected.

The Offeror may also seek a sale of substantially all assets of Gamma, which may be followed by a liquidation and a distribution of the sale proceeds.

- *CONVERSION TO PRIVATE LIMITED COMPANY*

After the necessary corporate approvals have been obtained, the Offeror may convert Gamma Holding into a Dutch private limited company (*besloten vennootschap met beperkte aansprakelijkheid*), which would involve an amendment of the Gamma Holding Articles of Association and would, among other consequences, cause all issued and outstanding shares in the capital of Gamma Holding to become subject to transfer restrictions. Any such conversion would be subject to the prior approval of the Supervisory Board.

- *REDUCED GOVERNANCE RIGHTS*

In the event that Gamma Holding or its successor entity would no longer be listed and its shares would no longer be publicly traded, the statutory provisions and Dutch Corporate Governance Code applicable to the governance of public or listed companies would no longer apply and the rights of minority shareholders would be limited to the statutory minimum.

- *CONTROLLING SHAREHOLDER*

Subject to merger clearance, Gilde and Parcom have agreed to combine their respective interests in Gamma Holding resulting in Go Acquisition further increasing its shareholding in Gamma Holding.

- *TAX TREATMENT OF DISTRIBUTIONS*

The Offeror has no insight into and no responsibility with respect to the tax treatment of Shareholders with respect to any distributions made by Gamma Holding or any successor entity to Gamma, which may include dividends, repayments of capital and liquidation distributions. In the event that there is a sale of substantially all assets of Gamma, followed by a liquidation and a distribution of the sale proceeds, this may raise specific tax issues for Shareholders, including without limitation a liability to Dutch dividend withholding tax.

### 3.7.2 General

The Offeror may intend to acquire 100 per cent. of Gamma Holding's share capital. For this purpose the Offeror may consider a number of processes, including a compulsory acquisition procedure (*uitkoopprocedure*) in order to squeeze out any holders who at the

time of settlement of the Offer remain Shareholder of Gamma Holding in accordance with Article 2:359c, 2:201a or 2:92a of the Dutch Civil Code (a “**Squeeze-Out**”). Separately, the Offeror may cause Gamma Holding to be converted into a private limited company (*besloten vennootschap met beperkte aansprakelijkheid*).

For the avoidance of doubt, any or all of the measures and processes described in Section 3.7 Part A (*Legal structure of Gamma Holding following the Offer*) may be applied cumulatively, alternatively, or not at all, at the discretion of the Offeror, subject to applicable provisions of Dutch law. Any such measures or processes may be subject to different tax consequences than those that apply in case the Shareholders had tendered their Shares in the Offer.

### 3.7.3 Other Possible Measures

The Offeror reserves the right to use any other permitted method to obtain 100 per cent. of Gamma Holding’s share capital, as well as to align the company structure of Gamma Holding with the group’s new holding and financing structure that will exist after settlement of the Offer, whilst at the same time excluding the pre-emptive rights (*voorkeursrechten*) (if any) of Shareholders, all in accordance with Dutch law and the Gamma Holding’s Articles of Association in force at the relevant time. Such methods may include, among other things, (a) the implementation of an upstream or downstream legal merger in accordance with Article 2:309 et seq of the Dutch Civil Code (a “**Legal Merger**”), (b) a contribution of assets to Gamma Holding in exchange for new shares issued (in which case the existing shareholders do not have pre-emptive rights), or (c) a sale of assets by Gamma Holding. It is currently not contemplated that a legal merger or an asset transaction as referred to herein above will be implemented. Any such Legal Merger or asset transaction would be subject to the prior approval of the independent members of the Supervisory Board.

Finally, the Offeror reserves the right to pursue alterations to the corporate and capital structure of Gamma, including internal reorganisations, changes to the accounting policies applied by Gamma, amendments to the Gamma’s Articles of Association, a liquidation, a demerger as specified in Article 2:334a of the Dutch Civil Code or a rights issue, all to be effected in accordance with Dutch law and the Gamma Holding’s Articles of Association (as amended from time to time).

Any distributions made may take the form of a distribution out of reserves, an interim dividend, a final dividend, payment upon cancellation or, in case the Company is liquidated, a liquidation distribution.

### 3.8 Dividend Policy

It is not contemplated that Gamma Holding’s dividend policy will change as a result of the Offer.

### 3.9 Announcements

Announcements in relation to the Offer, including announcements in relation to an extension of the Offer past the Acceptance Closing Date will be made by press release. See Section 5.9 of Part A (*Announcements*). Subject to any applicable requirements of the Merger Rules and without limiting the manner in which the Offeror may choose to make any public announcement, the Offeror will have no obligation to communicate any public announcement other than as described above.

### 3.10 Indicative Timetable

<u>Expected Date and Time</u>	<u>Event</u>
<i>(All times are CET)</i>	
13 January 2011	Press release announcing the availability of the Offer Memorandum and the commencement of the Offer

<u>Expected Date and Time</u>	<u>Event</u>
09:00 hours, 14 January 2011	Commencement of the Acceptance Period under the Offer, in accordance with Article 14 of the Takeover Decree
18:00 hours, 11 Februar 2011, subject to extension	<i>Acceptance Closing Date</i>  Deadline for Shareholders wishing to tender Shares
Not later than three Business Days after the Acceptance Closing Date	<i>Acceptance Date</i>  The date on which the Offeror shall publicly announce the aggregate value, the number and the corresponding percentage of Shares tendered and delivered to the Offeror prior to the Acceptance Closing Date, in accordance with the Takeover Decree. Article 16, paragraph 1 of the Takeover Decree requires that such announcement is made within three Business Days after the Acceptance Closing Date
Not later than three Business Days after the Acceptance Date	<i>Settlement Date</i>  The date on which, in accordance with the terms and restrictions of the Offer, the Offeror shall pay (i) the Ordinary Offer Price to the Ordinary Shareholders who have validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered ( <i>geleverd</i> ) their Ordinary Shares under the Offer prior to the Acceptance Closing Date, and (ii) the Ordinary Preference Offer Price to the Ordinary Preference Shareholders who have validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered ( <i>geleverd</i> ) their Ordinary Preference Shares under the Offer prior to the Acceptance Closing Date, which date shall be promptly, but in any event, within three Business Days following the Acceptance Date

#### 4. EXPLANATION OF THE OFFER

##### 4.1 Introduction

On 5 December 2010 the Offeror, Gilde and Parcom agreed to combine their respective interests in Gamma Holding. Pursuant to this agreement, Gilde and Parcom agreed that they will transfer their respective interests held in the capital of Gamma Holding in exchange for an equity interest in the Offeror. Gilde contributed all shares in Gamma Holding held by it to the Offeror on 6 December 2010. On 5 December 2010, Parcom transferred to the Offeror 130,093 ordinary shares in the capital of Gamma Holding, representing a total interest of 1.7 per cent., with the remainder of the shares in the capital of Gamma Holding held by Parcom at 6 December 2010 to be transferred to the Offeror, all against issue of shares in the capital of the Offeror to Parcom after the Offer has been made and after merger clearance is obtained. See also Section 8 (*Information on the Offeror*) for more information on the Offeror and the Offeror's envisaged shareholder structure.

On 5 December 2010, the Offeror also entered into an agreement with certain shareholders for the acquisition of 1,630,209 ordinary shares in the capital of Gamma Holding, representing a total interest of 21.3 per cent. in the capital of Gamma Holding against a price per share of EUR 29.00 in cash.

Pursuant to the Offeror, Gilde and Parcom entering into the above agreements, the Offeror announced on 6 December 2010 that it would make a mandatory public offer for (i) all issued and outstanding ordinary shares in the capital of Gamma Holding not held by the Offeror, Gilde or Parcom at an offer price per ordinary share of EUR 29.00 in cash and (ii) all issued and outstanding ordinary participating preference shares in the capital of Gamma Holding not held by the Offeror, Gilde or Parcom at an offer price per ordinary participating preference share of EUR 3.50 in cash.

As a result of Gilde and its group companies controlling more voting rights in Gamma Holding than Parcom at the time Gilde and Parcom entered into an agreement to combine their respective interest in Gamma Holding, Parcom is exempt from the obligation to make a mandatory offer for Gamma Holding on the basis of Article 5:71 paragraph 1 under h Wft. Gilde and its group companies (except the Offeror) have designated the Offeror in accordance with Article 2 paragraph 2 of the Public Takeover Exemption Decree (*Vrijstellingsbesluit Overnamebiedingen Wft*) to make the Offer.

As shareholders Gilde and Parcom aim to support management as a sparring partner to unlock Gamma Holding's commercial and financial opportunities. The concentrated shareholder base will allow the company to focus more on long term value creation, supported by a loyal and financially strong shareholder. The execution of Gamma Holding's strategy, in which focus on the growth of the business units is important, remains key (please also refer to paragraph 4.3.1 (*Strategy*)).

Since 6 December 2010, the Offeror and Parcom have separately acquired additional ordinary shares as well as ordinary participating preference shares in the capital of Gamma Holding, which transactions are described in more detail in Section 9(vi) below. The shares so acquired by Parcom will be purchased by the Offeror from Parcom after the Offer has been made and after merger clearance is obtained.

##### 4.2 Substantiation of the Ordinary Offer Price and Ordinary Preference Offer Price

The Offeror is required to make a mandatory public offer for the Shares at a fair price (*billijke prijs*). According to Article 5:80a Wft, the fair price (*billijke prijs*) is (i) the highest price the Offeror, or those persons with whom the Offeror acted in concert, paid for the shares that are subject to the mandatory public offer in the 12 months preceding the public announcement of the mandatory public offer, or (ii) in the event that no shares have been acquired by the Offeror or those persons with whom the Offeror acted in concert, in the 12 months preceding the public announcement of the mandatory public offer, the average share price of the issued and outstanding ordinary participating preference shares that are subject to the mandatory public offer on Euronext Amsterdam in the 12 months preceding the public announcement of the mandatory public offer.

On 5 December 2010, the Offeror entered into an agreement with certain shareholders for the acquisition of 1,760,302 ordinary shares in the capital of Gamma Holding, representing a total interest of 23 per cent., against a price per share of EUR 29.00 in cash. This price represents the

highest price for the ordinary shares in the capital of Gamma Holding paid by the Offeror, Gilde or Parcom in the 12 months preceding the announcement of the Offer on 6 December 2010. On 8 December 2010, the Offeror acquired 100 ordinary participating preference shares in the capital of Gamma Holding. On 10 December 2010, the Offeror acquired 20,000 ordinary participating preference shares in the capital of Gamma Holding. In accordance with Article 25 of the Takeover Decree, the price of EUR 3.50 constitutes the Ordinary Preference Offer Price.

In determining the Ordinary Offer Price, the Offeror has carefully considered the history of Gamma Holding, the historic price development of the Ordinary Shares, the renewed strategy of Gamma Holding and potential future prospects, including an analysis of historic and potential future developments.

4.2.1 The Ordinary Offer Price has been based on the following financial analyses:

- (a) An analysis of bid premiums in public offers that were concluded in the period between 1 January 2007 and 1 December 2010, excluding real estate funds and financial institutions. Closed transactions that were included in this analysis are: Canon/ Océ, Boskalis/ Smit, SHV/ Eriks, Adecco/ DNC, Staples/ Corporate Express, Eriks/ Econosto, Randstad/ Vedior, SABMiller/ Grolsch, Rexel/ Hagemeyer, Candover-Landsbanki-Eyrir/ Stork, TomTom/ Tele Atlas, KPN/ Getronics, Danone/ Numico, CVC/ Univar, Mecom/ Wegener, Consortium/ Endemol and Gilde/ Nedschroef. The median one-day bid premium of this group is 52 per cent., the median bid premium to the average closing price 6 months prior to the announcement of this group is 42 per cent. and the median bid premium to the average closing price 12 months prior to the announcement of this group is 43 per cent.

The Offer Price per Ordinary Share is valued at EUR 29.00, representing:

- (a) a 137 per cent. premium over the closing Ordinary Share price of EUR 12.25 on 17 June 2010, the last Business Day prior to the announcement of Gilde acquiring ordinary shares in the capital of Gamma Holding representing an interest of 19 per cent. These shares were acquired from ASR Nederland NV, Delta Lloyd Asset Management NV and Allianz Levensverzekering NV;
  - (b) a 77 per cent. premium over the average Ordinary Share price of EUR 16.41 for the 12 months ended on 2 December 2010, the last Business Day prior to the announcement of Gamma Holding that the Company was discussing with Gilde a possible public offer for all the issued and outstanding shares in the capital of Gamma Holding not already held by the Offeror, Gilde and Parcom;
  - (c) a 76 per cent. premium over the average Ordinary Share price of EUR 16.48 for the 12 months period ended on 6 December 2010, the date of the public announcement of the Offer; and
  - (d) a 37 per cent. premium over the average Ordinary Share price of EUR 21.23 for the 6 months ended on 2 December 2010, the last Business Day prior to the announcement of Gamma Holding that the Company was discussing with Gilde a possible public offer for all of the issued and outstanding shares in the capital of Gamma Holding not already held by the Offeror, Gilde and Parcom.
- (b) A trading multiple analysis based on the financial performance of Gamma Holding and the prices and trading activity of the Ordinary Shares compared with those of certain comparable publicly traded companies and their securities. Given the lack of a true peer and limited comparability of a relevant peer group for Gamma Holding, a sum-of-the-parts analysis has been conducted whereby different peer groups are applicable for the separate business units within Gamma Holding. Based on the Ordinary Offer Price of EUR 29.00, the Offer is valued at approximately 12.3x EBITDA 2009 and 6.6x LTM EBITDA Q3-2010. These multiples are based on an EBITDA 2009 of EUR 35.0 million excluding Vlisco and an LTM EBITDA Q3-2010 of EUR 65.0 million excluding Vlisco; and



The enterprise value is based on:

- (i) 7,518,535 ordinary shares in the capital of Gamma Holding and 133,985 ordinary participating preference shares in the capital of Gamma Holding, issued and outstanding as at 2 December 2010, the last Business Day prior the announcement of Gamma Holding that the Company was discussing with Gilde a possible public offer for all of the issued and outstanding shares in the capital of Gamma Holding not already held by the Offeror, Gilde and Parcom;
  - (ii) reported net indebtedness of Gamma Holding as of the end of Q3 2010 of EUR 168.4 million, including the Vlisco divestiture proceeds; and
  - (iii) debt-like items as identified by the Offeror such as minorities, restructuring provisions, pension liabilities and other provisions totalling EUR 44.7 million.
- (c) Finally, the recent purchases of ordinary shares in the capital of Gamma Holding on the basis of transactions between Gilde and former shareholders (i) ASR Nederland NV, Delta Lloyd Asset Management NV and Allianz Levensverzekering NV at EUR 18.65 and (ii) Kempen Oranje Participaties N.V. and other shareholders at EUR 29.00, representing a total interest in the capital of Gamma Holding of 40.3 per cent., have also been an important factor in determining the Ordinary Offer Price.

4.2.2 The Ordinary Preference Offer Price has been based on the following financial analysis:

- (a) a separate valuation by discounting the expected maximum dividends in perpetuity at the required return on Ordinary Preference Shares. The Ordinary Preference Shares have a subordinated character and the required return on Ordinary Preference Shares can be approached by using an estimation of Gamma Holding's credit rating; and
- (b) a benchmark yield analysis on a precedent public offer (Staples/ Corporate Express) and listed preference shares in The Netherlands (Koninklijke BAM Groep N.V., Hunter Douglas N.V. and Rolinco N.V.). However, the comparability of this benchmark yield analysis is limited as it assumes a full pay-out of the maximum dividend for Gamma Holding whereas any dividend entitlement relating to the Ordinary Preference Shares is not cumulative and Ordinary Preference Shares are not convertible into Ordinary Shares.

The Ordinary Preference Offer Price of Gamma holding of EUR 3.50, is above any closing price in the last 12 months prior to 3 December 2010, the date on which Gamma Holding announced, among other things, that it was discussing with Gilde a possible public offer for all the issued and outstanding shares in the capital of Gamma Holding not already held by the Offeror, Gilde and Parcom and represents:

- (a) a 6 per cent. premium over the closing Ordinary Preference Share price of EUR 3.20 on 2 December 2010, the last Business Day prior the announcement of Gamma Holding that the Company was discussing with Gilde a possible public offer for all of the issued and outstanding shares in the capital of Gamma Holding not already held by the Offeror, Gilde and Parcom;
- (b) a 15 per cent. premium over the average Ordinary Preference Share price of EUR 3.05 for the 6 months ended on 2 December 2010, the last Business Day prior to the announcement of Gamma Holding that the Company was discussing with Gilde a possible public offer for all of the issued and outstanding shares in the capital of Gamma Holding not already held by the Offeror, Gilde and Parcom; and
- (c) a 15 per cent. premium over the average Ordinary Preference Share price of EUR 3.05 for the 12 months ended on 2 December 2010, the last Business Day prior to the announcement of Gamma Holding that the Company was discussing with Gilde a possible public offer for all of the issued and outstanding shares in the capital of Gamma Holding not already held by the Offeror, Gilde and Parcom.

## 4.3 Consequences of the Offer

### 4.3.1 *Strategy*

Go Acquisition, Gilde and Parcom intend to support Gamma Holding's current strategy. Gamma Holding and Go Acquisition share the view that, after settlement of the Offer, the respective business units of Gamma Holding will, to the extent possible, be operated on a stand-alone basis from an operational perspective and, if appropriate, after consultation with the relevant credit providers, also from a financing perspective. Furthermore, for each business unit a strategic plan for the medium-term will be formulated, in each case in close consultation between the Supervisory Board, the Management Board, each business unit's management and Gilde and Parcom. It is envisaged that Gilde and Parcom will actively support the implementation of the strategy of the respective business units. This involvement may for instance take the form of acting as a sounding board, assistance with M&A processes or other assistance.

### 4.3.2 *Liquidity and Delisting*

The Offeror holds the Offeror Shares and Parcom the Parcom Shares, which shares will be transferred to the Offeror promptly following merger clearance having been obtained, which would bring the total interest in the ordinary share capital of the Company held by the Offeror to 79.1 per cent. and the total interest in the ordinary participating preference share capital of the Company held by the Offeror to 15.0 per cent. Evidently, the concentrated ownership of shares in the capital of Gamma Holding will adversely affect the liquidity and market value of the remaining Shares not tendered and not held by Gamma Holding.

The Offeror may seek to terminate Gamma Holding's listing on Euronext Amsterdam. Any such termination of the listing would adversely affect the liquidity of any Shares not tendered under the Offer. In addition, the Offeror may initiate any of the procedures as set out in Section 3.7 of Part A (*Legal structure of Gamma Holding following the Offer*) including procedures which would result in termination of the listing of the Shares (including Shares not being tendered under the Offer). Reference is made to Section 3.6 of Part A (*Liquidity and Delisting*).

### 4.3.3 *Legal structure of Gamma Holding following the Offer*

#### *Summary of risk factors following the Offer*

Shareholders who do not tender their Shares in the Offer should carefully review this Section 4.3.3, which describes certain risks they will be subject to in the event they decide not to tender their Shares. These risks are in addition to the exposure to the business of Gamma Holding and its subsidiaries, as such business and the structure of the Gamma Holding may change from time to time after the Settlement Date. The following is a summary of the key additional risks:

- **COMPULSORY PURCHASE**

After the settlement of the Offer, the Offeror may initiate a Squeeze-Out in order to squeeze out any holders who at the time of settlement of the Offer remain shareholders of Gamma Holding (see the *General* paragraph in Section 4.3.3 of Part A).

- **LOSS OF LIQUIDITY**

The Offeror may seek to terminate the listing of Gamma Holding on Euronext Amsterdam and to convert Gamma Holding into a private limited company (*besloten vennootschap met beperkte aansprakelijkheid*), which will *inter alia* cause all shares in Gamma Holding's shares capital to become subject to transfer restrictions.

Even if no conversion or merger (the latter as described herein below) is implemented, the size of the free float in Shares may be substantially reduced

following the Offer. As a result of any measures to acquire 100 per cent. of the issued and outstanding shares in the capital of Gamma Holding after settlement of the Offer, trading volumes and liquidity of Shares are most likely materially adversely affected.

- *CONVERSION TO PRIVATE LIMITED COMPANY*

After the necessary corporate approvals have been obtained, the Offeror may convert Gamma Holding into a Dutch private limited company (*besloten vennootschap met beperkte aansprakelijkheid*), which will involve an amendment of the Gamma Holding Articles of Association and will, among other consequences, cause all issued and outstanding shares in the capital of Gamma Holding to become subject to transfer restrictions. Any such conversion would be subject to the prior approval of the Supervisory Board.

- *REDUCED GOVERNANCE RIGHTS*

In the event that Gamma Holding or its successor entity will no longer be listed and its shares will no longer be publicly traded, the statutory provisions applicable to the governance of public or listed companies will no longer apply and the rights of minority shareholders will be limited to the statutory minimum.

- *CONTROLLING SHAREHOLDER*

Gilde has transferred its interest in Gamma Holding to Go Acquisition. Subject to merger clearance, Parcom has agreed to transfer to Go Acquisition its interest in Gamma Holding after publication of this Offer Memorandum, resulting in Go Acquisition further increasing its shareholding in Gamma Holding. Subject to merger clearance being obtained, Gilde and Parcom through Go Acquisition will jointly exercise the voting rights on the shares held by Go Acquisition in the capital of Gamma Holding.

- *TAX TREATMENT OF DISTRIBUTIONS*

The Offeror, Gilde and Parcom have no insight into and no responsibility with respect to the tax treatment of Shareholders with respect to any distributions made by Gamma Holding or any successor entity to Gamma, which may include dividends, repayments of capital and liquidation distributions. In the event that there is a sale of substantially all assets of Gamma, followed by a liquidation and a distribution of the sale proceeds, this may raise specific tax issues for Shareholders, including without limitation a liability to Dutch dividend withholding tax.

#### *General*

The Offeror reserves the right to use any legally permitted method to acquire 100 per cent. of Gamma Holding's share capital, as well as to align Gamma Holding with the holding and financing structure of the group of companies that includes the Offeror. For this purpose the Offeror may consider a number of processes, including a Squeeze Out. Separately, the Offeror may cause Gamma Holding to be converted into a private limited company (*besloten vennootschap met beperkte aansprakelijkheid*).

For the avoidance of doubt, any or all of the measures and processes described in this Section 4.3.3 may be applied cumulatively, alternatively, or not at all, at the discretion of the Offeror, subject to applicable provisions of Dutch law. Any such measures or processes may be subject to different tax consequences than those that apply in case the Shareholders had tendered their Shares in the Offer.

#### *Squeeze-out*

After the settlement of the Offer, the Offeror may initiate a Squeeze-Out in order to squeeze out any holders who at the time of settlement of the Offer remain shareholders

of Gamma Holding. The Offeror may also initiate a Squeeze-Out at any time after the Settlement Date, if and when it is entitled to do so, with respect to shares in any successor entity of Gamma Holding, created through a Legal Merger or otherwise.

#### *Other possible measures*

The Offeror reserves the right to use any other permitted method to obtain 100 per cent. of Gamma Holding's share capital, as well as to align the company structure of Gamma Holding with the group's new holding and financing structure that will exist after settlement of the offer, whilst at the same time excluding the pre-emptive rights (*voorkeursrechten*) (if any) of Shareholders, all in accordance with Dutch law and the Gamma Holding's Articles of Association in force at the relevant time. Such methods may include, among other things, (a) the implementation of a Legal Merger, (b) a contribution of assets to Gamma Holding in exchange for new shares issued (in which case the existing shareholders do not have pre-emptive rights), or (c) a sale of assets by Gamma Holding. It is currently not contemplated that a Legal Merger or an asset transaction as referred to herein above will be implemented. Any such Legal Merger or asset transaction would be subject to the prior approval of the independent members of the Supervisory Board.

Finally, the Offeror reserves the right to pursue alterations to the corporate and capital structure of Gamma Holding, including internal reorganisations, changes to the accounting policies applied by Gamma Holding, amendments to the Gamma Holding's Articles of Association, a liquidation, a demerger as specified in Article 2:334a of the Dutch Civil Code or a rights issue, all to be effected in accordance with Dutch law and the Gamma Holding's Articles of Association (as amended from time to time). Any distributions made may take the form of a distribution out of reserves, an interim dividend, a final dividend, payment upon cancellation or, in case the Company is liquidated, a liquidation distribution.

#### *4.3.4 Dividend policy*

It is not contemplated that Gamma Holding's dividend policy will change as a result of the Offer.

#### *4.3.5 Arrangements relating to employees*

The Offeror, Gilde, Parcom and Gamma Holding expect that the Offer will not have any adverse consequences for employees of members of the Gamma Holding Group, the relevant employment conditions at members of the Gamma Holding Group or the locations where employees at these companies are working.

#### *4.3.6 Establishment of Gamma Holding*

It is not contemplated that Gamma Holding's current establishment in Helmond will change as a result of the Offer.

#### *4.3.7 Future composition of the Boards*

The following agreement has been reached between the Offeror and Gamma Holding in relation to the composition of the Supervisory Board:

- Go Acquisition shall be able to designate two persons for nomination by the Supervisory Board and appointment by the Company's general meeting of shareholders (the "**General Meeting**") to be held in 2011 ("**2011 AGM**") as members of the Supervisory Board. It is contemplated that Mr. B.T. Molenaar and Mr. E. Westerink will be designated by Go Acquisition for such nomination and appointment. One of the current members of the Supervisory Board, Mr. Van der Bruggen, will resign during the 2011 AGM, bringing the total members of the Supervisory Board to five persons;
- as from the 2011 AGM, the Supervisory Board shall consist of up to three of the current members of the Supervisory Board who will be considered as independent members and the two members to be nominated and appointed at the 2011 AGM as set out above;

- during the Company's annual general meeting of shareholders to be held in 2012 ("**2012 AGM**") (i) one of the current members of the Supervisory Board shall resign, unless Go Acquisition indicates that it shall not require this, whereby the identity of such resigning member of the Supervisory Board shall be determined after consultation between the members of the Supervisory Board and, should such be necessary, following a majority decision by the Supervisory Board, and (ii) in the event that one of the current members of the Supervisory Board shall so resign, at the discretion of Go Acquisition (a) such resigning member shall be nominated for reappointment by the General Meeting, or (b) be succeeded by an individual to be jointly designated by Gilde and Parcom and who is independent from Gilde and Parcom, or (c) the vacant seat shall not be filled, be it temporarily or permanently;
- as from the 2012 AGM, Go Acquisition shall have the right to designate three (two of such three members being employees of Gilde and Parcom, respectively, and one of such three members being independent from Gilde and/or Parcom) out of five members of the Supervisory Board for nomination by the Supervisory Board and appointment by the General Meeting; and
- each of Gilde and Parcom shall nominate one of the members to the Supervisory Board to be designated by Go Acquisition and in case Go Acquisition has the right to nominate three members of the Supervisory Board, Gilde shall after consultation with Parcom nominate one additional member to be appointed to the Supervisory Board.

It is currently not envisaged that the composition of the Management Board will change following settlement of the Offer.

#### 4.4 The Foundation

Gamma Holding has agreed with the Stichting Preferente Aandelen Gamma Holding (the "**Foundation**") that the currently existing agreement between the Foundation and Gamma Holding on the basis of which the Foundation is entitled to require Gamma Holding to issue to the Foundation Cumulative Preference Shares up to half of the issued capital (as expanded following the issue) shall be terminated on the Settlement Date.

#### 4.5 Financing of the Offer

On 6 December 2010, the Offeror announced in accordance with Article 7 paragraph 4 of the Takeover Decree that it has taken all reasonable measures to pay the Ordinary Offer Price and the Ordinary Preference Offer Price under the Offer. The Offeror will finance the acquisition of shares in the capital of Gamma Holding not already held by Gilde or Parcom as at 6 December 2010 on the basis of a EUR 64 million PIK Facility between ING Corporate Investments Mezzanine Fonds B.V. and Coöperatieve Centrale Raiffeisen Boerenleenbank B.V., trading as Rabobank International, as lenders and Go Acquisition, as borrower (together "**Committed Financing**").

The Offeror possesses documentation with regards to the Committed Financing which shows that the Offeror is able to fulfil its commitment to pay in cash for the tendered Ordinary Shares and Ordinary Preference Shares at settlement of the Offer. The financing is not subject to any conditions other than a limited number of conditions that have been included in the debt financing documentation. These conditions are in line with market practice. The Offeror has no reason to assume these conditions will not be fulfilled at the time of delivery of the tendered Shares under the Offer. Parcom currently holds the Parcom Shares, which shares will be transferred to the Offeror promptly following merger clearance having been obtained, which would bring the total interest in the ordinary share capital of the Company held by the Offeror to 79.1 per cent., and the total interest in the and ordinary participating preference share capital of the Company held by the Offeror to 15.0 per cent.



## 5. INVITATION TO THE SHAREHOLDERS

The Offeror hereby makes a mandatory public cash offer for all the Shares. Shareholders are advised to review this Offer Memorandum (including all documents incorporated by reference herein) and in particular Section 3.7 of Part A (*Legal structure of Gamma Holding following the Offer*) thoroughly and completely and to seek independent advice where appropriate in order to reach a balanced judgment with respect to the Offer and this Offer Memorandum. Shareholders who consider not to tender their Shares are advised to review Section 3.7 of Part A (*Legal structure of Gamma Holding following the Offer*). With due reference to all statements, terms and restrictions included in this Offer Memorandum, Shareholders are hereby invited to tender their Shares under the Offer in the manner and subject to the terms and restrictions set out below.

### 5.1 Offer Price

For each Ordinary Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*) under the terms and restrictions of the Offer, the Offeror offers the Ordinary Offer Price of EUR 29.00 per Ordinary Share in cash.

The Ordinary Offer Price of EUR 29.00 is equal to the highest price paid by the Offeror for ordinary shares in the capital of Gamma Holding in the 12 months preceding the announcement of the Offer and therefore constitutes a fair price (*billijke prijs*) pursuant to Article 5:80a Wft. Reference is made to Section 4.2 of Part A (*Substantiation of the Offer Price*).

For each ach Ordinary Preference Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*) under the terms and restrictions of the Offer, the Offeror offers the Ordinary Preference Offer Price of EUR 3.50 per Ordinary Preference Share in cash.

The Ordinary Preference Offer Price is equal to the highest price the Offeror paid for the issued and outstanding ordinary participating preference shares in the capital of Gamma Holding in the period between the public announcement of the mandatory public offer of 6 December 2010 and the date of this Offer Memorandum and therefore constitutes the Ordinary Preference Offer Price pursuant to Article 25 of the Takeover Decree. Reference is made to Section 4.2 of Part A (*Substantiation of the Offer Price*).

### 5.2 Acceptance by Shareholders through an Admitted Institution

Shareholders who hold their Shares through an Admitted Institution are requested to make their acceptance known via their bank or stockbroker no later than 18:00 hours CET on 11 February 2011, unless the Acceptance Period is extended in accordance with Section 5.5 of Part A (*Extension of the Acceptance Period*). Your custodian, bank or stockbroker may set an earlier deadline for communication by Shareholders in order to permit the custodian, bank or stockbroker to communicate its acceptances to the Settlement Agent in a timely manner.

The Admitted Institutions may tender Shares for acceptance only to the Settlement Agent and only in writing. In tendering the acceptance, the Admitted Institutions are required to declare that (i) they have the tendered Shares in their administration, (ii) each Shareholder who accepts the Offer irrevocably represents and warrants that the Shares tendered by him are being tendered in compliance with the restrictions set out in Section 01 of Part A (*Restrictions and important information*) and (iii) they undertake to transfer these Shares to the Offeror prior to or ultimately on the Settlement Date.

Subject to Article 15, paragraph 3 and/or 7 of the Takeover Decree, the tendering of Shares in acceptance of the Offer shall constitute irrevocable instructions (i) to block any attempt to transfer the Shares tendered, so that on or prior to the Settlement Date no transfer of such Shares may be effected (other than to the Settlement Agent on or prior to the Settlement Date if the Shares have been accepted for purchase or if withdrawal rights are available) and (ii) to debit the securities account in which such Shares are held on the Settlement Date in respect of all of the Shares tendered, against payment by the Settlement Agent of the Offer Price in respect of those Shares.

### 5.3 Undertakings, representations and warranties by tendering Shareholders

Each Shareholder tendering Shares pursuant to the Offer, by such tender, undertakes, represents and warrants to the Offeror, on the date that such Shares are tendered through to and including the Settlement Date, subject to the proper withdrawal of any tender in accordance with Article 15, paragraph 3 and/or 7 of the Takeover Decree, that:

- 5.3.1 the tender of any Shares constitutes an acceptance by the Shareholder of the Offer, on and subject to the terms and restrictions of the Offer as contained in the Offer Memorandum;
- 5.3.2 such Shareholder has full power and authority to tender, sell and deliver (*leveren*), and has not entered into any other agreement to tender, sell or deliver (*leveren*) the Shares stated to have been tendered to any party other than the Offeror (together with all rights attaching thereto) and, when the same are purchased by the Offeror for cash, the Offeror will acquire such Shares, with full title guarantee and free and clear of all third party rights and restrictions of any kind; and
- 5.3.3 such Shares are being tendered in compliance with the restrictions as set out in Section 1 of Part A (*Restrictions and important information*) and the securities and other applicable laws or regulations of the jurisdiction in which such Shareholder is located or of which it is a resident and no registration, approval or filing with any regulatory authority of such jurisdiction is required in connection with the tendering of such Shares.

Shares tendered on or prior to the Acceptance Closing Date may not be withdrawn, subject to the right of withdrawal of any tendered Shares during any extension of the Acceptance Period in accordance with the provisions of Article 15, paragraph 3 and/or 7 of the Takeover Decree. During any such extension of the Acceptance Period, any Shares previously tendered and not withdrawn will remain subject to the Offer.

### 5.4 Acceptance Period (*aanmeldingstermijn*)

The Acceptance Period begins on 14 January 2011 at 09:00 hours CET and ends, subject to extension in accordance with Article 15 of the Takeover Decree, on 11 February 2011 at 18:00 hours, CET.

The Offeror will accept all Shares that have been validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and not previously withdrawn pursuant to the terms of the Offer in accordance with, for the Shares held by Shareholders through an Admitted Institution, the procedures set forth in Section 5.2 of Part A (*Acceptance by Shareholders through an Admitted Institution*).

Holders of Shares individually recorded in Gamma Holding's shareholders' register wishing to accept the Offer in respect of such Shares must deliver a completed and signed acceptance form to the Settlement Agent in accordance with the terms and conditions of the Offer, not later than 18:00 hours, CET, on 11 February 2011, unless the Offer Period is extended in accordance with Section 3.4.2 (Extension). The acceptance forms are available upon request from the Settlement Agent. The acceptance form will serve as a deed of transfer (*akte van levering*) with respect to the Shares referenced therein.

### 5.5 Extension of the Acceptance Period

The Offeror may once only extend the Offer past the Acceptance Closing Date in accordance with Article 15 paragraph 1 of the Takeover Decree, in which case all references in this Offer Memorandum to the "**Acceptance Closing Date**" or "**18:00 hours CET, on 11 February 2011**" shall, unless the context requires otherwise, be moved to the latest date and time to which the Offer has been so extended.

If the Acceptance Period is extended, a public announcement to that effect shall be made in accordance with the Merger Rules. Article 15, paragraph 2 of the Takeover Decree requires that such announcement be made not later than the third Business Day following the initial Acceptance Closing Date.

During any such extension of the Acceptance Period, any Shares previously tendered and not withdrawn will remain subject to the Offer. In accordance with Article 15, paragraph 3 and/or 7 of the Takeover Decree, Shares tendered on or prior to the original Acceptance Closing Date may be withdrawn during the Acceptance Period as extended.

The Offeror may, in accordance with Article 17 of the Takeover Decree, within three Business Days after Acceptance Period announce a Post Acceptance Period to enable Shareholders that did not tender their Shares in the Acceptance Period to tender their Shares under the same terms and conditions as the Offer. Such Post Acceptance Period shall commence on the first Business Day following the announcement of a Post Acceptance Period and shall have a maximum of two weeks. The Offeror shall continue to accept for payment all Shares validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) during such period and shall pay for such Shares within three Business Days following the end of the Post Acceptance Period.

#### 5.6 Settlement of the Offer

Ordinary Shareholders who have tendered and delivered their Ordinary Shares for acceptance pursuant to the Offer prior to or on the Acceptance Closing Date will receive on the Settlement Date the Ordinary Offer Price in respect of each Ordinary Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*), at which point, dissolution or annulment of an Ordinary Shareholder's tender or delivery (*levering*) shall not be permitted.

Ordinary Preference Shareholders who have tendered and delivered their Ordinary Preference Shares for acceptance pursuant to the Offer prior to or on the Acceptance Closing Date will receive on the Settlement Date the Ordinary Preference Offer Price in respect of each Ordinary Preference Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*), at which point, dissolution or annulment of an Ordinary Preference Shareholder's tender or delivery (*levering*) shall not be permitted.

Admitted Institutions receiving Shares from Shareholders tendering under this Offer shall receive these Shares as custodian. In turn, Admitted Institutions will submit such Shares by written instruction to the Settlement Agent. By tendering such Shares, the Admitted Institutions declare that they have the Shares in their custody and that they procure transfer of the Shares to the Offeror on the Settlement Date.

#### 5.7 Commission

Admitted Institutions shall receive from the Settlement Agent on behalf of the Offeror a commission in the amount of EUR 0.029 in respect of each Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*), up to a maximum of EUR 1,000 per Shareholder tender. The commission must be claimed from the Offeror through the Settlement Agent upon the Settlement Date. No costs will be charged to the Shareholders by the Offeror or by Gamma Holding for the delivery and payment of the Shares. However, costs might be charged by certain banks or stockbrokers.

#### 5.8 Restrictions

The Offer is being made with due observance of such statements, terms and restrictions as are included in the Offer Memorandum. The Offeror reserves the right to accept any tender under the Offer, which is made by or on behalf of a Shareholder, even if it has not been effectuated in such manner as set out above.

#### 5.9 Announcements

Announcements in relation to the Offer, including announcements in relation to an extension of the Offer past the Acceptance Closing Date will be issued by press release. Subject to any applicable requirements of the Merger Rules and without limiting the manner in which the Offeror may choose to make any public announcement, the Offeror will have no obligation to communicate any public announcement other than as described above.

## 6. INFORMATION REGARDING GAMMA HOLDING

### 6.1 Overview

Gamma Holding is active in 34 countries with some 4,500 employees and consists of four business units: Ammeraal Beltech, Bekaert Textiles, Clear Edge Filtration and Dimension-Polyant. These operating units develop, manufacture and sell innovative, high-quality products throughout the world, varying from process and conveyor belts and filtration products to sailcloth and mattress ticking. With these activities, the business units of Gamma Holding hold prominent market positions worldwide.

The shares in Gamma Holding's capital are listed on NYSE Euronext Amsterdam and Gamma Holding has its statutory seat (*statutaire zetel*) in Helmond, The Netherlands, and its registered address at Panovenweg 12, 5708HR Helmond, The Netherlands. Gamma Holding is registered with the chamber of commerce under number 17026110.

In 2009, Gamma Holding achieved a turnover of EUR 659 million and a net result of EUR -/-69.7 million.

### 6.2 History and Development of the Company

Gamma Holding's history dates back to 1846 when it was founded by P.F. van Vlissingen under the name of P.F. van Vlissingen & Co's Katoenfabrieken. The Company merged in 1964 with Ankersmit's Textielfabrieken N.V. and N.V. Stoomweverij Nijverheid. Gamma Holding extended its product offering with interior products in 1969 following the merger with Hatéma-Texoprint. In 1972, the Company changed its name into Gamma Holding N.V.

Over the period 1990-1992 Gamma Holding further diversified into technical textiles following the acquisitions of Ammeraal, De Witte Lietaer (Car Fabrics) and Bekaert Textiles. The technical textiles business was reinforced with the acquisition of Verseidag in 1999.

In the period 2001-2003 Gamma Holding divested its interior products activities and acquired Madison Filter Group, Crosible Inc, Green Belting Industries and Burgmann Protection Group. (renamed Verseidag Ballistic Protection). Gamma Holding further strengthened its position in the industrial sector with the development of new technologies (Biscor, PTFE) and forward integration (D4 Fraser) in the course of 2004.

In 2005 Gamma Holding made several acquisitions to strengthen its position in emerging markets and increase its geographical presence, such as Telartex (Mexico).

From 2006-2008 Gamma Holding divested Ames Europe, its decoration textiles activities in Belgium and De Witte Lietaer. In the same period Gamma Holding strengthened its filtration and belting activities with the acquisition *inter alia*, Kirin (Singapore), Crosible Filtration Ltd. (Canada) and modular belt manufacturer uni-chains A/S (Denmark). In 2009 Gamma Holding divested its coating & composites activities including Verseidag Ballistic Protection. At the end of 2009 the sector breakdown into Industrial Solutions and Lifestyle Fabrics was abandoned and the business units were renamed to the business unit names: Ammeraal Beltech, Bekaert Textiles, Clear Edge Filtration and Dimension-Polyant. In 2010 Gamma Holding sold Vlisco Group.

#### *Company milestones*

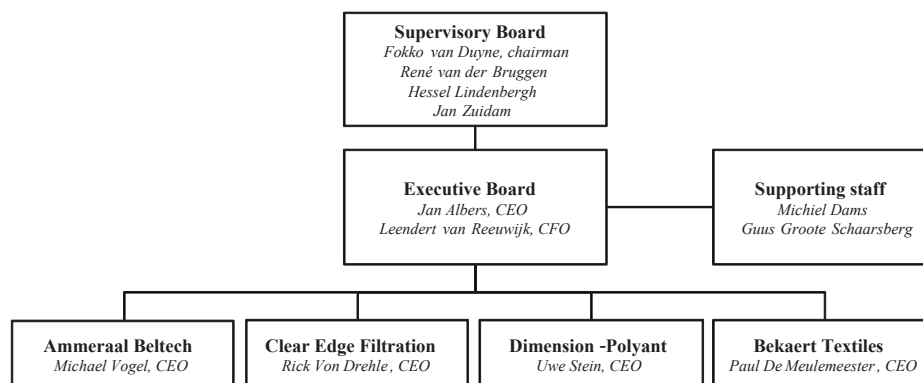
Year	Milestone
1846	Foundation P.F. van Vlissingen & Co's Katoenfabrieken by P.F. van Vlissingen
1852	First ships containing batiks to East Indies
1917	First stock exchange quotation ordinary shares
1933	Standstill trade in East Indies, start sales Africa
1964	Merger N.V. P.F. van Vlissingen & Co's Katoenfabrieken, Ankersmit's Textielfabrieken N.V. and N.V. Stoomweverij Nijverheid

Year	Milestone
1965	First stock exchange quotation Texoprint
1969	Merger Hatéma-Texoprint, entry into interior products
1972	Name change to Gamma Holding N.V.
1990 -1992	Introduction technical textiles through acquisition Ammeraal, De Witte Lietaer (1990) and Bekaert Textiles (1992)
1999	Reinforcement industrial sector through acquisition Verseidag
2001	Completion divestment interior products and acquisition Madison Filter Group
2003	Acquisition Crosible Inc, Green Belting Industries and Burgmann Protection Group
2004	Further reinforcement industrial sector through new technologies (Biscor, PTFE) and forward integration (Fraser, D4)
2005	Reinforcement position in emerging markets through acquisitions such as Telartex (Mexico)
2006	Discontinued operations: De Witte Lietaer and Ames Europe
2007	Acquisition uni-chains A/S in Denmark (Belting) and Kirin in Singapore (Filtration) Completion sale De Witte Lietaer, Sale of Decoration Textiles in Belgium
2008	Acquisition Crosible Filtration Ltd. in Canada (Filtration)
2009	Sale of Verseidag Indutex and Verseidag Ballistic Protection
2010	Sale of Vlisco Group

### 6.3 Group structure

Gamma Holding is a public company with limited liability (*naamloze vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands. Gamma Holding is headquartered in Helmond, The Netherlands.

Gamma Holding's organisational structure can in a simplified manner be displayed as follows:



### 6.4 Business overview

Gamma Holding consists of four business units: Ammeraal Beltech, Bekaert Textiles, Clear Edge Filtration and Dimension-Polyant.

#### (a) Ammeraal Beltech

Ammeraal Beltech develops, manufactures, and sells process and conveyor belts for numerous applications and is one of the global top three in its field. Ammeraal Beltech is founded in 1950 and part of Gamma Holding since 1990. The business unit supplies companies in the food & beverage industry, woodworking industry, construction sector,



paper & print industry, tobacco industry and logistics service providers such as airports and mail sorting systems. Furthermore, through Green Belting Industries, Biscor and Mapelli, the business unit supplies PTFE coated glass woven fabrics for industrial applications.

Ammeraal Beltech is active with production facilities in nine countries, with fabrication facilities in over 20 countries and has a distribution network in over 85 countries. The production locations are situated in The Netherlands, Denmark, Spain, Italy, Switzerland, the United Kingdom, the United States, Canada and China. The business unit supplies original equipment manufacturers as well as end-users and distributors.

(b) Bekaert Textiles

Bekaert Textiles is the global market leader in durable woven and knitted mattress fabrics. Bekaert Textiles is founded in 1892 and is part of Gamma Holding since 1992.

Bekaert Textiles is based in Belgium, with manufacturing and sales activities organised on a regional basis. In addition to the head office and development centre in Belgium, there are production units in seven other countries – the Czech Republic, Turkey, the United States, Mexico, Argentina, Australia and China.

(c) Clear Edge Filtration

Clear Edge Filtration develops, manufactures, and sells a range of industrial process filtration products on a global scale. The business unit is a market leader in its niche markets and supplies products to the mining and minerals, chemical, pulp & paper and food & beverage industries, coal fired power stations and wastewater plants, as well as for industrial and environmental dust collection and hot gas filtration applications.

The business unit supplies original equipment manufacturers as well as end-users and distributors in over 80 countries. The business unit has weaving plants in the US, Germany and Sweden, and fabrication, sales, and service locations throughout each of its three regions: The Americas, Europe/Africa, and Asia/Pacific.

(d) Dimension-Polyant

Dimension-Polyant is the global market leader in sailcloth technology. The business unit develops and produces high-tech sailcloth for all classes of boat.

Dimension-Polyant has its own global research & development platform and production centres in Germany, Australia and the United States. Its sales offices are spread over Germany, France, the United Kingdom, Denmark, the United States and Australia.

## 6.5 Business strategy

Gamma Holding wants to be an attractive, reliable, healthy and profitable company with a leading position in attractive markets. The objective for potential new acquisitions is to put the group in a better strategic position. By spreading its activities over various regions and market segments, the group aims to achieve growth and a better competitive position.

The business units' strategy is based on two pillars: optimising business processes and strengthening market positions. In difficult economic times it is important that processes are flexible, fast and cost-efficient. There is therefore a strong focus on optimising the business processes in the value chain. Flexibility, good service provision and efficiently organised production and fabrication are the most important aspects of this. In order to achieve the best possible competitive position, the business units produce close to the market and where possible in countries where wage costs are low.

The second strategic pillar is aimed at improving market positions. This will be achieved not only by means of organic growth, but also by acquiring businesses in order to expand the product portfolio and strengthen positions in emerging markets.

(a) Ammeraal Beltech

Ammeraal Beltech aims to become a total supplier of a complete range of process and conveyor belts and related services for customers worldwide. The business unit is focusing on innovative production processes and products as well as on strengthening its position in emerging markets, such as Eastern Europe, Asia, Oceania and Central and South America. In an effort to increase efficiency, it is continuously improving its production and fabrication processes.

(b) Bekaert Textiles

As the global market leader in mattress ticking, Bekaert Textiles wants to supply durable solutions for the bedding market. The business unit aims to strengthen its position in Europe, America and Asia Pacific and to increase its market share, both through organic growth and acquisitions which guarantee positions in emerging markets. With an active, customer oriented focus and dedicated product portfolio, the business unit delivers – via its own brands and exclusive licenses – technically advanced, innovative products and services which enable customers to stand out more clearly in the marketplace. Bekaert Textiles also plans to outsource more of its logistics and distribution activities and will continue to focus on reducing costs and increasing efficiency.

(c) Clear Edge Filtration

Clear Edge Filtration aims to be a global supplier of industrial process filtration products to a broad base of customers and into an extensive range of applications. Consequently, its marketing & sales network will be reinforced in all regions. The business unit will also focus its research & development activities on market specific products and technologies in order to create enhanced performance and value for its customers. Specific acquisitions will ensure positions in emerging markets and further expand the product portfolio. With a view to healthy balance sheet ratios, the focus will be on organic growth for the time being. Continuous efforts will also be made to reduce costs, improve quality and further optimise production.

(d) Dimension-Polyant

Dimension-Polyant wants to further raise its profile as a market leader in the world of sailing. The business unit intends to strengthen its leading position in woven and laminated sailcloth and to gain a larger market share in the topsegment of membranes and spinnakers. Here the focus is on product and process innovation and valuable service to the world of sailing. Moreover, a higher-profile brand policy should improve the high-quality image of Dimension-Polyant among sailmakers and consumers. Finally, Dimension-Polyant plans to invest in advanced production technology to improve efficiency and quality.

## 6.6 Recent developments and financial outlook

### 6.6.1 *Recent developments*

#### *Sale of Vlisco*

In September 2010, Gamma Holding sold Vlisco Group to Actis Capital LLP for an amount of EUR 116 million (after finalisation of the completion accounts). The real estate in Helmond, Netherlands, will remain the property of Gamma Holding and will be let out to Vlisco Group. Gamma Holding will remain responsible for monitoring and remediating the pollution that existed when Vlisco was sold. A long-term lease with a market-rate rent, to be indexed annually, has been agreed. In 2009 the activities sold represented an annual turnover of EUR 168.3 million and EBITDA excluding restructuring expenses of EUR 28.2 million.

With the sale of Vlisco Group, the debt position of Gamma Holding was improved. In addition, the realised book profit resulted in shortening the balance sheet and is expected to double the solvency of the company from 13.5 per cent. of 30 June 2010 to approximately 28 per cent. at 31 December 2010.<sup>1</sup>

#### *Refinancing*

In November 2010, Gamma Holding reached agreement with ABN AMRO, ING and Rabobank on changes to the Company's existing loan facilities until March 2014.

The financing now available consists of three separate facilities in which the banks are participating equally:

- a facility of USD 125 million;
- a facility of EUR 70 million; and
- a multicurrency facility of EUR 100 million.

The changes took effect in the beginning of December 2010 until March 2014. Furthermore, the financing may, with the consent of the banks, be extended for a maximum of two times one year until March 2015 and March 2016 respectively.

The changes to the facilities mean that the right of conversion from the original loan agreement which ran until July 2011 has ceased to exist. Under that arrangement the banks were able, on certain conditions, to convert a portion of the original loan facilities into newly issued cumulative preference shares.

#### 6.6.2 *Financial outlook*

Barring unforeseen circumstances, Gamma Holding expects the positive trend of the first three quarters of 2010 to continue into 2011, though ongoing uncertainty surrounding the economic climate and rising energy and raw material prices should be taken into account.

### 6.7 Supervisory Board, Management Board

Gamma Holding has a two-tier board structure consisting of a Supervisory Board and a Management Board.

#### 6.7.1 *Supervisory Board*

All members of the Supervisory Board are independent within the meaning of the Dutch Corporate Governance Code. The members of the Supervisory Board also have the specific expertise required and the composition of the board is such that it is able to carry out its tasks properly.

The Supervisory Board consists of the following members:

Fokko van Duyne (1942), Chairman

Nationality: Dutch

Mr. van Duyne was appointed as a member of the Supervisory Board and as its Chairman in 2001. His term of office ends at the time of the General Meeting of Shareholders in 2013.

Other positions held by Mr. van Duyne:

- Chairman Supervisory Board De Nederlandsche Bank N.V., Koninklijke Verkeade N.V.; and
- Member Supervisory Board of Tennet N.V.

<sup>1</sup> After finalisation of the completion accounts

Jan Zuidam (1948), Vice - Chairman

Nationality: Dutch

Mr. Zuidam was first appointed to the Supervisory Board in 2002 and was reappointed in 2010. His term of office ends at the time of the general meeting of shareholders in 2014.

Other positions held by Mr. Zuidam:

- Member supervisory board Broadview Holding B.V.;
- Member supervisory board Shell Nederland B.V.;
- Chairman Limburgse Employers' Association (LWV); and
- Chairman Brainport 2020.

Hessel Lindenberg (1943)

Nationality: Dutch

Mr. Lindenberg was appointed to the Supervisory Board in 2003. His term of office ends at the time of the General Meeting of Shareholders in 2011.

Other positions held by Mr. Lindenberg:

- Chairman of Supervisory Board ABN AMRO Bank N.V.;
- Member Supervisory Board DHV Holding N.V.; and
- Member Supervisory Board (Raad van Toezicht) Universiteit van Amsterdam.

René van der Bruggen (1948)

Nationality: Dutch

Mr. van der Bruggen was appointed to the Supervisory Board in 2010. His term of office ends at the time of the General Meeting of Shareholders in 2012.

Other positions held by Mr. van der Bruggen:

- Chairman Board of Management Imtech N.V.;
- Member Supervisory Board Grontmij N.V.;
- Member Supervisory Board (Raad van Toezicht) Gelderse Vallei Ziekenhuis;
- Member Advisory Council Cisco Systems; and
- Member Advisory Council Issuing Institutions NYSE Euronext.

#### 6.7.2 *Management Board*

The Management Board consists of the following members:

Jan Albers (1952), CEO

Mr. Albers was appointed as a member of the Management Board and as CEO of Gamma Holding in 2009.

Leendert van Reeuwijk (1965), CFO

Mr. Van Reeuwijk was appointed as a member of the Management Board and as CFO of Gamma Holding in 2009.

## 6.8 Major shareholders

As per the public register held by the AFM as at the date of this Offer Memorandum, the following institutions have, pursuant to the Wft, notified the Netherlands Authority for the Financial Markets of their shareholding exceeding 5 per cent. of the issued share capital of the Company:

<b>Company</b>	<b>Total interest</b>	<b>Directly actual</b>	<b>Directly potential</b>	<b>Indirectly actual</b>	<b>Indirectly potential</b>	<b>Date</b>
Gilde Buy-Out Fund III Management B.V.						
Capital Interest .....	47.27%	0.00%	0.00%	47.27%	0.00%	5.12.'10
Voting Rights.....	47.27%	0.00%	0.00%	47.27%	0.00%	
ING Groep N.V.*						
Capital Interest .....	26.49%	0.00%	0.00%	26.49%	0.00%	1.11.'06
Voting Rights.....	26.49%	0.00%	0.00%	26.49%	0.00%	

*\* ING Groep N.V. is Parcom's ultimate holding company, which has made the relevant notifications with the AFM*

## 7. CAPITAL AND SHARES

### 7.1 Authorised and issued share capital

All shares in Gamma Holding have a nominal value of EUR 2.50 each.

Share capital as per 13 January 2010:

Authorised share capital (in euro):	95,000,000
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Consisting of:

(a) Ordinary shares (in euro):	23,367,537.50
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(b) Preference shares (in euro)	71,632,462.50
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Total authorised share capital (in numbers)	38,000,000
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Issued and paid up ordinary shares (in numbers)	7,518,535
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Issued and paid up preference shares (in numbers)	133,985
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At the publication date of this Offer Memorandum, a total number of 7,652,520 shares were issued and fully paid up, representing a total nominal value of EUR 19,131,300.

### 7.2 Changes in share capital

There have not been any changes in the authorised and issued share capital since 7 September 2009.

### 7.3 Share price development

This graphic below sets out the Share price development from 1 January 2009 to 12 January 2011.



Source: Bloomberg

### 7.4 Overview of shares and options held by members of the Management Board and Supervisory Board

None of the current member of the Supervisory Board or the Management Board holds any Shares nor have they traded in Shares during the year preceding the date of the Offer Memorandum. Mr Albers has been awarded a conditional right to acquire 17,510 Ordinary shares in aggregate. Mr Van Reeuwijk has been awarded conditional rights to acquire 21,325 Ordinary Shares in aggregate. In addition Mr Van Reeuwijk unconditionally holds 3,000 options to acquire Ordinary Shares. None of the members of the Supervisory Board holds Shares or options.



In the case of Mr Albers 11,638 Shares and in the case of Mr Van Reeuwijk 15,459 Shares will vest. It has been agreed that the value of these Shares will, with respect to Mr. Albers be cash settled by Gamma Holding for a total amount of EUR 337,502 and with respect to Mr. Van Reeuwijk be cash settled by Gamma Holding for a total amount of EUR 448,311. Treasury shares in the capital of Gamma Holding will not be used for such purposes. The conditional rights to Shares that do not vest will expire on the Settlement Date.

The exercise price of the options granted to Mr Van Reeuwijk is higher than the Ordinary Share Offer Price. As a consequence thereof, these options will expire on the Settlement Date.

The members of the Management Board and the Supervisory Board have not received information from the Offeror in relation to the Offer, which is not included in this Offer Memorandum.

## 8. INFORMATION ON THE OFFEROR AND PERSONS WITH WHOM IT COOPERATES

### 8.1 Information on the Offeror

The Offeror is a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated on 7 October 2010 under the laws of The Netherlands, with its statutory seat in Utrecht, The Netherlands. The Offeror was incorporated and is currently wholly owned by, Gilde. The Offeror currently does not have any employees.

Gilde will eventually hold 61.9 per cent. of the shares in the capital of the Offeror and Parcom will eventually, after transfer of its shares in Gamma Holding to the Offeror, hold 38.1 per cent. of the shares in the capital of the Offeror.

### 8.2 Board of Managing Directors

The sole statutory director of the Offeror is Gilde Buy-Out Fund III Management B.V. The managing directors of Gilde Buy-Out Fund III Management B.V. are Mr. B.T. Molenaar, Mr. P.A. Bekx, Mr. R.M. Thole, Mr. J.S. Wiersma, Mr. R.M. Wijs, Mr. M.L. Schreurs, Mr. N.R.D. Pronk and Mr. K.J. Teule. The Offeror does not have a supervisory board.

The sole statutory director of both PIF I BV and BOF IV BV is Parcom Capital Management B.V. The managing director of Parcom Capital Management B.V. is Mr. E. Westerink.

Following merger clearance having been obtained, the management board of the Offeror will consist of one director to be nominated by Gilde, namely Gilde Buy-Out Fund III Management B.V., and one director to be nominated by Parcom, namely Parcom Capital Management B.V.

### 8.3 Capital and shares

The authorised capital of the Offeror amounts to EUR 90,000 and consists of 900,000 ordinary shares with a nominal value of EUR 0.10 per share. All shares of the Offeror are registered shares and held by Gilde.

### 8.4 Information on Parcom

PIF I BV and BOF IV BV are both private limited liability companies (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands, both with their statutory seat in Schiphol, The Netherlands. The sole statutory director of both PIF I BV and BOF IV BV is Parcom Capital Management B.V.

### 8.5 Information on the Investors in the Offeror

At the date of this Offer Memorandum, the Offeror is wholly owned and controlled by Gilde. Following (i) merger clearance having been obtained and (ii) the contribution of remaining shares in the capital of Gamma Holding held at such time by each of Gilde and Parcom, respectively, the shares in the capital of the Offeror will be held as follows:

Shareholder	Number of Ordinary Shares	Voting Rights attached to the Shares
Gilde	61.9%	61.9%
Parcom	38.1%	38.1%
TOTAL	100%	100%

The Offeror contemplates to invite management of the Gamma Holding Group to participate in the share capital of the Offeror following settlement of the Offer in their capacity as managers of the Offeror. To the extent that management accepts this invitation, Gilde and Parcom's respective interests in the capital of the Offeror will be reduced accordingly on a pro rata basis. As at the date of this Offer Memorandum management of the Gamma Holding Group does not hold any shares in the capital of the Offeror.

## 8.6 Shareholder Arrangements

Gilde and Parcom have reached an agreement that is aimed at Gilde and Parcom combining their shareholdings in Gamma Holding. Pursuant to this agreement Gilde and Parcom have become concert parties (*personen met wie in onderling overleg wordt gehandeld*) as referred to in Article 1:1 Wft, triggering the obligation to make a mandatory offer (*verplicht bod*) as referred to in Article 5:70 Wft for all remaining shares not already directly or indirectly held by Gilde, Go Acquisition and Parcom. The agreement contains provisions in relation to, among other things, the Ordinary Offer Price and the Ordinary Preference Offer Price (see Section 5.1 (*Ordinary Offer Price and Ordinary Preference Offer Price*)), the future composition of the Supervisory Board (see Section 4.3.6 (*Future Composition of the Boards*)), and the financing of the Offer (see Section 4.5 (*Financing of the Offer*)). It is agreed that pending fulfilment of the condition precedent that all relevant merger clearances have been obtained, Go Acquisition, Gilde and Parcom will not exercise joint control over Gamma Holding. In the period pending fulfilment of this condition precedent, Go Acquisition, Gilde and Parcom are free in exercising their respective voting rights in Gamma Holding. Promptly after fulfilment of this condition (i) Parcom shall transfer the shares it then holds in the capital of Gamma Holding into Go Acquisition free and clear of any encumbrances and third party rights against issue of new shares in Go Acquisition to Parcom, (ii) Go Acquisition, Gilde and Parcom shall enter into a shareholders' agreement. Following (i) merger clearance having been obtained and (ii) the contribution of remaining shares in the capital of Gamma Holding held at such time by each of Gilde and Parcom, Go Acquisition will exercise the voting rights on the shares it then holds in the capital of Gamma Holding.

## 9. FURTHER DECLARATIONS PURSUANT TO THE TAKEOVER DECREE

In addition to the other statements set out in this Offer Memorandum, the Offeror and Gamma Holding with regard to subject (i), the Offeror with regard to subjects (ii), (iii), (iv) and (vi), and Gamma Holding with regard to subject (v) hereby declare as follows:

- (i) There have been consultations between the Offeror and Gamma Holding regarding the transactions involving Gamma Holding prior to the Offer (see Section 5.1 (*Introduction*)), which have resulted in an agreement on certain aspects of the Offer between the Offeror, Gilde, Parcom and Gamma Holding, the Management Board and the Supervisory Board as reflected in a letter from the Offeror to Gamma Holding dated 5 December 2010 and signed for acceptance by Gamma Holding and furthermore signed for acknowledgement by Gilde Buy-Out Fund III Management B.V., PIF I and PBOF IV (for further information, please refer to Sections 3.2/4.5 (*Financing of the Offer*), 3.8/4.3.4 (*Dividend Policy*), 4.3.1 (*Strategy*), 4.3.5 (*Arrangements Relating to Employees*), 4.3.6 (*Future Composition of the Boards*), 4.4 (*Foundation*) and 8.4 (*Information on the Investors in the Offeror*)). This agreement resulted in the press release of Gamma Holding on 6 December 2010. A copy of the press release is available on the website of Gamma Holding ([www.gammaholding.nl](http://www.gammaholding.nl)).
- (ii) With due observance of and without prejudice to the restrictions referred to in Section 1 of Part A (*Restrictions and Important Information*), the Offer for the Ordinary Shares applies on an equal basis to all Ordinary Shares outstanding and is made to all Ordinary Shareholders.
- (iii) With due observance of and without prejudice to the restrictions referred to in Section 1 of Part A (*Restrictions and Important Information*), the Offer for the Ordinary Preference Shares applies on an equal basis to all Ordinary Preference Shares outstanding and is made to all Ordinary Preference Shareholders.
- (iv) The costs incurred or to be incurred by the Offeror directly in connection with the Offer are expected to amount to approximately EUR 3 million. This amount includes expenses that will be incurred in connection with the raising of debt financing for the Offer but excludes certain advisory fees which shall be borne exclusively by the Offeror and that are not known at the date of this Offer Memorandum. Gilde, Parcom and the Offeror have agreed that all third party expenses will be charged to Go Acquisition, and not to the Company.
- (v) Gamma Holding incurred approximately EUR 1.35 million in costs in relation to the Offer.
- (vi) At the date of this Offer Memorandum, the Offeror has a capital interest in the share capital of the Company of 49.4 per cent. of the issued and outstanding ordinary shares in the capital of the Company and 15.0 per cent. of the issued and outstanding ordinary participating preference shares in the capital of the Company (being 3,715,161 ordinary shares in the capital of the Company and 20,100 ordinary participating preference shares in the capital of the Company) and has no other indirect or direct interests in the share capital of the Company, whereas the Company has no interest in the share capital of the Offeror, Gilde or Parcom, whether directly or indirectly. In the 12 months preceding the date of this Offer Memorandum, the Offeror has, directly or indirectly, acquired 3,715,161 ordinary shares in the capital of Gamma Holding, for an average purchase price of EUR 25.49 per ordinary share and 20,100 ordinary participating preference shares in the capital of Gamma Holding, for an average purchase price of EUR 3.50 per ordinary participating preference share. See below for an overview of the average trade price per trading day in respect of shares in the capital of Gamma Holding acquired by the Offeror, Gilde or Parcom, except for those acquisitions of shares in the capital of Gamma Holding as described in Section 4.1:

**Purchases of ordinary shares in the capital of Gamma Holding by Gilde, through Londrid B.V. and Go Acquisition B.V., from 18 June 2010 up to and including 5 December 2010**

	Number of Shares	Average purchase price	Low trade of purchase	High trade of purchase
17 June 2010	1,456,859	18.65	18.65	18.65
18 June 2010	347,071	17.78	16.00	18.45
21 June 2010	52,929	18.05	17.65	18.30

**Purchases of ordinary shares in the capital of Gamma Holding by Go Acquisition from 6 December 2010 onwards**

Trade date	Number of Shares	Average purchase price	Low trade of purchase	High trade of purchase
6 December 2010	98,000	28.69	28.67	28.80

**Purchases of ordinary participating preference shares in the capital of Gamma Holding by Go Acquisition from 6 December 2010 onwards**

Trade date	Number of Shares	Average purchase price	Low trade of purchase	High trade of purchase
12 December 2010	100	3.50	3.50	3.50
13 December 2010	20,000	3.50	3.50	3.50

**Purchases of ordinary shares in the capital of Gamma Holding by Parcom from 6 December 2010 onwards**

Trade date	Number of Shares	Average purchase price	Low trade of purchase	High trade of purchase
7 December 2010	150,000	28.79	28.75	28.80
10 December 2010	24,910	28.79	28.79	28.80
13 December 2010	3,318	28.80	28.80	28.80
14 December 2010	914	28.80	28.80	28.84
15 December 2010	11,935	28.85	28.81	28.90
16 December 2010	16,447	28.89	28.86	28.90
17 December 2010	6,419	28.90	28.85	28.90
20 December 2010	318	28.90	28.90	28.90
21 December 2010	10,791	28.90	28.90	28.90
22 December 2010	8,233	28.92	28.92	28.93
23 December 2010	6,715	28.95	28.95	28.95
27 December 2010	3,596	28.90	28.90	28.92
3 January 2011	11,101	28.85	28.80	28.90
4 January 2011	2,993	28.92	28.88	28.95
5 January 2011	3,346	28.92	28.92	28.94

## 10. TAX ASPECTS OF THE OFFER

*The following summary of certain Dutch taxation matters is based on the laws and practice in force as of the date of this Offer Memorandum and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. It does not purport to be a comprehensive description of all the Dutch tax considerations that may be relevant to a decision to dispose of the Shares and does not purport to deal with the tax consequences applicable to all categories of Shareholders, some of which may be subject to special rules.*

*For the purpose of this summary it is assumed that no holder of Shares has a substantial interest or a deemed substantial interest in Go.*

*Generally speaking, an individual has a substantial interest in a company if such individual has, either alone or together with his partner; or if certain relatives of such individual or his partner have, directly or indirectly, (I) the ownership of, or certain rights over (a) shares representing 5 per cent. or more of either the total issued and outstanding capital of such company or the issued and outstanding capital of any class of shares of such company, or (b) profit participating certificates (winstbewijzen) that relate to 5 per cent. or more of the annual profit or liquidation proceeds of such company, or (II) an option to acquire such ownership or rights. Also, an individual has a substantial interest in a company if his partner has, or if certain relatives of the individual or his partner have, a deemed substantial interest in such company. An individual, or his partner or relevant relatives, has a deemed substantial interest in a company if either (a) such person or his predecessor has disposed of or is deemed to have disposed of all or part of a substantial interest or (b) such person has transferred an enterprise in exchange for shares in such company, on a non-recognition basis.*

*Generally speaking, an entity has a substantial interest in a company if such entity has, directly or indirectly, (I) the ownership of, or certain rights over (a) shares representing 5 per cent. or more of either the total issued and outstanding capital of such company or the issued and outstanding capital of any class of shares of such company, or (b) profit participating certificates (winstbewijzen) that relate to 5 per cent. or more of the annual profit or liquidation proceeds of such company, or (II) an option to acquire such ownership or rights. An entity has a deemed substantial interest in a company if such entity has disposed of or is deemed to have disposed of all or part of a substantial interest on a non-recognition basis.*

*For the purpose of this summary, the term entity means a corporation as well as any other person that is taxable as a corporation for Dutch taxation purposes.*

*Where this summary refers to a holder of Shares, an individual holding Shares or an entity holding Shares, such reference is restricted to an individual or entity holding legal title to as well as an economic interest in such Shares.*

*Shareholders are advised to consult their professional advisers as to the tax consequences of a disposal of the Shares.*

### 10.1 Tax aspects of the Offer

#### 10.1.1 Withholding Tax

There will be no withholding or deduction of any taxes of whatsoever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein in respect of the purchase price payable by Go Acquisition for the Shares under the Offer.

#### 10.1.2 Taxes on Income and Capital Gains

##### *Resident Entities*

An entity holding Shares which is, or is deemed to be, resident in The Netherlands for corporate tax purposes and which is not tax exempt, will generally be subject to corporate tax in The Netherlands in respect of a capital gain derived from the Shares pursuant to the Offer at rates up to 25.5 per cent., unless the holder has the benefit of the participation exemption (*deelnemingsvrijstelling*) with respect to the Shares.



### *Resident Individuals*

An individual holding Shares who is, is deemed to be, or has elected to be treated as, resident in The Netherlands for income tax purposes will be subject to income tax in The Netherlands in respect of a capital gain derived from the Shares pursuant to the Offer at rates up to 52 per cent. if:

- (i) the capital gain is attributable to an enterprise from which the holder derives profits (other than as a shareholder); or
- (ii) the capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) as defined in the Income Tax Act (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor (ii) applies, an individual holding Shares will be subject to income tax in The Netherlands on the basis of a deemed return, regardless of any actual capital gain derived from the Shares pursuant to the Offer. The deemed return amounts to 4 per cent. of the average value of the individual's net assets in the relevant fiscal year (including the Shares). Subject to application of personal allowances, the deemed return shall be taxed at a rate of 30 per cent.

### *Non-Residents*

A holder of Shares which is not, is not deemed to be, and - in case the holder is an individual - has not elected to be treated as, resident in The Netherlands for the relevant tax purposes will not be subject to taxation in The Netherlands in respect of a capital gain derived from the Shares pursuant to the Offer unless:

- (i) the capital gain is attributable to an enterprise or part thereof which is either effectively managed in The Netherlands or carried on through a permanent establishment (*vaste inrichting*) or permanent representative (*vaste vertegenwoordiger*) in The Netherlands; or
- (ii) the holder is an individual and the capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) in The Netherlands as defined in the Income Tax Act (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

#### 10.1.3 *Value Added Tax*

The disposal of Shares under the Offer will not be subject to value added tax in The Netherlands.

#### 10.1.4 *Other Taxes*

There is no registration tax, capital tax, customs duty, transfer tax, stamp duty or any other similar tax or duty payable in The Netherlands by a holder of Shares in connection with the disposal of Shares under the Offer

### 10.2 Tax Aspects of the Legal Merger

#### 10.2.1 *Withholding Tax*

There will be no withholding or deduction of any taxes of whatsoever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein in respect of any shares of the entity surviving in the Legal Merger received as a result of the Legal Merger.

## 10.2.2 Taxes on Income and Capital Gains

### *Resident Entities*

An entity holding Shares which is, or is deemed to be, resident in The Netherlands for corporate tax purposes and which is not tax exempt, will generally be subject to corporate tax in The Netherlands in respect of a capital gain derived from the Shares as a result of the Legal Merger at rates up to 25.5 per cent., unless the holder has the benefit of the participation exemption (*deelnemingsvrijstelling*) with respect to the Shares.

### *Resident Individuals*

An individual holding Shares who is, is deemed to be, or has elected to be treated as, resident in The Netherlands for Dutch tax purposes will be subject to income tax in The Netherlands in respect of a capital gain derived from the Shares as a result of the Legal Merger at rates up to 52 per cent. if:

- (i) the capital gain is attributable to an enterprise from which the holder derives profits (other than as a shareholder); or
- (ii) the capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) as defined in the Income Tax Act (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor (ii) applies, an individual holding Shares will be subject to income tax in The Netherlands on the basis of a deemed return, regardless of any actual capital gain derived from the Shares as a result of the Legal Merger. The deemed return amounts to 4 per cent. of the average value of the individual's net assets in the relevant fiscal year (including the Shares). Subject to application of personal allowances, the deemed return shall be taxed at a rate of 30 per cent.

### *Non-Residents*

A holder of Shares which is not, is not deemed to be, and - in case the holder is an individual - has not elected to be treated as, resident in The Netherlands for the relevant tax purposes will not be subject to taxation in The Netherlands in respect of a capital gain derived from the Shares as a result of the Legal Merger unless:

- (i) the capital gain is attributable to an enterprise or part thereof which is either effectively managed in The Netherlands or carried on through a permanent establishment (*vaste inrichting*) or permanent representative (*vaste vertegenwoordiger*) in The Netherlands; or
- (iii) the holder is an individual and the capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) in The Netherlands as defined in the Income Tax Act (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

### *Roll-over Relief*

An exemption from the relevant taxation in The Netherlands in respect of a capital gain derived from the Shares as a result of the Legal Merger (excluding taxation in respect of any consideration received as a result of the Legal Merger that does not exist of shares in the Surviving Entity) should be available provided that:

- (i) the Legal Merger satisfies the requirements set out in Article 3.57 of the Income Tax Act 2001 (*Wet inkomstenbelasting 2001*); and

- (ii) the holder of Shares claiming the exemption records and continues to record the shares of the Surviving Entity at the same tax book value as that of the Shares at the moment immediately preceding the Legal Merger.

Whether or not a holder of Shares claims the benefits of the exemption is at his own discretion.

#### 10.2.3 *Value Added Tax*

No value added tax will be due in The Netherlands in connection with the Legal Merger.

#### 10.2.4 *Other Taxes*

There is no registration tax, capital tax, customs duty, transfer tax, stamp duty, or any other similar tax or duty payable in The Netherlands by a holder of Shares in connection with the Legal Merger.

## 11. NEDERLANDSE SAMENVATTING VAN HET BOD

Dit hoofdstuk 11 behelst de Nederlandse samenvatting van het Biedingsbericht, dat is uitgegeven ter zake van het verplichte openbaar bod uitgebracht door Go Acquisition B.V. (“**Go Acquisition**”) op alle aandelen in het geplaatste kapitaal van Gamma Holding N.V. (“**Gamma Holding**”) welke niet reeds worden gehouden door Go Acquisition, Gilde Buy-Out Fund III B.V. (“**GBOF III BV**”), Gilde Buy-Out Fund III C.V. (“**GBOF III CV**”) en samen met GBOF III BV, “**Gilde**”), Parcom Investment Fund I B.V. (“**PIF I BV**”) en/of Parcom Buy-Out Fund IV B.V. (“**BOF IV BV**”) en samen met PIF I BV, “**Parcom**”) onder de bepalingen en restricties zoals beschreven in dit Biedingsbericht (het “**Bod**”). De belangrijkste kenmerken van het Bod zijn beschreven in deze samenvatting.

De gedefinieerde termen in dit hoofdstuk 11 van het Biedingsbericht hebben de betekenis die daaraan wordt gegeven in Paragraaf 11.2 (*Nederlandse definities*). Deze Nederlandse samenvatting maakt deel uit van het Biedingsbericht, maar vervangt dit niet. Deze Nederlandse samenvatting is niet volledig en bevat niet alle informatie die voor Aandeelhouders van belang zou kunnen zijn om een afgewogen oordeel te vormen omtrent het Bod. Het lezen van deze Nederlandse samenvatting mag derhalve niet worden beschouwd als een alternatief voor het bestuderen van het volledige Biedingsbericht. Aandeelhouders wordt geadviseerd het volledige Biedingsbericht zorgvuldig te bestuderen en zo nodig onafhankelijk advies in te winnen teneinde een afgewogen oordeel te kunnen vormen omtrent het Bod, alsmede omtrent de beschrijving van het Bod in deze samenvatting en in het Biedingsbericht. In geval van verschillen tussen deze Nederlandse samenvatting en de Engelse tekst van het Biedingsbericht, prevaleert de Engelse tekst van het Biedingsbericht (inclusief alle documenten die daarin door middel van verwijzing zijn opgenomen).

### 11.1 Restricties en belangrijke informatie

Het uitbrengen van het Bod, de verkrijgbaarstelling van het Biedingsbericht en deze Nederlandse samenvatting, alsmede de verspreiding van enige andere informatie met betrekking tot het Bod, kunnen in bepaalde jurisdicties aan zekere restricties onderhevig zijn. Zie hoofdstuk 1 (*Restrictions and important information*) van dit Biedingsbericht. Dit Bod wordt niet, direct of indirect, gedaan in, en mag niet worden geaccepteerd vanuit enige jurisdictie waarin het doen van het Bod of de aanvaarding daarvan niet in overeenstemming is met de in die jurisdictie geldende wet- en regelgeving. Niettemin zullen Aandelen die worden aangemeld onder het Bod door Aandeelhouders die niet woonachtig zijn of verblijven in Nederland, worden geaccepteerd indien zulke Aandelen worden aangemeld overeenkomstig de aanmeldingsprocedure zoals beschreven in dit Biedingsbericht. Het niet respecteren van deze restricties kan een overtreding van de effectenwet- en regelgeving van de desbetreffende jurisdictie opleveren. De Bieder, Gilde, Parcom en hun adviseurs sluiten iedere aansprakelijkheid uit ter zake van overtredingen van voornoemde restricties. Aandeelhouders dienen zo nodig onverwijld onafhankelijk advies in te winnen omtrent hun positie dienaangaande.

Het Biedingsbericht bevat belangrijke informatie die men zorgvuldig dient te lezen alvorens een besluit te nemen over het aanmelden van Aandelen onder het Bod. Zie hoofdstuk 1 (*Restrictions and important information*) van dit Biedingsbericht. Aandeelhouders wordt aangeraden waar nodig onafhankelijk advies in te winnen. Daarnaast zullen Aandeelhouders mogelijk hun belastingadviseur willen raadplegen met betrekking tot de fiscale gevolgen van het aanmelden van Aandelen onder het Bod.

De informatie opgenomen in de Paragrafen 1.1, 3.1, 3.2, 3.4-3.10, 4.1, 4.2, 4.3.1-4.3.3, 4.5, 5, 8, 9(ii), 9(iii), 9(iv), 9(vi), 10, 11.1, 11.3, 11.4, 11.6-11.10, 11.16-11.18 en 12 van Deel A van het Biedingsbericht is uitsluitend door Go Acquisition verstrekt. De informatie opgenomen in de Paragrafen 3.3, 6, 7, 9(v) en 11.5 van Deel A van het Biedingsbericht is uitsluitend door Gamma Holding verstrekt. De informatie opgenomen in de Paragrafen 1.2, 2, 4.3.4-4.3.7, 4.4, 9(i), 11.2, 11.11-11.15 en 13 van Deel A van het Biedingsbericht is door Go Acquisition en Gamma Holding gezamenlijk verstrekt.

De informatie opgenomen in de Paragrafen 1, 2.1-2.3, 3.1-3.5, 3.6.1, 3.6.2, 4 en 6 van Deel B zijn uitsluitend door Gamma Holding verstrekt. De informatie opgenomen in Paragrafen 2.4, 3.6.3 en 5 van Deel B zijn verstrekt door PwC en zijn identiek aan de originele accountantsverklaringen zoals afgegeven door PwC op dezelfde dag.<sup>1</sup>

Uitsluitend Go Acquisition en Gamma Holding zijn verantwoordelijk voor de juistheid en volledigheid van de informatie die in het Biedingsbericht is opgenomen, elk voor de informatie die door haar zelf werd verstrekt en gezamenlijk voor de informatie die door hen gezamenlijk is verstrekt, met uitzondering van informatie die door geen van hen is verstrekt (welke omvat de informatie opgenomen in Paragrafen 2.4, 3.6.3 en 5 van Deel B van het Biedingsbericht welke door PwC is verstrekt).

Go Acquisition en Gamma Holding verklaren beiden, ieder ten aanzien van de gegevens die door hen in het Biedingsbericht zijn verstrekt, dat, voor zover hun redelijkerwijs bekend kan zijn, de gegevens in dit Biedingsbericht in overeenstemming zijn met de werkelijkheid en dat geen gegevens zijn weggelaten waarvan vermelding de strekking van het Biedingsbericht zou wijzigen. Getallen in het Biedingsbericht kunnen naar boven of beneden zijn afgerond en dienen derhalve niet als exact te worden beschouwd.

De informatie in het Biedingsbericht geeft de situatie weer op de datum van het Biedingsbericht. Indien de opgenomen informatie niet de situatie weergeeft op de datum van het Biedingsbericht, dan is dat specifiek vermeld. Onder geen beding houden de publicatie en verspreiding van het Biedingsbericht in dat de hierin opgenomen informatie ook na de datum van het Biedingsbericht juist en volledig is of dat er sinds deze datum geen wijziging is opgetreden in de in het Biedingsbericht uiteengezette informatie of in de gang van zaken bij de Bieder en/of Gilde en/of Parcom en/of hun dochtermaatschappijen en/of aan hen gelieerde ondernemingen. Het voorgaande laat echter onverlet de verplichting van zowel de Bieder als Gilde als Parcom om, indien zulks van toepassing is, een openbare mededeling te doen ingevolge artikel 5:59 Wft en (met betrekking tot Go Acquisition) artikel 4 lid 3 van het Bob Wft voor zover van toepassing.

## 11.2 Nederlandse definities

In dit Biedingsbericht zal een verwijzing naar gedefinieerde termen in het meervoud gelijk staan aan verwijzingen naar dergelijk gedefinieerde termen in het enkelvoud en vice versa. Alle grammaticale en andere veranderingen die nodig zijn bij het gebruiken van een definitie in het enkelvoud zullen worden beschouwd hierin te zijn gemaakt en zullen worden toegepast alsof zulke veranderingen zijn gemaakt. Een verwijzing naar **“inclusief”** betekent een verwijzing naar **“inclusief maar niet beperkt tot”**.

De gedefinieerde termen in dit hoofdstuk 11 van het Biedingsbericht hebben de volgende betekenis:

<b>“2011 AvA”</b>	de algemene vergadering van aandeelhouders van Gamma Holding in 2011
<b>“2012 AvA”</b>	de algemene vergadering van aandeelhouders van Gamma Holding in 2012
<b>“Aandeel”</b>	Een Gewoon Aandeel en/of een Gewoon Preferent Aandeel, welke niet worden gehouden door de Bieder, Gilde en/of Parcom
<b>“Aandeelhouder”</b>	houder(s) van één of meer Gewone Aandelen en/of Gewone Preferente Aandelen, met uitzondering van de Bieder, Gilde en Parcom

<sup>1</sup> De accountantsverklaring welke is opgenomen in Paragraaf 3 van Part B (The Annual Financial Statements for the Financial Year 2009, Including Explanatory Notes and Auditor's Report) is de originele accountantsverklaring als verstrekt op 25 februari 2010 met betrekking tot het 2009 jaarverslag van Gamma Holding N.V. waarin, naast de jaarrekening, ook het verslag van de raad van bestuur is opgenomen. Ten behoeve van dit Biedingsbericht is het verslag van de raad van bestuur niet opgenomen. De paginanummers welke zijn opgenomen in genoemde accountantsverklaring verwijzen naar de paginanummers in het originele 2009 jaarverslag van Gamma Holding N.V.

<b>“Aanmeldingstermijn”</b>	de periode waarin de Aandeelhouders hun Aandelen bij de Bieder kunnen aanmelden, welke begint om 09:00 uur CET op 14 januari 2011 en eindigt op de Sluitingsdatum
<b>“AFM”</b>	de Stichting Autoriteit Financiële Markten
<b>“Bieder”</b>	Go Acquisition
<b>“Bieder Aandelen”</b>	de aandelen in het geplaatst kapitaal van Gamma Holding met een nominale waarde van EUR 2,50 elk, welke worden gehouden door de Bieder, zoals opgenomen in Paragraaf 11.9 ( <i>Liquiditeit en beëindiging beursnotering Aandelen</i> )
<b>“Bieder Statuten”</b>	de statuten van Go Acquisition, zoals deze van kracht zijn sinds de oprichting op 7 oktober 2010 en zoals gewijzigd van tijd tot tijd
<b>“Biedingsbericht”</b>	dit biedingsbericht (inclusief de Engelse tekst) met betrekking tot het Bod bestaande uit Deel A en Deel B
<b>“Bob Wft”</b>	Besluit openbare biedingen Wft
<b>“Bod”</b>	het bod zoals in dit Biedingsbericht beschreven
<b>“Boekjaar 2007”</b>	het boekjaar van Gamma Holding dat eindigde op 31 december 2007
<b>“Boekjaar 2008”</b>	het boekjaar van Gamma Holding dat eindigde op 31 december 2008
<b>“Boekjaar 2009”</b>	het boekjaar van Gamma Holding dat eindigde op 31 december 2009
<b>“CET”</b>	Centrale Europese Tijd
<b>“Cumulatief Preferente Aandelen”</b>	vier procent (4%) cumulatief preferente aandelen in het kapitaal van Gamma Holding met een nominale waarde van EUR 2,50
<b>“Dag van Acceptatie”</b>	de datum waarop de Bieder de totale waarde, het aantal en het corresponderende percentage Aandelen dat voor de Sluitingsdatum is aangeboden aan de Bieder openbaar zal mededelen, overeenkomstig de Bob Wft. Artikel 16 van het Bob Wft bepaalt dat een dergelijke openbare mededeling niet later dan de derde Werkdag na de Dag van de Sluitingsdatum zal worden gedaan
<b>“Dag van Overdracht”</b>	de datum waarop de Bieder overeenkomstig de bepalingen en restricties van het Bod, (i) de Gewone Biedprijs per Gewoon Aandeel tegen levering van de aangeboden Gewone Aandelen prompt zal betalen aan de Gewone Aandeelhouders die op geldige wijze hun Gewone Aandelen hebben aangemeld (of op ongeldige wijze, mits de Bieder de aanmelding daarvan desalniettemin aanvaardt) voor de Sluitingsdatum, zijnde niet later dan de derde Werkdag na de Dag van Acceptatie en (ii) de Gewone Preferente Biedprijs per Gewoon Preferent Aandeel tegen levering van de aangeboden Gewone Preferente Aandelen prompt zal betalen aan de Gewone Preferente Aandeelhouders die op geldige wijze hun Gewone Preferente Aandelen hebben aangemeld (of op ongeldige wijze, mits de Bieder de aanmelding daarvan desalniettemin aanvaardt) voor de Sluitingsdatum, zijnde niet later dan de derde Werkdag na de Dag van Acceptatie
<b>“EUR”, “Euro” or “€”</b>	de Euro, het wettig betaalmiddel in de lidstaten van de Europese Monetaire Unie
<b>“Euronext Amsterdam”</b>	Euronext Amsterdam door NYSE Euronext, de gereguleerde markt van Euronext Amsterdam N.V.



<b>“Fusieregels”</b>	alle toepasselijke wet en regelgeving, inclusief maar niet beperkt tot de toepasselijke artikelen van de Wft en het Bob Wft, alsmede nadere regelgeving en beleidsregels afgekondigd onder de Wft en het Bob Wft, de Wet op de Ondernemingsraden, het SER besluit Fusiegedragsregels 2000, het reglement van Euronext Amsterdam, het Nederlandse Burgerlijk Wetboek en andere toepasselijke wet- en regelgeving op het gebied van het effectenrecht en het mededingingsrecht
<b>“GBOF III BV”</b>	Gilde Buy-Out Fund III B.V., een besloten vennootschap met beperkte aansprakelijkheid, opgericht op 1 augustus 2005 naar Nederlands recht, met statutaire zetel in Utrecht, Nederland, met adres aan de Newtonlaan 91, 3584 BP, Utrecht, Nederland en ingeschreven bij de Kamer van Koophandel onder nummer 30206477
<b>“GBOF III CV”</b>	Gilde Buy-Out Fund III C.V., een commanditaire vennootschap met beperkte aansprakelijkheid, opgericht op 1 september 2005 naar Nederlands recht, met statutaire zetel in Utrecht, Nederland, met adres aan de Newtonlaan 91, 3584 BP, Utrecht, Nederland en ingeschreven bij de Kamer van Koophandel onder nummer 30207551
<b>“Gamma Holding”</b>	Gamma Holding N.V., een naamloze vennootschap, opgericht naar Nederlands recht, met statutaire zetel in Helmond, Nederland, met adres aan de Panovenweg 12. 5708 HR, Helmond, Nederland en ingeschreven bij de Kamer van Koophandel onder nummer 17026110 en tevens de aan haar gelieerde bedrijven
<b>“Gamma Holding Groep”</b>	Gamma Holding en de groepsmaatschappijen zoals bedoeld in artikel 2:24b van het Burgerlijk Wetboek en haar deelnemingen
<b>“Gamma Holding Statuten”</b>	de statuten van Gamma Holding, zoals meest recentelijk gewijzigd op 7 september 2009
<b>“Gewone Aandeelhouders”</b>	Houders van een of meer Gewone Aandelen, met uitzondering van de Bieder, Gilde en/of Parcom
<b>“Gewone Aandelen”</b>	Gewone aandelen in het aandelenkapitaal van Gamma, elk met een nominale waarde van EUR 2,50, met uitzondering van de aandelen die gehouden worden door de Bieder, Gilde en/of Parcom
<b>“Gewone Biedprijs”</b>	een bedrag in contanten van EUR 29,00 per Gewoon Aandeel voor elk Gewoon Aandeel dat op geldige wijze is aangemeld (of op ongeldige wijze, mits de Bieder de aanmelding daarvan desalniettemin aanvaardt) en geleverd onder de bepalingen en restricties van het Bod.
<b>“Gewone Preferente Aandelen”</b>	Gewone preferente winstdelende aandelen in het aandelenkapitaal van Gamma, elk met een nominale waarde van EUR 2,50, met uitzondering van de aandelen die gehouden worden door de Bieder, Gilde en/of Parcom
<b>“Gewone Preferente Biedprijs”</b>	een bedrag in contanten van EUR 3,50 per Gewoon Preferente Aandeel voor elk Gewoon Preferente Aandeel dat op geldige wijze is aangemeld (of op ongeldige wijze, mits de Bieder de aanmelding daarvan desalniettemin aanvaardt) en geleverd onder de bepalingen en restricties van het Bod.
<b>“Go Acquisition”</b>	Go Acquisition B.V., een besloten vennootschap met beperkte aansprakelijkheid, opgericht op 7 oktober 2010 naar Nederlands recht, met statutaire zetel in Utrecht, Nederland, met adres aan de Newtonlaan 91, 3584 BP, Utrecht, Nederland en ingeschreven bij de Kamer van Koophandel onder nummer 50903462 en tevens haar groepsmaatschappijen zoals beschreven in artikel 2:24b van het Burgerlijk Wetboek en haar deelnemingen.

<b>“Omwissel- en Betaalkantoor”</b>	Rabobank International Global Financial Markets – Syndications
<b>“Paragraaf”</b>	een paragraaf (Section) van dit Biedingsbericht
<b>“Parcom”</b>	PBOF IV en PIF I gezamenlijk
<b>“PBOF IV”</b>	Parcom Buy-Out Fund IV B.V., een besloten vennootschap met beperkte aansprakelijkheid, opgericht op 27 oktober 2009 naar Nederlands recht, met statutaire zetel in Schiphol, Nederland, met adres aan de Schiphol Boulevard 375 WTC Toren D, 1118 BJ, Schiphol, Nederland en ingeschreven bij de Kamer van Koophandel onder nummer 34363412
<b>“PIF I”</b>	Parcom Investment Fund I B.V., een besloten vennootschap met beperkte aansprakelijkheid, opgericht op 22 februari 2008 naar Nederlands recht, met statutaire zetel in Schiphol, Nederland, met adres aan de Schiphol Boulevard 375 WTC Toren D, 1118 BJ, Schiphol, Nederland en ingeschreven bij de Kamer van Koophandel onder nummer 32132285
<b>“Raad van Bestuur”</b>	raad van bestuur van Gamma Holding
<b>“Raad van Commissarissen”</b>	raad van commissarissen van Gamma Holding
<b>“SEC”</b>	de United States Securities and Exchange Commission
<b>“Sluitingsdatum”</b>	de tijd en datum tot wanneer Aandelen onder het Bod kunnen worden aangemeld, zijnde om 18:00 uur CET op 11 februari 2011, tenzij de Aanmeldingstermijn is verlengd overeenkomstig artikel 15 van het Bob Wft
<b>“Toegelaten Instelling”</b>	instelling die is toegelaten tot Euronext Amsterdam
<b>“Werkdag”</b>	iedere dag anders dan een zaterdag, zondag of officiële feestdag, waarop banken in Nederland, volgens de Algemene Bank-CAO over het algemeen open zijn voor zakelijk verkeer
<b>“Wft”</b>	Wet op het financieel toezicht

### 11.3 Het Bod

De Bieder doet een Bod tot koop van alle Aandelen van Aandeelhouders conform de bepalingen en restricties in dit Biedingsbericht.

Aan de Gewone Aandeelhouders die hun Gewone Aandelen onder het Bod op geldige wijze hebben aangemeld en geleverd (of op ongeldige wijze, indien de Bieder de aanmelding daarvan desalniettemin aanvaardt), zal betaling in contanten plaatsvinden van de Gewone Biedprijs. Zie tevens Paragraaf 5.1 (*Offer Price*).

De Gewone Biedprijs van EUR 29,00 per Gewoon Aandeel is gelijk aan de hoogste prijs die de Bieder tijdens een periode van 12 maanden voorafgaande aan de aankondiging van het verplichte bod heeft betaald voor de gewone aandelen als waarop het Bod betrekking heeft en vertegenwoordigt overeenkomstig artikel 5:80a Wft de billijke prijs. Zie tevens Paragraaf 4.2 (*Substantiation of the Offer Price*).

Aan de Gewone Preferente Aandeelhouders die hun Gewone Preferente Aandelen onder het Bod op geldige wijze hebben aangemeld en geleverd (of op ongeldige wijze, indien de Bieder de aanmelding daarvan desalniettemin aanvaardt), zal betaling in contanten plaatsvinden van de Gewone Preferente Biedprijs. Zie tevens Paragraaf 5.1 (*Offer Price*).

De Gewone Preferente Biedprijs van EUR 3,50 is gelijk aan de prijs welke door de Bieder is betaald voor gewone preferente winstdelende aandelen in het kapitaal van de Bieder tijdens de periode tussen aankondiging van het Bod op 6 december 2010 en de datum van dit Biedingsbericht

en is derhalve conform artikel 25 van het Bob Wft de Gewone Preferente Biedprijs. Zie tevens Paragraaf 4.2 (*Substantiation of the Offer Price*).

#### 11.4 Financiering van het Bod

Op 6 december 2010 heeft de Bieder conform artikel 7 paragraaf 4 van het Bob Wft bekend gemaakt alle redelijke maatregelen te hebben getroffen om de Biedprijs onder het Bod te kunnen voldoen. De Bieder zal de koop van aandelen in het kapitaal van Gamma Holding welke op 6 december 2010 nog niet werden gehouden door Gilde of Parcom met een PIK lening ter waarde van EUR 64 miljoen tussen ING Corporate Investments Mezzanine Fonds B.V. en Coöperatieve Centrale Raiffeisen Boerenleenbank B.A., handelend als Rabobank International, als kredietverstrekkers, Go Acquisition, als geldlener.

#### 11.5 Aandelenbezit van de Raad van Commissarissen en de Raad van Bestuur

Geen van de huidige leden van de Raad van Commissarissen of van de Raad van Bestuur houdt Aandelen of heeft gedurende een periode van twaalf maanden voorafgaande aan de datum van dit Biedingsbericht gehandeld in Aandelen. Aan dhr. Albers is een voorwaardelijk recht toegekend om in totaal 17.510 Gewone Aandelen te verwerven en aan dhr. Van Reeuwijk is een voorwaardelijk recht toegekend om in totaal 21.325 Gewone Aandelen te verwerven. Verder houdt dhr. Van Reeuwijk onvoorwaardelijk 3.000 opties om Gewone Aandelen te verwerven. Geen van de leden van de Raad van Commissarissen houdt aandelen of opties.

In het geval van dhr. Albers zullen 11.638 Aandelen worden toegekend en in het geval van dhr. Van Reeuwijk zullen 15.459 Aandelen worden toegekend. Het is overeengekomen dat de waarde van deze aandelen in contanten wordt afgewikkeld door Gamma Holding voor een bedrag van EUR 337.502 met betrekking tot dhr. Albers, en voor een bedrag van EUR 448.311 met betrekking tot dhr. Van Reeuwijk. Aandelen welke door de vennootschap worden gehouden in haar eigen kapitaal zullen niet worden aangewend voor deze doeleinden. De voorwaardelijke rechten op Aandelen welke niet worden toegekend zullen verstrijken op de Dag van Overdracht.

De prijs waartegen de opties welke zijn toegekend aan dhr. Van Reeuwijk kunnen worden uitgeoefend is hoger dan de Gewone Biedprijs. Als gevolg daarvan zullen deze opties verstrijken op de Dag van Overdracht.

#### 11.6 Aanvaarding door de Aandeelhouders via een Toegelaten Instelling

Aandeelhouders die Aandelen houden via een Toegelaten Instelling worden verzocht hun aanmelding kenbaar te maken via hun bank of commissionair niet later dan om 18:00 uur CET op 11 februari 2011, tenzij de Aanmeldingstermijn is verlengd met in achtname van Paragraaf 5.5 (*Extension of the Acceptance Period*). Uw bewaarder, bank of commissionair kan een eerdere uiterste datum stellen voor de Aandeelhouders om de bewaarder, bank of commissionair in de gelegenheid te stellen de aanmelding van die Aandelen op tijd aan het Omwissel- en Betaalkantoor te communiceren. Zie tevens Paragraaf 5.2 (*Acceptance by Shareholders through an Admitted Institution*).

#### 11.7 Aanmelding

##### 11.7.1 Aanmeldingstermijn

De Aanmeldingstermijn vangt aan op 14 januari 2011 om 09:00 uur CET en eindigt, tenzij de Aanmeldingstermijn wordt verlengd overeenkomstig artikel 15 van het Bob Wft, op 11 februari 2011 om 18:00 uur CET. Zie tevens Paragraaf 5.4 (*Acceptance Period (Aanmeldingstermijn)*).

De Bieder zal alle Aandelen aanvaarden die op geldige wijze zijn aangemeld (of op ongeldige wijze, indien de Bieder de aanmelding desalniettemin aanvaardt) en niet eerder zijn teruggetrokken in overeenstemming met de bepalingen en restricties zoals beschreven in het Biedingsbericht. Ten aanzien van de aanmelding door Aandeelhouders die Aandelen houden via een Toegelaten Instelling wordt hierbij verwezen naar de procedures zoals uiteengezet in Paragraaf 5.2 (*Acceptance by Shareholders through an Admitted Institution*).

Houders van Aandelen die individueel zijn geregistreerd in het aandeelhoudersregister van Gamma Holding die het Bod met betrekking tot dergelijke Aandelen wensen te aanvaarden moeten een ingevuld en ondertekend acceptatieformulier inleveren bij het Omwissel- en Betaalkantoor in overeenstemming met de bepalingen en voorwaarden van het Bod niet later dan 18:00 uur CET op 11 februari 2011, tenzij het Bod wordt verlengd als beschreven in Paragraaf 11.7.2 (Verlenging). De acceptatieformulieren zijn verkrijgbaar op verzoek aan het Omwissel- en Betaalkantoor. De acceptatieformulieren zullen fungeren als een akte van levering met betrekking tot de Aandelen als daarin opgenomen.

#### 11.7.2 *Verlenging*

De Bieder kan het Bod slechts eenmalig verlengen tot na de Sluitingsdatum in overeenstemming met artikel 15 lid 1 van het Bob Wft, in welk geval alle verwijzingen in dit Biedingsbericht naar de “**Sluitingsdatum**” of naar “**18:00 uur, CET, 11 februari 2011**” worden verschoven naar de uiterste datum en tijd waarnaar het Bod is verlengd, tenzij uit de context anders blijkt. Een bewaarnemer, bank of effectenmakelaar kan een eerdere uiterste termijn vaststellen voor de communicatie door de Aandeelhouders teneinde de bewaarnemer, bank of effectenmakelaar in staat te stellen hun acceptaties tijdig aan het Omwissel- en Betaalkantoor te communiceren.

Indien de Aanmeldingstermijn wordt verlengd, zal dit, met inachtneming van de toepasselijke wetgeving, openbaar worden medegedeeld. Artikel 15 lid 2 van het Bob Wft vereist dat een dergelijke mededeling uiterlijk op de derde Werkdag na de oorspronkelijke Sluitingsdatum wordt gedaan. Zie paragraaf 5.5 (*Extension of the Acceptance Period*).

#### 11.7.3 *Overdracht*

Aandeelhouders die hun Aandelen voor of op de Sluitingsdatum hebben aangemeld en geleverd overeenkomstig het Bod, zullen de Biedprijs ontvangen met betrekking tot elk Aandeel dat op geldige wijze is aangemeld (of op ongeldige wijze, indien de Bieder de aanmelding desalniettemin aanvaardt). Zie Paragraaf 5.6 (*Settlement of the Offer*).

Toegelaten Instellingen die Aandelen ontvangen van zich onder dit Bod aanmeldende Aandeelhouders zullen deze Aandelen als bewaarder ontvangen. De Toegelaten Instellingen zullen op hun beurt dergelijke Aandelen schriftelijk aanmelden bij het Omwissel- en Betaalkantoor. Door dergelijke Aandelen aan te melden verklaren de Toegelaten Instellingen dat zij de Aandelen in bewaring hebben en verplichten zij zich ertoe deze Aandelen uiterlijk op de Dag van Overdracht te zullen leveren. Zie Paragraaf 5.2 (*Acceptance by Shareholders through an Admitted Institution*).

#### 11.8 Bieder

De Bieder is Go Acquisition B.V., een besloten vennootschap met beperkte aansprakelijkheid, opgericht op 7 oktober 2010 naar Nederlands recht, en statutair gevestigd in Utrecht, Nederland.

De Bieder is door Gilde opgericht en alle aandelen in de Bieder worden momenteel door Gilde gehouden. Uiteindelijk zal Gilde 61,9 procent van de aandelen in het aandelenkapitaal van de Bieder houden en zal Parcom, nadat zij haar aandelen in het aandelenkapitaal van Gamma Holding heeft overgedragen aan de Bieder, 38,1 procent van de aandelen in het aandelenkapitaal van de Bieder houden.

De enige statutair bestuurder van de Bieder is Gilde Buy-Out Fund III Management B.V. De directeurs van Gilde Buy-Out Fund III Management B.V. zijn de heer B.T. Molenaar, de heer P.A. Bekx, de heer R.M. Thole, de heer J.S. Wiersma, de heer R.M. Wijs, de heer M.L. Schreurs, de heer N.R.D. Pronk en de heer K.J. Tuele. De Bieder heeft geen raad van commissarissen. Op voorwaarde dat goedkeuring wordt verleend door de bevoegde mededingingsautoriteit voor het tot stand brengen van een concentratie, zal het bestuur van de Bieder bestaan uit een directeur benoemd door Gilde en een directeur benoemd door Parcom. Zie tevens Paragraaf 8.1 (*Information on the Offeror*).

## 11.9 Liquiditeit en beëindiging beursnotering Aandelen

Op de dag van dit Biedingsbericht houdt de Bieder 49,4 procent van de gewone aandelen in het geplaatste kapitaal van Gamma Holding en 15,0 procent van de gewone preferente winstdelende aandelen in het geplaatste kapitaal van Gamma Holding (de “**Bieder Aandelen**”). Daarnaast houdt Parcom 29,6 procent van de gewone aandelen in het geplaatst kapitaal van Gamma Holding, welke zullen worden overgedragen aan de Bieder direct nadat goedkeuring is verleend door de bevoegde mededingingsautoriteit voor het tot stand brengen van een concentratie. Het totaal aantal gewone aandelen in het kapitaal van Gamma Holding dat de Bieder zal gaan houden komt derhalve uit op 79,1 procent. en het totaal aantal gewone preferente winstdelende aandelen in het kapitaal van Gamma Holding dat de Bieder zal gaan houden komt derhalve uit op 15,0 procent. Een dergelijk geconcentreerd aandeelhouderschap heeft evident een negatieve invloed op de liquiditeit en de marktwaarde van de overige Aandelen die niet zijn aangemeld en niet worden gehouden door Gamma Holding.

De Bieder behoudt zich het recht voor om na gestanddoening van het Bod de notering van de Aandelen aan Euronext Amsterdam te beëindigen. Een eventuele beëindiging van de notering na gestanddoening van het Bod zal negatieve gevolgen hebben voor de liquiditeit van de Aandelen die niet zijn aangemeld onder het Bod. Verder zou de Bieder de Uitkoopprocedures zoals beschreven in Paragraaf 3.7 (*Legal structure of Gamma Holding following the Offer*) kunnen initiëren, inclusief procedures die leiden tot de beëindiging van de beursnotering van de Aandelen (inclusief de niet aangeboden Aandelen). Zie tevens Paragraaf 4.3.2 (*Liquidity and delisting*).

## 11.10 Juridische structuur van Gamma Holding na het Bod

### 11.10.1 *Samenvatting van de risicofactoren na het Bod*

Aandeelhouders die hun Aandelen niet aanmelden onder het Bod dienen zorgvuldig deze Paragraaf 11.10.1 te bestuderen. In deze paragraaf zijn bepaalde risico's beschreven die zij lopen nadat het Bod gestand is gedaan. Het betreft hier additionele risico's die men loopt naast de risico's die samenhangen met de bedrijfsuitoefening door Gamma Holding en haar dochterondernemingen, aangezien deze bedrijfsuitoefening en de structuur van de Gamma Holding na de Dag van Overdracht kunnen wijzigen. Hieronder volgt een samenvatting van de belangrijkste additionele risico's:

- **VERPLICHTE VERKOOP**

Na afronding van het Bod zou de Bieder een Uitkoopprocedure kunnen initiëren om aandeelhouders die ten tijde van gestanddoening van het Bod Aandeelhouder zijn uit te kopen (zie Paragraaf (*algemeen*)).

- **VERLIES LIQUIDITEIT**

Bieder zou er voor kunnen kiezen de beursnotering van het aandelenkapitaal van Gamma Holding aan Euronext Amsterdam te beëindigen en Gamma Holding om te zetten in een besloten vennootschap met beperkte aansprakelijkheid wat er, onder andere, toe zal leiden dat alle Aandelen slechts beperkt overdraagbaar zijn.

Zelfs wanneer er geen sprake zou zijn van een omzetting of van een fusie (de laatste zoals nader beschreven in Paragraaf 11.10.3 (*Overige mogelijke maatregelen*)) zal het aantal vrij verhandelbare Aandelen substantieel afnemen als gevolg van het Bod. Dit zal een negatieve invloed hebben op het handelsvolume en de liquiditeit van de Aandelen.

De Bieder kan ook besluiten om materieel alle activa van Gamma Holding te doen verkopen hetgeen gevolgd kan worden door een liquidatie en een uitkering van de verkoopopbrengsten.

- *OMZETTING IN EEN BESLOTEN VENNOOTSCHAP*

De Bieder behoudt zich het recht voor om, nadat daartoe de vereiste vennootschapsrechtelijke goedkeuringen zijn verkregen, Gamma Holding om te zetten in een besloten vennootschap waarbij de Gamma Holding Statuten zouden kunnen worden gewijzigd en de overdracht van aandelen in het kapitaal van Gamma Holding zouden kunnen worden onderworpen aan beperkingen. Een dergelijke omzetting is onderworpen aan de goedkeuring van de Raad van Commissarissen.

- *BEPERKTERE GOVERNANCE*

In het geval dat Gamma Holding of haar rechtsopvolger niet meer beursgenoteerd zijn en haar aandelen niet langer publiekelijk zullen worden verhandeld, zullen de wettelijke bepalingen inzake de governance van publieke of genoteerde ondernemingen niet langer van toepassing zijn en zullen de rechten van de minderheidsaandeelhouders worden beperkt tot het wettelijk minimum.

- *CONTROLLERENDE AANDEELHOUDER*

Op voorwaarde dat goedkeuring wordt verleend door de bevoegde mededingingsautoriteit voor het tot stand brengen van een concentratie, zijn Gilde en Parcom overeengekomen om hun respectievelijke belangen in Gamma Holding te combineren als gevolg waarvan de Bieder zijn belang in Gamma Holding verder zal vergroten.

- *FISCALE BEHANDELING VAN UITKERINGEN*

De Bieder heeft geen inzicht in en geen verantwoordelijkheid voor de fiscale behandeling van uitkeringen zoals dividenden, terugbetaling van kapitaal en liquidatie opbrengsten, gedaan door Gamma Holding of één van haar rechtsopvolgers. Wanneer verkoop plaatsvindt van substantieel alle activa van Gamma Holding gevolgd door liquidatie en uitkering van de verkoopopbrengsten zal dit kunnen leiden tot specifieke fiscale kwesties voor de Aandeelhouders (inclusief, maar niet beperkt tot een aansprakelijkheid op grond van verschuldigde Nederlandse dividendbelasting).

#### 11.10.2 *Algemeen*

De Bieder streeft er in principe naar om 100 procent van het aandelenkapitaal van Gamma Holding te verkrijgen. Hiertoe staat de Bieder een aantal processen ter beschikking, waaronder een uitkoopprocedure van overeenkomstig artikel 2:359c, 2:210a of 2:92a van het Nederlandse Burgerlijk Wetboek (“**Uitkoopprocedure**”). Middels deze procedure kunnen aandeelhouders die ten tijde van gestanddoening van het Bod Aandeelhouder zijn gebleven worden uitgekocht. Daarnaast kan de Bieder Gamma Holding laten omzetten in een besloten vennootschap met beperkte aansprakelijkheid.

Ter voorkoming van misverstanden, de Bieder heeft, behoudens toepasselijke bepalingen van Nederlands recht, de discretionaire bevoegdheid om de maatregelen en processen beschreven in deze subparagraaf 11.10.2 cumulatief, alternatief of helemaal niet toe te passen. Deze maatregelen en processen zouden kunnen leiden tot andere fiscale gevolgen dan die zouden gelden als de Aandeelhouders hun Aandelen aangemeld hadden overeenkomstig het Bod.

#### 11.10.3 *Overige mogelijke maatregelen*

De Bieder behoudt zich het recht voor om elke juridisch toegestane methode aan te wenden om 100 procent van Gamma Holding's aandelenkapitaal te verkrijgen – waaronder bijvoorbeeld (i) een juridische fusie tussen Gamma Holding en de Bieder of een aan de Bieder gelieerde (rechts)persoon, (ii) een inbreng van activa in Gamma Holding in ruil voor nieuw uit te geven aandelen (in welk geval de bestaande aandeelhouders geen voorkeursrechten hebben), en (iii) de verkoop van activa door Gamma Holding –



alsmede om de structuur van Gamma Holding in lijn te brengen met de nieuwe houdster- en financieringsstructuur die zal bestaan zodra het Bod gestand is gedaan, inclusief de inbreng van activa door de Bieder in Gamma Holding tegen de uitgifte van aandelen in het kapitaal van Gamma, daarbij de voorkeursrechten (indien aanwezig) van Aandeelhouders uitsluitend, dit alles in overeenstemming met het Nederlands recht en de statuten van Gamma Holding die van kracht zijn op het relevante tijdstip. Een dergelijke juridische fusie of verkoop van activa is thans niet voorzien en zou in elk geval zijn onderworpen aan de goedkeuring van de onafhankelijke leden van de raad van commissarissen van Gamma Holding.

Tenslotte houdt de Bieder zich het recht voor om zich te richten op wijziging van de bedrijfs- en kapitaalsstructuur van Gamma, met inbegrip van interne reorganisaties, wijziging van de accountingmethodes zoals deze worden toegepast door Gamma, wijziging van de Gamma Holding Statuten, een liquidatie, een splitsing zoals beschreven in artikel 2:334a van het Nederlandse Burgerlijke Wetboek of een claimemissie, alles met inachtneming van de relevante bepalingen van het Nederlands recht en de Gamma Holding Statuten (zoals die van tijd tot tijd worden gewijzigd). Gedane uitkeringen kunnen de vorm hebben van een uitkering uit de reserves, een interim dividend, een slotdividend, een betaling na intrekking of in het geval Gamma Holding wordt geliquideerd, een uitkering van de liquidatieopbrengsten.

#### 11.11 Dividendbeleid

Het is niet de intentie om het dividendbeleid van Gamma Holding te wijzigen als gevolg van het Bod.

#### 11.12 Werknemers

De Bieder en Gamma Holding verwachten dat het Bod geen gevolgen zal hebben voor het personeel binnen de Gamma Holding Groep, de arbeidsvoorwaarden bij de ondernemingen binnen de Gamma Holding Groep of de plaats waar de personeelsleden van deze ondernemingen hun werkzaamheden verrichten.

#### 11.13 Vestiging van Gamma Holding

Het is niet de intentie om de huidige vestiging van Gamma Holding in Helmond te wijzigen als gevolg van het Bod.

#### 11.14 Toekomstige samenstelling van de Raad van Commissarissen en de Raad van Bestuur

De Bieder en Gamma Holding hebben met betrekking tot de samenstelling van de Raad van Commissarissen de volgende overeenkomst bereikt:

- de Bieder zal twee personen voordragen voor nominatie door van de Raad van Commissarissen tot benoeming door de algemene vergadering van aandeelhouders van Gamma Holding in 2011 (de “**2011 AvA**”) als leden van de Raad van Commissarissen. Dhr. B.T. Molenaar en Dhr. E. Westerink zullen door de Bieder worden voorgedragen voor een zodanige nominatie en benoeming. Een van de huidige leden van de Raad van Commissarissen, de heer R. van der Bruggen, zal tijdens de 2011 AvA aftreden, waardoor de Raad van Commissarissen uit vijf personen zal bestaan;
- na de 2011 AvA zal de Raad van Commissarissen bestaan uit drie leden die beschouwd kunnen worden als onafhankelijke leden en twee leden die voorgedragen en benoemd zijn tijdens de 2011 AvA zoals hierboven beschreven;
- tijdens de algemene vergadering van aandeelhouders van Gamma Holding in 2012 (de “**2012 AvA**”) (i) tenzij de Bieder mededeelt daaraan geen behoefte te hebben, één thans zittend lid van de Raad van Commissarissen aftreden, waarbij de identiteit van dat aftredende lid zal worden vastgesteld na onderling overleg binnen de Raad van Commissarissen en, waar nodig, door de meerderheid van de Raad van Commissarissen, en (ii) indien een lid van de Raad van Commissarissen dan aftreedt, ter keuze van de Bieder, hetzij (a) dat aftredende lid door de Raad van Commissarissen worden voorgedragen voor herbenoeming door de

aandeelhoudersvergadering; hetzij (b) dat lid worden opgevolgd door een door de Bieder voor te stellen van Gilde en Parcom onafhankelijke persoon; hetzij (c) de vacature, al dan niet tijdelijk, niet worden vervuld;

- na de 2012 AvA zal de Bieder het recht hebben om drie van de vijf leden van de Raad van Commissarissen voor te dragen (twee van de drie als werknemers van Gilde en Parcom en de derde onafhankelijk van Gilde en/of Parcom), welke vervolgens benoemd zullen worden door de algemene vergadering van aandeelhouders;
- zowel Gilde als Parcom zullen beide een van de door de Bieder voor te dragen leden van de Raad van Commissarissen voorstellen en in het geval de Bieder het recht heeft om drie leden van de Raad van Commissarissen voor te dragen, zal Gilde na overleg met Parcom een additioneel lid voor de Raad van Commissarissen voordragen.

Het is momenteel niet de verwachting dat het Bod gevolgen zal hebben voor de samenstelling van de Raad van Bestuur.

#### 11.15 Stichting

Gamma Holding en de Stichting Preferente Aandelen Gamma Holding (de “**Stichting**”) zijn overeengekomen dat de op dit moment van kracht zijnde overeenkomst tussen de Stichting en Gamma Holding op grond waarvan de Stichting het recht heeft om Gamma Holding Cumulatief Preferente Aandelen tot een maximum van de helft van het na uitgifte geplaatste (vergrote) kapitaal te doen uitgeven aan de Stichting wordt beëindigd op de Dag van Overdracht.

#### 11.16 Aankondigingen

Aankondigingen in verband met het Bod, inclusief aankondigingen in verband met een verlenging van de Aanmeldingstermijn zullen door middel van een persbericht. Met inachtneming van de Fusieregels en zonder de wijze waarop de Bieder een publieke aankondiging kan doen te beperken, heeft de Bieder geen verplichting enige publieke aankondiging te doen anders dan hierboven beschreven.

#### 11.17 Beoogd tijdschema

<u>Verwachte Datum en Tijd</u>	<u>Gebeurtenis</u>
(Alle tijden zijn in CET)	
13 januari 2011	Persbericht met betrekking tot de verkrijgbaarstelling van het Biedingsbericht en de aanvang van het Bod
09:00 uur, 14 januari 2011	Aanvang van de Aanmeldingstermijn onder het Bod overeenkomstig artikel 14 van het Bob Wft
18:00 uur, 11 februari 2011, behoudens verlenging	<i>Sluitingsdatum</i>
	Uiterste datum waarop Aandeelhouders hun Aandelen onder het Bod kunnen aanmelden
Uiterlijk drie Werkdagen na de Sluitingsdatum	<i>Dag van Acceptatie</i>
	De dag waarop de Bieder openbaar aankondigt de totale waarde, het aantal en het corresponderende percentage Aandelen dat voor de Sluitingsdatum is aangeboden en geleverd aan de Bieder, zijnde uiterlijk drie Werkdagen na de Sluitingsdatum
Uiterlijk drie Werkdagen na de Dag van Acceptatie	<i>Dag van Overdracht</i>

Verwachte Datum en Tijd	Gebeurtenis
	De datum waarop, overeenkomstig de bepalingen en restricties van het Bod, de Bieder zal overgaan tot betaling van (i) de Gewone Biedprijs per Gewoon Aandeel aan de Gewone Aandeelhouders die op geldige wijze hun Gewone Aandelen hebben aangemeld (of op ongeldige wijze, mits de Bieder de aanmelding en levering daarvan desalniettemin aanvaardt) en geleverd voor de Sluitingsdatum, zijnde uiterlijk drie Werkdagen na de Dag van Acceptatie en (ii) de Gewone Preferente Biedprijs per Gewoon Preferent Aandeel aan de Gewone Preferente Aandeelhouders die op geldige wijze hun Gewone Preferente Aandelen hebben aangemeld (of op ongeldige wijze, mits de Bieder de aanmelding en levering daarvan desalniettemin aanvaardt) en geleverd voor de Sluitingsdatum, zijnde uiterlijk drie Werkdagen na de Dag van Acceptatie.

#### 11.18 Verkrijgbaarheid informatie

Digitale exemplaren van dit Biedingsbericht zijn verkrijgbaar op de website van Gamma Holding. De website van Gamma Holding maakt op geen enkele wijze deel uit van dit Biedingsbericht. Exemplaren van dit Biedingsbericht zijn verder kosteloos verkrijgbaar op het hoofdkantoor van Gamma Holding te Helmond, Nederland en op het kantoor van het Omwissel en Betaalkantoor op onderstaande adressen.

Exemplaren van de Go Acquisition Statuten zijn kosteloos verkrijgbaar op het kantoor van Go Acquisition en kunnen verkregen worden door contact op te nemen met Go Acquisition op onderstaand adres. Aangezien Go Acquisition een nieuw opgerichte vennootschap is, is er geen jaarverslag van Go Acquisition beschikbaar.

Exemplaren van de Gamma Holding Statuten, welke door middel van verwijzing (*incorporation by reference*) is opgenomen in, en een onderdeel vormt van het Biedingsbericht, zijn kosteloos verkrijgbaar op het kantoor van Gamma Holding, te Helmond, Nederland en kunnen verkregen worden door contact op te nemen met Gamma Holding op onderstaand adres. Deze informatie is tevens verkrijgbaar op de website van Gamma Holding ([www.gammaholding.nl](http://www.gammaholding.nl)).

*Adressen:*

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Go Acquisition B.V.	Gamma Holding N.V.
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13. PRESS RELEASES

13.1 Joint Press Release by the Offeror and Gamma Holding

13.1.1 *Press Release of 3 December 2010*

**PRESS RELEASE**

This is a public announcement by Gamma Holding N.V. pursuant to Section 5:25i of the Financial Supervision Act (Wet op het financieel toezicht ("Wft")).

**Discussions on a public offer for the shares Gamma Holding N.V.**

Further to the development of the price of the ordinary shares Gamma Holding, Gamma Holding N.V. announces that the company is discussing with Gilde Buy Out Partners B.V. ("Gilde") a possible public offer on all of the shares of Gamma Holding N.V. At the same time Gilde is discussing with Parcom Capital Management B.V. ("Parcom") the possible participation of Parcom in such offer by Gilde.

When agreement is reached Gilde will offer € 29.00 for each ordinary share and € 3.50 for each ordinary participating preference share; the offer would be made as a mandatory offer.

Further announcement will be made in due course.

Executive Board Gamma Holding N.V.  
Helmond, 3 December 2010

13.1.2 *Press Release of 6 December 2010*

**PRESS RELEASE**

This is a joint press release by Go Acquisition BV and Gamma Holding NV pursuant to the provisions of Section 4 paragraph 3, 5 paragraph 3, 7 paragraph 1 and 7 paragraph 4 of the Dutch Decree on Public Takeover Bids ("Bob") in conjunction with Section 5:70 paragraph 1 of the Act on Financial Supervision ("Wft"). This is an announcement of a mandatory public offer pursuant to Section 5:70 paragraph 1 Wft. The announcement of a mandatory public offer commences the period of 4 weeks stated in Section 5:80 paragraph 1 Wft. Go Acquisition BV will make the public offer in accordance with Section 5:71 paragraph 1 h Wft.

**PUBLIC OFFER OF EUR 29.00 PER ORDINARY SHARE ON GAMMA HOLDING NV**  
**Supervisory and Management Boards of Gamma unanimously recommend offer**  
**Combined shareholding of Gilde and Parcom 74.3%**

- Gilde Buy Out Partners ("Gilde") and Parcom Capital Management ("Parcom") have reached an agreement that enables Gilde and Parcom to combine their shareholdings in Gamma Holding NV ("Gamma"). Gilde has also reached an agreement with several shareholders including Kempen Oranje Participaties N.V. ("Kempen") to acquire their Gamma ordinary shares at a price of EUR 29.00 per ordinary share. Following this transaction, Gilde owns 48.1% of the ordinary shares of Gamma. The combined shareholding of Gilde and Parcom is approximately 74.3% of the ordinary shares of Gamma.
- Go Acquisition BV ("Go Acquisition"), a special purpose vehicle incorporated by Gilde in which the shareholdings in Gamma of Gilde and Parcom will be transferred, will make a public offer for all outstanding shares of Gamma, not currently owned by Gilde or Parcom. The offer price per ordinary share in the public offer is EUR 29.00.
- The offer price implies a premium of 137% over the closing price of Gamma's ordinary shares on 17 June 2010, the day before Gilde acquired its first shareholding of approximately 19% in Gamma, a premium of 18% over the closing price of Gamma's ordinary shares on 25 November 2010, the day Gamma announced an amendment in its credit facilities and a premium of 77% compared to the average Gamma ordinary share price over the last 12 months preceding 3 December 2010.

- The Management Board and Supervisory Board of Gamma support the offer and unanimously recommend the offer to shareholders of Gamma, a fairness opinion rendered to the Supervisory Board supports this recommendation from a financial point of view.
- Gilde and Parcom support, as loyal and financially strong shareholders, Gamma's strategy which is focused on long term "growth through focus" and seek to terminate the listing of Gamma on the NYSE Euronext Amsterdam.

#### **Utrecht and Helmond, 6 December 2010**

Gilde and Parcom have agreed to transfer their shareholdings in Gamma into Go Acquisition. The objective of the cooperation between Gilde and Parcom is to acquire and exercise a predominant control in Gamma. As a result, Go Acquisition will make a public offer for all outstanding shares of Gamma, not currently owned by Gilde or Parcom. Go Acquisition will make the offer as soon as the offer memorandum has been approved by the AFM.

Gilde has also reached an agreement with several shareholders, including Kempen Oranje Participaties N.V. ("Kempen"), to acquire their ordinary shares in Gamma at a price of EUR 29.00 per ordinary share. This is the highest price paid by Gilde in the last 12 months for any ordinary share in Gamma. Parcom did not acquire shares in Gamma in this period.

The offer price implies a premium of 77% compared to the average Gamma ordinary share price over the last 12 months preceding 3 December 2010, 18% over the closing price of Gamma's ordinary shares on 25 November 2010, the day Gamma announced an amendment in its credit facilities and 137% over the closing price of Gamma's ordinary shares on 17 June 2010, the day before Gilde acquired a shareholding of approximately 19% in Gamma.

#### **Strategic rationale**

In June of this year, Gilde acquired a shareholding of approximately 19% in Gamma. In subsequent months, Gilde increased its shareholding to approximately 25%. Parcom has been a shareholder in Gamma since 2000. On 5 December 2010 Gilde and Parcom formally decided to join forces in order to create immediate value for the existing Gamma shareholders, whilst supporting Gamma's management and its employees with the execution of their strategy "growth through focus".

As shareholders Gilde and Parcom aim to support management as a sparring partner to unlock Gamma's commercial and financial opportunities. The concentrated shareholder base will allow the company to focus more on long term value creation, supported by a loyal and financially strong shareholder. The execution of Gamma's strategy, in which focus on the growth of the core divisions is important, remains key.

The Management Board and the Supervisory Board of Gamma unanimously recommend the offer and welcome this cooperation. Gamma and Go Acquisition have agreed that Go Acquisition will have an appropriate representation in the Supervisory Board of Gamma in accordance with the nature and extent of Go Acquisition's shareholding in Gamma. The parties envisage that a majority of the members of the Supervisory Board after the offer will consist of independent members.

*"Gamma has gone through a difficult period, but managed to recover in the course of 2010. We have confidence in the strategy of Gamma and look forward to support management and employees of Gamma in the implementation thereof. This offer and the concentrated shareholder base it creates provides Gamma with the room to manoeuvre in order to optimally develop itself",* says Hein Ploegmakers, Partner of Gilde Buy Out Partners.

*"Parcom is a long-term cornerstone investor in Gamma and underscores that this envisaged transaction will enable the company to focus even more on its businesses strategies",* says Anouar Noudari, Partner of Parcom.

*"During the recent period we have strengthened both our commercial and financial position. This has resulted in an improved balance sheet and stronger focus. With a concentrated shareholder base we will have more possibilities to grow the business further",* says Jan Albers, CEO of Gamma Holding.



### **Offer price per ordinary participating preference share**

There will also be an offer on all outstanding Gamma ordinary participating preference shares. The offer price per ordinary preference share will be EUR 3.50.

### **No conditions to the offer**

There are no conditions attached to the offer. The offer will be made as soon as the offer memorandum has been approved by the AFM. The exercise of control of Gamma by Gilde and Parcom will be presented to the competition authorities.

### **Financing of the offer**

With reference to article 7 paragraph 4 of the Bob, Go Acquisition hereby declares it can finance the acquisition of the shares encompassed under the offer by means of equity which is committed by funds managed or advised by Gilde and funds managed by Parcom as well as through debt (together “Committed Financing”). Go Acquisition possesses documentation with regards to the Committed Financing which shows that Go Acquisition is able to fulfil its commitment to pay in cash for the tendered ordinary shares and ordinary participating preference shares at settlement of the offer. The financing is not subject to any conditions other than a limited number of conditions that have been included in the debt financing documentation. These conditions are in line with market practice. Go Acquisition has no reason to assume these conditions will not be fulfilled at the time of delivery of the tendered shares under the offer. The ordinary shares that are currently held by Parcom will be transferred to Go Acquisition after the completion of approval procedures with the competition authorities.

### **Envisaged time schedule**

Go Acquisition expects to file the offer memorandum for approval with the AFM within the next weeks. Shortly thereafter, Go Acquisition expects to make the approved offer memorandum publicly available. The expected duration of the offer period and the expected settlement date for shares that have been tendered under the offer will be announced by Go Acquisition by means of a press release at a later date.

### **Public Listing**

Go Acquisition and Gamma seek to terminate Gamma’s public listing (for both the ordinary shares as well as the ordinary preference shares), and will in any case request a delisting from NYSE Euronext Amsterdam if 95% or more of Gamma’s shares have been acquired by Go Acquisition. Depending on the number of shares that Go Acquisition will acquire, additional actions could be pursued, amongst others the start of a legal squeeze-out procedure.

### **Informed parties**

The central works council of Gamma and relevant unions will be consulted in view of the offer. The AFM, NYSE Euronext Amsterdam and the SER are or will be informed regarding the offer.

### **Consequences employees**

No consequences for the employees of Gamma Holding and its subsidiaries, their employment conditions or their employment location are expected as a result of this offer.

### **Advisors**

ING Corporate Finance and Rabobank International M&A are financial advisors to Go Acquisition and Clifford Chance acts as its legal advisor. Allen & Overy is the legal advisor to Parcom. Gamma is advised by Lazard as financial advisor and by Stibbe as legal advisor. ABN AMRO is financial advisor to the Supervisory Board of Gamma and has provided a fairness opinion.

### **About Gilde Buy Out Partners**

Gilde Buy Out Partners is the largest independent Dutch private equity company and one of Europe’s leading private equity investors and since its inception in 1982 Gilde Buy Out Partners has

been involved in more than 250 transactions. Gilde Buy Out Partners operates in the Netherlands, Belgium, Germany, Switzerland and France and manages funds in excess of EUR 2.0 billion and focuses on investments in Continental Europe. Gilde funds are subscribed by international institutional investors, which predominantly include pension funds, financial institutions and governments. Gilde is a majority shareholder in amongst others Hans Anders, Hofmann Menü, Royal Nedschroef, Powerlines and Plukon Royale.

#### **About Parcom Capital Management**

Parcom Capital Management is a pan-European investment firm that focuses on helping management teams realising their growth ambitions. Established in 1982 and supported by over EUR 1.6 billion of capital, Parcom has been a successful investment firm for more than 25 years. With offices in Amsterdam, Paris and Munich and through our partners Duke Street Capital and Ergon Capital Partners, Parcom have been able to invest in over 250 European companies.

#### **About Gamma**

Gamma Holding is active in 34 countries with some 4,500 employees and consists of four business units: Ammeraal Beltech, Clear Edge Filtration, Dimension-Polyant and Bekaert Textiles. These units develop, manufacture and sell innovative, high-quality products throughout the world, varying from process and conveyor belts and filtration products to sailcloth and mattress ticking. With these activities, the business units of Gamma Holding hold prominent market positions worldwide. The Company's headquarters are located in Helmond (Netherlands) and its shares are listed on NYSE Euronext Amsterdam.

## PART B FINANCIAL INFORMATION

### 1. INTRODUCTION

The following abbreviated overviews of the consolidated balance sheet in Section 2.1 (Consolidated Balance Sheets as at 31 December 2009, 2008 and 2007) of this Part B Financial Information, the consolidated income statements in Section 2.2 (Consolidated Income Statements for the years ended 31 December 2009, 2008 and 2007) of this Part B Financial Information, and the consolidated cash flow statement in Section 2.3 (Consolidated Statements of Cash Flow for the years ended 31 December 2009, 2008 and 2007) of this Part B Financial Information for the Financial Year 2009, the Financial Year 2008 and the Financial Year 2007 are derived from and are consistent with the financial statements for the Financial Year 2009 and the Financial Year 2007. The Financial Information for the Financial Year 2008 has been derived from the 2009 annual report of Gamma Holding as restated therein. These financial statements have been audited by PwC and include unqualified auditor's reports (*goedkeurende verklaringen*) dated respectively 25 February 2010, 25 February 2009 and 21 February 2008.

For a better understanding of Gamma Holding's financial position and results the abbreviated overviews should be read in conjunction with the unabridged audited financial statements of the Financial Year 2009, the Financial Year 2008 and the Financial Year 2007.

In addition, the consolidated interim financial statements for the first half-year 2010, including consolidated balance sheets, consolidated income statements, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows, notes to the consolidated interim financial statements for the first half-year 2010 and the review report relating to such interim financial information, have been provided in Section 4 of this Part B (Consolidated interim financial statements for first half-year 2010).

The auditor's report included in Section 3 of this Part B (The Annual Financial Statements for the Financial Year 2009, Including Explanatory Notes and Auditor's Report) is the original auditor's report as published on 25 February 2010 in connection with the 2009 annual report of Gamma Holding N.V. in which, other than the financial statements, also a report by the executive board was included. For the purpose of this Offer Memorandum the report by the executive board is not included. The page numbers included in the auditor's report stated above refer to the page numbers in the original 2009 financial statements of Gamma Holding N.V.

### 2. COMPARATIVE OVERVIEW OF THE CONSOLIDATED BALANCE SHEETS, THE CONSOLIDATED INCOME STATEMENTS AND THE CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR 2009, FINANCIAL YEAR 2008 AND FINANCIAL YEAR 2007

#### 2.1 Consolidated balance sheets

EUR x 1,000,000	31/12/09	31/12/08	31/12/07
<b>Assets</b>			
<i>Non-current assets</i>			
Property, plant and equipment	182.8	203.4	216.6
Intangible assets	50.0	68.6	47.9
Associates and joint ventures	1.0	1.2	1.3
Deferred income-tax assets	7.2	6.5	3.9
Derivative financial instruments	0.0	0.0	1.7
Other non-current receivables	4.9	5.9	7.5
<i>Total non-current assets</i>	<i>245.9</i>	<i>285.6</i>	<i>278.9</i>

EUR x 1,000,000	31/12/09	31/12/08	31/12/07
<i>Current assets</i>			
Inventories	142.3	169.3	187.6
Trade and other receivables	104.8	118.7	135.1
Derivative financial instruments	0.7	2.9	1.8
Income-tax assets	8.1	5.9	2.6
Cash and cash equivalents	25.7	24.9	25.3
	281.6	321.7	352.4
Non-current assets held for sale and discontinued operations	10.0	68.1	1.3
<i>Total current assets</i>	291.6	389.8	353.7
<i>Total assets</i>	537.5	675.4	632.6
<b>Equity and liabilities</b>			
<i>Equity</i>			
Issued capital and reserves attributable to equity holders	69.5	138.6	198.4
Minority interests	4.4	3.4	2.8
<i>Total equity</i>	73.9	142.0	201.2
<i>Non-current liabilities</i>			
Interest-bearing liabilities	275.1	6.4	165.5
Derivative financial instruments	9.3	9.7	0.6
Employee benefit obligations	18.4	19.0	21.6
Deferred income-tax liabilities	22.3	26.6	29.4
Other provisions	6.5	7.1	9.1
<i>Total non-current liabilities</i>	331.6	68.8	226.2
<i>Current liabilities</i>			
Interest-bearing liabilities	10.1	304.4	67.4
Trade and other payables	102.8	110.7	119.9
Derivative financial instruments	3.0	3.2	1.4
Income-tax liabilities	6.3	5.7	7.7
Other provisions	9.8	23.7	8.8
	132.0	447.7	205.2
Liabilities directly related to discontinued operations	0.0	16.9	0.0
<i>Total current liabilities</i>	132.0	464.6	205.2
<i>Total equity and liabilities</i>	537.5	675.4	632.6

## 2.2 Consolidated income statements

EUR x 1,000,000	2009	2008 <sup>1</sup>	2007
Net turnover	658.5	722.9	778.8
Changes in finished products and work in progress	(14.3)	0.1	10.8
<i>Total operating income</i>	644.2	723.0	789.6
Cost of raw materials and consumables	(212.9)	(245.1)	(293.9)
Contracted work and other external costs	(42.7)	(47.3)	(52.2)
<i>Added value</i>	388.6	430.6	443.5

<sup>1</sup> The figures for 2008 have been adjusted due to the changed composition of discontinued operations

EUR x 1,000,000	2009	2008 <sup>1</sup>	2007
Personnel costs	(236.9)	(280.5)	(250.0)
Depreciation of property, plant and equipment	(29.4)	(30.1)	(30.6)
Impairment of property, plant and equipment	(7.4)	(6.4)	(0.0)
Amortisation of intangible assets	(4.2)	(3.7)	(2.0)
Impairment of intangible assets	(18.5)	(22.6)	(0.0)
Other operating expenses	(100.2)	(107.2)	(103.3)
Other income and expense	0.2	2.6	1.8
<i>Total other operating expenses</i>	<i>(396.4)</i>	<i>(447.9)</i>	<i>(384.1)</i>
<i>Operating result</i>	<i>(7.8)</i>	<i>(17.3)</i>	<i>59.4</i>
Financial income and expense	(37.9)	(16.8)	(12.2)
Share in result of associates and joint ventures, including impairment	(0.1)	0.0	0.1
Group result before taxation	(45.8)	(34.1)	47.3
Income tax	(4.6)	(0.1)	(14.3)
<i>Net group result from continuing operations</i>	<i>(50.4)</i>	<i>(34.2)</i>	<i>33.0</i>
Net group result from discontinued operations	(18.6)	1.0	(0.0)
<i>Net group result</i>	<i>(69.0)</i>	<i>(33.2)</i>	<i>33.0</i>
<i>Attributable to</i>			
Equity holders	(69.7)	(34.0)	32.4
Minority interests	0.7	0.8	0.6
<i>EUR x 1</i>			
Earnings per share	(9.43)	(4.61)	4.39
Earnings per share from continuing operations	(6.91)	(4.75)	4.39
Earnings per share excluding restructuring and impairment	(2.82)	1.78	4.79
Diluted earnings per share	(9.42)	(4.61)	4.36
Diluted earnings per share from continuing operations	(6.90)	(4.75)	4.36
Diluted earnings per share excluding restructuring and impairment	(2.81)	1.78	4.76

#### 2.2.1 Consolidated statement of comprehensive income

EUR x 1,000,000	2009	2008 <sup>1</sup>	2007
Net group result	(69.0)	(33.2)	33.0
Granted option rights and share plan	0.0	0.0	0.1
Exchange rate differences	0.8	(4.0)	(5.0)
Changes in value of derivative financial instruments before taxation	(0.3)	(10.2)	(0.1)
Income tax on changes in value of derivative financial instruments	0.1	2.6	0.0
	0.6	(11.6)	(5.0)
<i>Total result</i>	<i>(68.4)</i>	<i>(44.8)</i>	<i>28.0</i>
<i>Attributable to</i>			
Equity holders	(69.2)	(45.7)	27.4
Minority interests	0.8	0.9	0.6

<sup>1</sup> The figures for 2008 have been adjusted due to the changed composition of discontinued operations

## 2.3 Consolidated statements of cash flows

EUR x 1,000,000	2009	2008 <sup>1</sup>	2007
<i>Operating result</i>	<i>(7.8)</i>	<i>(17.3)</i>	<i>59.4</i>
Depreciation of property, plant and equipment	29.4	30.1	30.6
Impairment of property, plant and equipment	7.4	6.4	0.0
Amortisation of intangible assets	4.2	3.7	2.0
Impairment of intangible assets	18.5	22.6	0.0
Result on disposal of property, plant and equipment and subsidiaries	(0.2)	(2.6)	(1.8)
Interest paid	(32.3)	(16.0)	(13.6)
Income tax paid	(9.4)	(18.2)	(14.8)
Change in provisions	(16.5)	11.9	(11.0)
Change in working capital	19.1	20.2	(24.6)
<i>Net cash flow from operating activities</i>	<i>12.4</i>	<i>40.8</i>	<i>26.2</i>
Purchase of property, plant and equipment	(22.7)	(25.4)	(35.6)
Acquisition of subsidiaries, net of cash acquired	0.0	(67.2)	(1.3)
Purchase of intangible assets, other than by acquisition of subsidiaries	(1.0)	(2.3)	(1.8)
Proceeds from disposal of property, plant and equipment	2.8	6.0	8.4
Proceeds from disposal of subsidiaries	35.0	0.2	4.4
Change in discontinued operations	1.1	4.3	22.1
Proceeds from disposal of intangible assets	0.0	0.3	0.2
Interest received	0.3	0.8	0.6
<i>Net cash used in investing activities</i>	<i>15.5</i>	<i>(83.3)</i>	<i>(3.0)</i>
Net purchase of treasury shares	0.0	0.7	(1.0)
Dividend paid to equity holders	0.0	(14.8)	(14.8)
Dividend paid to third parties	(0.3)	(0.4)	(0.8)
Proceeds from new loans	109.9	0.0	0.0
Repayment of loans	(151.5)	0.0	0.0
Other changes in interest-bearing liabilities	15.6	57.4	(2.7)
<i>Net cash used in financing activities</i>	<i>(26.3)</i>	<i>42.9</i>	<i>(19.3)</i>
Change in cash and cash equivalents	1.6	0.4	3.9
Cash and cash equivalents at 1 January	24.6	24.9	22.1
Exchange rate differences on cash and cash equivalents	(0.5)	(0.7)	(0.7)
<i>Cash and cash equivalents at 31 December</i>	<i>25.7</i>	<i>24.6</i>	<i>25.3</i>

## 2.4 Independent auditor's report relating to Gamma Holding's consolidated income statements, balance sheets and statements of cash flows for the Financial Year 2009, 2008 and 2007.

<sup>1</sup> The figures for 2008 have been adjusted due to the changed composition of discontinued operations



2.5 To: the Executive Board of Gamma Holding N.V.

The accompanying Comparative overview of consolidated financial information, which comprise the consolidated income statements, balance sheets and statements of cash flows for the financial years ended 31 December 2009, 2008 and 2007 of Gamma Holding N.V. (as set out on pages 63 to 66 of the Offer Memorandum) are derived from the audited financial statements of Gamma Holding N.V. for the financial years ended 31 December 2009, 2008 and 2007. The information with respect to the financial year ended 31 December 2008 has been adjusted in the 2009 financial statements for comparative purposes and is as such included in the Comparative overview of consolidated financial information. We expressed unqualified audit opinions on the financial statements in our reports dated 25 February 2010, 25 February 2009 and 21 February 2008. Those financial statements, and the Comparative overview of consolidated financial information do not reflect the effects of events that occurred subsequent to the date of our reports on those financial statements.

The Comparative overview of consolidated financial information does not contain all the disclosures required by International Financial Reporting Standards as adopted by the European Union and Part 9 of Book 2 of the Dutch Civil Code. Reading the Comparative overview of consolidated financial information, therefore, is not a substitute for reading the audited financial statements of Gamma Holding N.V.

***Management's responsibility***

Management is responsible for the preparation of the Comparative overview of the consolidated income statements, balance sheets and statements of cash flows for the financial years ended 31 December 2009, 2008 and 2007 in accordance with Article 5:76 Wft in conjunction with the provisions of Article 8 of the Takeover Decree, including schedules A and E thereto.

***Auditor's responsibility***

Our responsibility is to express an opinion on the Comparative overview of consolidated financial information for the financial years ended 31 December 2009, 2008 and 2007 of Gamma Holding N.V. based on our procedures, which were conducted in accordance with Dutch law, including the Dutch standard on Auditing 810 "Engagements to report on summary financial statements".

***Opinion***

In our opinion, the Comparative overview of consolidated financial information for the financial years ended 31 December 2009, 2008 and 2007 derived from the financial statements for the years ended 31 December 2009, 2008 and 2007 of Gamma Holding N.V. and as prepared in accordance with Article 5:76 Wft in conjunction with the provisions of Article 8 of the Takeover Decree, including schedules A and E thereto, is consistent, in all material respects, with those financial statements.

***Other matter – restriction of use***

The Gamma Holding N.V. Comparative overview of consolidated financial information for the financial years ended 31 December 2009, 2008 and 2007 of Gamma Holding N.V. and our auditor's report thereon are intended solely for the Executive Board of Gamma Holding N.V. for inclusion in the Offer Memorandum, Part B and are not suitable for any other purpose.

Eindhoven, 13 January 2011

PricewaterhouseCoopers Accountants N.V.

J.A.M. Stael RA

3. THE ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2009, INCLUDING EXPLANATORY NOTES AND AUDITOR'S REPORT

3.1 Financial Statements

3.1.1 Consolidated balance sheets

€ x 1,000,000		31/12/09	31/12/08
<b>Assets</b>			
<i>Non-current assets</i>			
Property, plant and equipment	6	182.8	203.4
Intangible assets	7	50.0	68.6
Associates and joint ventures	8	1.0	1.2
Deferred income-tax assets	10	7.2	6.5
Other non-current receivables	11	4.9	5.9
<i>Total non-current assets</i>		<i>245.9</i>	<i>285.6</i>
<i>Current assets</i>			
Inventories	12	142.3	169.3
Trade and other receivables	13	104.8	118.7
Derivative financial instruments	9	0.7	2.9
Income-tax assets		8.1	5.9
Cash and cash equivalents	14	25.7	24.9
		281.6	321.7
Non-current assets held for sale and discontinued operations	15	10.0	68.1
<i>Total current assets</i>		<i>291.6</i>	<i>389.8</i>
<i>Total assets</i>		<i>537.5</i>	<i>675.4</i>

€ x 1,000,000		31/12/09	31/12/08
<b>Equity and liabilities</b>			
<i>Equity</i>			
Issued capital and reserves attributable to equity holders	16	69.5	138.6
Minority interests		4.4	3.4
<i>Total equity</i>		<i>73.9</i>	<i>142.0</i>
<i>Non-current liabilities</i>			
Interest-bearing liabilities	17	275.1	6.4
Derivative financial instruments	9	9.3	9.7
Employee benefit obligations	18	18.4	19.0
Deferred income-tax liabilities	10	22.3	26.6
Other provisions	19	6.5	7.1
<i>Total non-current liabilities</i>		<i>331.6</i>	<i>68.8</i>
<i>Current liabilities</i>			
Interest-bearing liabilities	17	10.1	304.4
Trade and other payables	20	102.8	110.7
Derivative financial instruments	9	3.0	3.2
Income-tax liabilities		6.3	5.7
Other provisions	19	9.8	23.7
		132.0	447.7
Liabilities directly related to discontinued operations	15		16.9
<i>Total current liabilities</i>		<i>132.0</i>	<i>464.6</i>
<i>Total equity and liabilities</i>		<i>537.5</i>	<i>675.4</i>

### 3.1.2 Consolidated income statements

€ x 1,000,000		2009	2008 <sup>1</sup>
Net turnover	23	658.5	722.9
Changes in finished products and work in progress		(14.3)	0.1
<i>Total operating income</i>		<i>644.2</i>	<i>723.0</i>
Costs of raw materials and consumables		(212.9)	(245.1)
Contracted work and other external costs	24	(42.7)	(47.3)
<i>Added value</i>		<i>388.6</i>	<i>430.6</i>
Personnel costs	25	(236.9)	(280.5)
Depreciation of property, plant and equipment	6	(29.4)	(30.1)
Impairment of property, plant and equipment	6	(7.4)	(6.4)
Amortisation of intangible assets	7	(4.2)	(3.7)
Impairment of intangible assets	7	(18.5)	(22.6)
Other operating expenses	28	(100.2)	(107.2)
Other income and expense	29	0.2	2.6
<i>Total other operating expenses</i>		<i>(396.4)</i>	<i>(447.9)</i>
<i>Operating result</i>	30	<i>( 7.8)</i>	<i>(17.3)</i>
Financial income and expense	31	(37.9)	(16.8)
Share in result of associates and joint ventures	8, 15	(0.1)	
Group result before taxation	32	(45.8)	(34.1)
Income tax	33	(4.6)	(0.1)
<i>Net group result from continuing operations</i>		<i>(50.4)</i>	<i>(34.2)</i>
Net group result from discontinued operations	15	(18.6)	1.0
<i>Net group result</i>		<i>(69.0)</i>	<i>(33.2)</i>
<i>Attributable to</i>			
Equity holders		(69.7)	(34.0)
Minority interests		0.7	0.8
<i>€ x 1</i>			
Earnings per share	35	(9.43)	(4.61)
Earnings per share from continuing operations	35	(6.91)	(4.75)
Earnings per share excluding restructuring and impairment	35	(2.82)	1.78
Diluted earnings per share	35	(9.42)	(4.61)
Diluted earnings per share from continuing operations	35	(6.90)	(4.75)
Diluted earnings per share excluding restructuring and impairment	35	(2.81)	1.78

### 3.1.3 Consolidated statement of comprehensive income

€ x 1,000,000		2009	2008
<i>Net group result</i>		<i>(69.0)</i>	<i>(33.2)</i>
Exchange rate differences		0.8	(4.0)
Changes in value of derivative financial instruments before taxation		(0.3)	(10.2)
Income tax on changes in value of derivative financial instruments		0.1	2.6
		0.6	(11.6)
<i>Total result</i>		<i>(68.4)</i>	<i>(44.8)</i>
<i>Attributable to</i>			
Equity holders		(69.2)	(45.7)
Minority interests		0.8	0.9

<sup>1</sup> The figures for 2008 have been adjusted due to the changed composition of discontinued operations

## 3.1.4 Consolidated statement of changes in equity

€ x 1,000,000	Issued share capital	Treasury shares	Other reserves	Issued capital and re- serves at- tributable to equity holders	Minority interests	Total equity
Balance at 31/12/2007	19.8	(6.3)	184.9	198.4	2.8	201.2
<i>Changes in 2008</i>						
Net group result			(34.0)	(34.0)	0.8	(33.2)
Exchange rate differences			(4.1)	(4.1)	0.1	(4.0)
Changes in value of derivative financial instruments after taxation			(7.6)	(7.6)		(7.6)
<i>Total result</i>	<i>0.0</i>		<i>(45.7)</i>	<i>(45.7)</i>	<i>0.9</i>	<i>(44.8)</i>
Dividend previous financial year		0.3	(15.1)	(14.8)		(14.8)
Dividend paid by subsidiaries to third parties					(0.4)	(0.4)
Granted option rights and share plan			0.1	0.1		0.1
Cancellation of treasury shares	(0.7)	1.2	(0.5)			0.0
Delivery of treasury shares for exercised options and share plan		1.1	(0.5)	0.6		0.6
Additions					0.1	0.1
Balance at 31/12/2008	19.1	(3.7)	123.2	138.6	3.4	142.0
<i>Changes in 2009</i>						
Net group result			(69.7)	(69.7)	0.7	(69.0)
Exchange rate differences			0.7	0.7	0.1	0.8
Changes in value of derivative financial instruments after taxation			(0.2)	(0.2)		(0.2)
<i>Total result</i>	<i>0.0</i>	<i>0.0</i>	<i>(69.2)</i>	<i>(69.2)</i>	<i>0.8</i>	<i>(68.4)</i>
Dividend paid by subsidiaries to third parties					(0.4)	(0.4)
Granted option rights and share plan			0.1	0.1		0.1
Additions by third parties					0.3	0.3
Disposals					0.3	0.3
Balance at 31/12/2009	19.1	(3.7)	54.1	69.5	4.4	73.9

### 3.1.5 Consolidated statement of cash flows

€ x 1,000,000	2009	2008 <sup>1</sup>
<i>Operating result</i>	<i>(7.8)</i>	<i>(17.3)</i>
Depreciation of property, plant and equipment	29.4	30.1
Impairment of property, plant and equipment	7.4	6.4
Amortisation of intangible assets	4.2	3.7
Impairment of intangible assets	18.5	22.6
Result on disposal of property, plant and equipment and subsidiaries	(0.2)	(2.6)
Interest paid	(32.3)	(16.0)
Income tax paid	(9.4)	(18.2)
Change in provisions	(16.5)	11.9
Change in working capital	19.1	20.2
<i>Net cash flow from operating activities</i>	<i>12.4</i>	<i>40.8</i>
Purchase of property, plant and equipment	(22.7)	(25.4)
Acquisition of subsidiaries, net of cash acquired		(67.2)
Purchase of intangible assets, other than by acquisition of subsidiaries	(1.0)	(2.3)
Proceeds from disposal of property, plant and equipment	2.8	6.0
Proceeds from disposal of subsidiaries	35.0	0.2
Change in discontinued operations	1.1	4.3
Proceeds from disposal of intangible assets		0.3
Interest received	0.3	0.8
<i>Net cash used in investing activities</i>	<i>15.5</i>	<i>(83.3)</i>
Net purchase of treasury shares		0.7
Dividend paid to equity holders		(14.8)
Dividend paid to third parties	(0.3)	(0.4)
Proceeds from new loans	109.9	
Repayment of loans	(151.5)	
Other changes in interest-bearing liabilities	15.6	57.4
<i>Net cash used in financing activities</i>	<i>(26.3)</i>	<i>42.9</i>
Change in cash and cash equivalents	1.6	0.4
Cash and cash equivalents at 1 January	24.6	24.9
Exchange rate differences on cash and cash equivalents	(0.5)	(0.7)
<i>Cash and cash equivalents at 31 December</i>	<i>25.7</i>	<i>24.6</i>

## 3.2 Notes to the consolidated financial statements

### Accounting policies

#### 3.2.1 General

Gamma Holding N.V. (the Company) and its subsidiaries (together Gamma Holding) develop, manufacture and sell innovative, high-quality products throughout the world, varying from process and conveyor belts and filtration products to sailcloth, mattress ticking and African fashion fabrics. Gamma Holding has some 6,500 employees in 42 countries.

Gamma Holding N.V. is a public limited-liability company, incorporated and domiciled in Helmond, Netherlands.

The Company is listed on Euronext Amsterdam.

These consolidated financial statements have been drawn up and undersigned by the Executive Board, were undersigned for issue by the Supervisory Board on 25 February 2010 and will be submitted for adoption by the Annual General Meeting of Shareholders on 29 April 2010.

<sup>1</sup> The figures for 2008 have been adjusted due to the changed composition of discontinued operation

### 3.2.2 *Summary of significant accounting policies*

#### ***Basis of preparation***

The consolidated financial statements of Gamma Holding N.V. have been drawn up in accordance with the accounting policies set out below. These accounting policies are based on International Financial Reporting Standards applicable on 31 December 2009, as endorsed by the European Union. The consolidated financial statements have been prepared under the historical cost convention, with the exception of financial assets and interest-bearing liabilities, which are carried at amortised cost or fair value.

In preparing the company financial statements, the facility under section 402, Book 2 of the Netherlands Civil Code of drafting a condensed income statement is used.

#### *Interpretations and amendments to published standards effective in 2009*

##### *IFRS 8, Operating Segments*

This standard requires that the definition of segments should reflect the internally recognised segments – the business units on which the management bases its decisions. The information provided about the segments should be based upon the information that management uses internally to evaluate the performance of the segments and to allocate the available resources across the segments. With effect from the financial statements for 2008 the segmentation has already been expanded from the level of the two sectors at that time recognised by Gamma Holding to the level of the underlying business units. The introduction of IFRS 8 has not led to further changes to the segmentation or an important expansion of the segment information.

##### *IAS 1, Presentation of Financial Statements*

In response to this, a new consolidated statement of comprehensive income has been included as a separate statement after the consolidated income statements.

##### *IAS 23 (amendment), Borrowing Costs*

Effective 2009, this amendment requires an entity to include borrowing costs in the cost of non-current investment projects in property, plant and equipment and intangible assets. This amendment was not relevant to Gamma Holding in 2009.

##### *IAS 32 (amendment), Financial Instruments: Presentation, IAS 39 (amendment), Financial Instruments: Recognition and Measurement and IFRS 2 (amendment), Share-based Payment*

These amendments are not relevant to Gamma Holding.

##### *IFRS 7 (amendment), Financial Instruments: Disclosures*

This amendment has resulted in additional disclosure on fair value estimation (fair value hierarchy) of financial instruments in the section Financial risk management.

##### *IFRIC 12, Service Concession Arrangements, IFRIC 13, Customer Loyalty Programmes, IFRIC 14, The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction and IFRIC 16, Hedges of a Net Investment in a Foreign Operation*

These interpretations are not relevant to Gamma Holding.

#### *Standards, interpretations and amendments to published standards not yet in effect*

##### *IAS 27 (amendment), Consolidated and Separate Financial Statements, IAS 39 (amendment), Reclassification of Financial Assets and IFRS 3 (amendment), Business Combinations*

Gamma Holding is investigating the impact of these interpretations.



IFRS 1 (amendment), *First-time Adoption of International Financial Reporting Standards*

This amendment is not relevant to Gamma Holding.

IFRIC 15, *Agreements for the Construction of Real Estate*

This interpretation is not relevant to Gamma Holding.

*Standards, interpretations and amendments to published standards not yet adopted in the European Union*

IAS 39 (amendment), *Financial instruments: Recognition and Measurement*

Gamma Holding is investigating the impact of this amendment.

IFRIC 17, *Distribution of Non-cash Assets to Owners* and IFRIC 18, *Transfers of Assets from Customers*

Gamma Holding is investigating the impact of these interpretations.

### ***Consolidation***

The consolidated financial statements incorporate the accounts of Gamma Holding N.V. and its subsidiaries on the basis of consistent accounting policies. Subsidiaries are fully consolidated, unless recognised as discontinued operations. Intercompany transactions, unrealised gains on intercompany transactions and intercompany balances are eliminated. Unrealised losses on intercompany transactions are also eliminated, unless the transaction provides evidence of an impairment of an asset transferred. Minority interests in the equity and net result of subsidiaries are presented separately.

Effective from the date on which all criteria of IFRS 5, Non-current assets held for sale and discontinued operations, were met, discontinued operations are deconsolidated in the balance sheet and recognised under discontinued assets and liabilities from discontinued operations, if applicable with an impairment to the expected net realisable value. They are also deconsolidated in the income statement and statement of cash flows, also for the reported periods prior to the date on which all criteria of IFRS 5 were met.

### ***Subsidiaries***

Subsidiaries are those companies in which Gamma Holding has control of the financial and operating policies and in which it generally holds more than half of the shares and the related voting rights. As soon as a company joins Gamma Holding, its accounts are included in the consolidated financial statements effective from the date on which Gamma Holding obtained control.

The purchase method of accounting is used to account for the acquisition of subsidiaries by Gamma Holding. From the moment of acquisition the purchased company is measured as the fair value of the assets acquired, equity instruments issued and liabilities incurred or assumed at the date of transfer, plus costs directly attributable to the acquisition. Identifiable assets acquired, liabilities incurred and contingent liabilities assumed (identifiable net assets) in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the acquisition price over the fair value of Gamma Holding's share in the identifiable net assets acquired is recorded as goodwill. If the acquisition price is lower than the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

A company is deconsolidated from the date that control ceases or it is recognised as a discontinued operation. The difference between the selling price, the net asset value including the related goodwill and the currency translation reserve for the company as of the date of sale is included in the income statement.

## ***Associates***

Associates are all entities in which Gamma Holding exercises significant influence but no control, which generally implies a shareholding of between 20% and 50% and the attached voting rights. Investments in associates are initially recognised at cost and thereafter at net asset value. Gamma Holding's investments in associates also include goodwill (net of any accumulated impairment loss) identified on acquisition.

Gamma Holding's share in its associates' profits or losses after acquisition is recognised in the income statement, and its share in post-acquisition movements in reserves is recognised in the reserves. The accumulated post-acquisition movements are recognised in the carrying amount of the investment. When Gamma Holding's share in the losses of an associate equals or exceeds its interest in the associate, including any other unsecured receivables, Gamma Holding does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between Gamma Holding and its associates are eliminated proportionate to Gamma Holding's interest in the associates. The same applies to unrealised losses unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by Gamma Holding.

## ***Joint ventures***

Gamma Holding's interest in jointly controlled entities is initially recognised at cost and thereafter at net asset value, as in the case of associates. The accounts of joint ventures are not included in the consolidation.

## ***Segment information***

The breakdown into business segments corresponds to the way the internal reporting to the Executive Board is organised. The Executive Board is responsible for allocating resources to the business segments and for assessing the performance and results of the business segments.

## ***Foreign currency translation***

### ***Functional and presentation currency***

Items included in the financial statements of Gamma Holding's subsidiaries, associates and joint ventures are measured using the currency of the primary economic environment in which the entity operates (i.e. the functional currency). The consolidated financial statements are presented in euros, which is Gamma Holding's functional and presentation currency.

### ***Transactions and balances***

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the transaction date. Foreign exchange gains and losses resulting from the translation of monetary assets and liabilities denominated in foreign currencies into the functional currency at the balance sheet date, are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges. Exchange rate differences on long-term group loans with equity characteristics are recorded in equity (currency translation reserves).

### ***Currency translation foreign subsidiaries, associates and joint ventures***

The results and financial positions of all Gamma Holding's subsidiaries, associates and joint ventures (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency, are translated into the presentation currency as follows: assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet. Income and expense for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expense are translated

at the dates of the transactions). Potentially resulting and all resulting exchange differences are recognised in equity (currency translation reserve).

On consolidation, exchange differences arising from the translation of the net investment in foreign subsidiaries, associates and joint ventures and of borrowings and other currency instruments designated as hedges of such investments, are taken to equity. When a foreign operation is sold or closed, such exchange differences are recognised in the income statement as part of the financial income and expense.

Goodwill and fair value adjustments arising on the acquisition of foreign associates and joint ventures are treated as assets and liabilities of the foreign associates and joint ventures and translated at the closing rate on the balance sheet date.

### ***Property, plant and equipment***

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the items, including, with effect from 2009, the borrowing costs attributable to non-current investment projects. Land is not depreciated. Depreciation of other assets starts in the month the asset is put into use. Depreciation is calculated using the straight-line method, with the cost of the other assets less their residual values being allocated to their estimated useful lives. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Gamma Holding and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the period in which they are incurred.

Major maintenance is depreciated over the remaining useful life of the related asset or to the date of the next major maintenance activity, whichever is sooner.

An asset's carrying amount is written off immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

### ***Leasing***

Leases in which a significant portion of the risks and rewards incidental to ownership is retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

Leases where Gamma Holding incurs virtually all the risks and rewards incidental to ownership are classified as finance leases. As a lessee, Gamma Holding capitalises finance leases at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. The corresponding lease obligations, net of finance charges, are recognised as repayments on long-term loans. Non-current assets acquired under a finance lease are depreciated over the assets' useful life or, if there is no reasonable certainty that the lessee will obtain ownership at the end of the lease term, the lower of the assets' useful life or the lease term.

### ***Intangible assets***

#### ***Goodwill***

Goodwill represents the excess of the cost of an acquisition over the fair value of Gamma Holding's share in the net identifiable assets of the acquired subsidiary, associate or joint venture at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates and joint ventures is included in associates and joint ventures. Goodwill is tested at least annually for impairment and carried at cost less cumulative impairment losses. Goodwill is allocated to cash-generating units for the purposes of impairment testing. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

### *Software*

Acquired software licences are capitalised on the basis of the costs incurred to acquire the specific software and bring it to use. Costs that are directly associated with the production of identifiable and unique software products which are controlled by Gamma Holding and will probably generate economic benefits for more than one year are recognised as intangible assets, including, with effect from 2009, the borrowing costs attributable to non-current investment projects. Capitalised software is amortised over its estimated useful life using the straight-line method. Costs associated with maintaining software programs are recognised in the income statement.

### *Research and development*

Research costs are charged directly to the operating result. Development costs relate to the costs of a new product, design or technological development. These costs are recognised as intangible assets when it is probable that the project will be a success, considering its commercial and technological feasibility, and if the costs can be determined reliably. Given the uncertain prospects for success of individual pattern developments at Gamma Holding, these development costs are generally charged directly to the operating result.

### *Acquired intangible assets*

Trademarks, customer relationships and licences have a definite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks, customer relationships and licences over their estimated useful lives. Amortisation commences in the month in which the acquired company is included in the consolidation.

### *Impairment of non-financial assets*

Goodwill is not subject to amortisation but is tested at least annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Impairment is recognised as an expense in the income statement. Impairment of goodwill is not reversed.

### *Financial assets*

The classification of financial assets depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

### *Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market and are originated by Gamma Holding providing goods or money directly to a debtor. Loans and receivables are carried at amortised cost applying the effective interest method.

### *Available-for-sale financial assets*

Financial assets are classified as available-for-sale if they are either designated to this category or not classified in any of the other categories. Available-for-sale assets are carried at fair value, with unrealised gains and losses being recognised in equity as long as this equity reserve remains positive. If the financial asset is derecognised, an accumulated gain previously recognised in equity is, if applicable, taken to the income statement.

### *Derivatives and hedge accounting*

Derivatives are recorded at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the

item being hedged. Gamma Holding designates derivatives as hedges of certain or highly probable forecast transactions (cash flow hedges).

For the substantial derivatives, Gamma Holding documents at the inception of the transaction the relationship between hedging instruments and hedged items. Gamma Holding also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are effective in offsetting changes in fair values or cash flows of hedged items.

The fair value of various derivative instruments used for hedging purposes is disclosed in paragraph 3.4.4. For an explanation on the hedging reserve in equity please refer to paragraph 3.4.11. The full fair value of a derivative is designated as non-current if the remaining term of the derivative is more than one year; otherwise the derivative is designated as current.

#### *Cash flow hedging*

Changes in the fair value of effective hedging instruments that are designated and qualify as cash flow hedges are recognised in equity. Changes in the fair value of ineffective hedging instruments are recognised immediately in the income statement.

Amounts accumulated in equity are recognised in the income statement in the periods when the hedged item will affect profit or loss (for instance when the forecast purchase or sale that is hedged takes place). The gain or loss on the effective portion of interest-rate swaps that qualify as cash flow hedges is included in financial income and expense, while the gain or loss on the effective portion of currency instruments that qualify as cash flow hedges is included in cost of raw materials and consumables. However, the gain or loss on currency instruments that qualify as cash flow hedges for non-financial assets (e.g. property, plant and equipment) is capitalised as part of the investment amount of the asset and is ultimately credited/charged to the result upon sale of the asset or by means of depreciation. When a hedging instrument expires or is sold, any cumulative gain or loss existing in equity at that time remains in equity and is recognised in the income statement when the forecast transaction is ultimately recognised in the income statement.

When a forecast transaction is no longer expected to occur, or when a hedging instrument is no longer effective, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

#### *Derivative instruments to which hedge accounting is not applied*

Changes in the fair value of derivative instruments to which hedge accounting is not applied are recognised directly in the income statement.

#### *Fair value estimation*

The fair value of financial instruments is determined by using valuation techniques. Gamma Holding makes assumptions that are based on market conditions existing at each balance sheet date. The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the balance sheet date. It is assumed that the fair value of interest-bearing liabilities will approximate to the book value as almost all loans have floating-rate interest, which is fixed at year-end at the prevailing market rate.

The nominal value of trade receivables and payables less estimated credit adjustments is assumed to approximate to their fair value. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to Gamma Holding for similar financial instruments.

#### *Inventories*

Inventories are valued at the lower of cost or net realisable value. Cost is determined using the first-in, first-out method. The cost of raw materials and consumables includes the purchase price, freight costs and import duties. The cost of work in progress and finished products comprises the cost of raw materials and consumables, direct personnel costs, other costs that are directly attributable to

production and related production overheads, and exclude borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business less applicable costs to sell.

### ***Receivables***

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less a provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that Gamma Holding may not be able to collect all amounts due. Significant financial difficulties on the part of the trade receivable, the likelihood that the trade receivable will go bankrupt, or a financial reorganisation and non-payment or arrears in payment, are indications that the trade receivable cannot be collected. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Changes in the provision are included in the income statement as selling expense.

### ***Cash and cash equivalents***

Cash and cash equivalents include cash at bank and in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within current interest-bearing liabilities on the balance sheet.

### ***Non-current assets held for sale and discontinued operations***

Non-current assets held for sale and discontinued operations are presented separately, if their carrying amount is recovered principally through a selling transaction rather than continued use. They are stated at the lower of their carrying amount or fair value less costs to sell.

### ***Share capital***

Ordinary shares are part of the issued capital and reserves attributable to equity holders. Preference shares that do not lead to repayment commitments or dividends are designated as part of the issued capital and reserves attributable to equity holders.

If treasury shares are purchased, the sum paid, including directly attributable costs and with settlement of taxes, is deducted from the issued capital and reserves. If the shares are sold or re-issued, the proceeds, with settlement of directly attributable costs and taxes, are credited to the issued capital and reserves attributable to equity holders.

### ***Interest-bearing liabilities***

Interest-bearing liabilities are recognised initially at fair value, net of transaction costs incurred. They are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Interest-bearing liabilities are classified as non-current liabilities if Gamma Holding has an unconditional right to defer settlement of the liability for at least one year after the balance sheet date.

### ***Provisions***

Provisions for restructuring costs, environmental pollution and legally enforceable obligations are recognised when Gamma Holding has a legal, judicial or constructive obligation as a result of past events, when it is more likely than not that an outflow of resources will be required to settle the obligation, and when the amount can be reliably estimated. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks inherent to the obligation.



## ***Employee benefits***

### ***Pension plans***

Gamma Holding operates various pension plans. The plans are funded through payments to insurance companies or trustee-administered funds, which are based on periodic actuarial calculations. Gamma Holding offers both defined-benefit and defined-contribution plans. A defined-benefit plan is a pension plan that defines the pension benefits that an employee will receive on retirement. This is usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined-benefit pension plans is the present value of the defined-benefit obligation at the balance sheet date, applying the projected unit credit method, less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past-service costs. For yearly valuation purposes, actuarial assumptions are made about demographic variables (such as employee turnover and mortality) and financial variables (such as future increases in salaries). The discount rate is determined by reference to market rates.

Cumulative actuarial gains and losses in excess of the greater of 10% of the value of plan assets or 10% of the defined-benefit obligation are recognised per plan in the income statement over the respective employees' expected average remaining working lives.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (i.e. the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

For the purposes of defined-contribution plans, Gamma Holding pays contributions to administered pension insurance plans. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as assets to the extent that a cash refund or a reduction in future payments is expected.

### ***Other long-term employee benefits***

Gamma Holding operates various long-term employee benefits. The expected costs of these benefits are accrued over a period similar to that applicable to defined-benefit pension plans. Actuarial gains and losses are charged or credited to income per plan in the financial year or over the expected average remaining service lives of the respective employees in the case of benefits after employment.

### ***Termination benefits***

Termination benefits may be payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits.

Gamma Holding recognises termination benefits when it is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, communication with the respective employee has already taken place, or termination benefits as a result of an offer made to encourage voluntary redundancy are being provided. Benefits falling due more than a year after the balance sheet date are discounted to present value.

### ***Profit-sharing and bonus plans***

Gamma Holding recognises a liability and an expense for bonuses and profit-sharing arising from contractual obligations and past practices that have created a constructive obligation as of the balance sheet date.

### ***Share-based payment***

Gamma Holding has a stock option plan and a share plan. The cost of the options granted is calculated by relating the fair value of the options on the date of grant to the minimum vesting

period of the options. The net costs of the stock option plan are credited to equity. The fair value of the options is estimated by using an option pricing model.

The costs of granted shares are determined by the fair value at the moment of grant. In the years before the granting of shares, the costs of the share plan are determined on the basis of performance against agreed targets. The net costs of the share plan are credited to equity.

### ***Trade payables***

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### ***Income tax***

Income tax is calculated by applying the tax rates prevailing in the respective countries to the result before taxation for the year, taking into account non-temporary differences between income for financial reporting purposes and for tax purposes.

Deferred income tax is provided on fiscal compensation of losses and/or temporary differences arising from the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax is determined using tax rates (and laws) that have been enacted by the balance sheet date and are expected to apply when the related deferred income-tax asset is realised or the deferred income-tax liability is settled. Deferred income tax is not provided on temporary differences where the timing of their reversal is determined by Gamma Holding and is not expected to be in the near future.

Deferred income-tax assets are recognised to the extent that it is probable that future taxable profit will be available, against which fiscal compensation of losses and/or temporary differences can be offset. Deferred income-tax assets and liabilities with the same terms and conditions and relating to the same fiscal entities are netted.

### ***Net turnover***

Net turnover comprises the fair value of the consideration for the sale of goods, net of value added tax, rebates and discounts and after eliminating intercompany sales. Net turnover is recognised if Gamma Holding has transferred to the customer the significant risks and rewards incidental to product ownership, and the collectability of the related receivable is reasonably assured.

### ***Interest***

Interest income and expense are recognised on a time proportion basis applying the effective interest method.

### ***Statement of cash flows***

The statement of cash flows has been prepared based on the indirect method. Cash flows in foreign currencies have been translated at average exchange rates. Exchange rate differences on cash and cash equivalents are shown separately in the statement of cash flows. The net cash flow relates to the change in cash and cash equivalents. Acquisition of subsidiaries comprises the purchase price paid less cash and cash equivalent balances at these companies at the time of acquisition. Proceeds from disposal of subsidiaries comprise sums received less cash and cash equivalent balances at these companies at the time of disposal.

### ***Earnings per share***

Earnings per share are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the company and held as treasury shares.

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the share options a calculation is performed to determine the number of shares that could have been acquired at fair value (determined on the basis of the average annual market share price of the company's

shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued, had the share options been exercised.

### 3.3 Financial risk management, estimates and segment information

#### 3.3.1 *Financial risk management*

##### ***Financial risk factors***

Gamma Holding's activities expose it to a variety of financial risks: foreign exchange, interest, credit and liquidity risk. Gamma Holding's financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on Gamma Holding's financial performance. Gamma Holding uses derivative financial instruments to hedge certain risk exposures.

Financial risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Executive Board. Group Treasury identifies, evaluates and hedges financial risks in close cooperation with the subsidiaries. The Executive Board provides written principles for financial risk management, containing policies covering specific areas such as foreign exchange and interest risk, use of derivative and non-derivative financial instruments, and investing excess liquidity. The Executive Board reviews the execution of this policy each quarter.

##### *Foreign exchange risk*

Gamma Holding operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities in foreign currencies and net investments in foreign operations.

Each quarter, the subsidiaries report on their anticipated operational cash flows in foreign currencies for the coming twelve months. On the basis of this, it is decided, in consultation with local management, to what extent these anticipated cash flows should be hedged. It is Gamma Holding's policy to hedge at least two-thirds of the currency risk of these anticipated transactions in each major currency for the subsequent twelve months, as far as practically possible. It is possible to depart from this policy if the market position gives reason to do so. Group Treasury is responsible for hedging the positions in foreign currencies by using external currency derivatives. Wherever possible, significant currency derivatives are designated as cash flow hedges. External currency derivatives can be used at group level as hedges of foreign exchange risk on specific assets, liabilities or future transactions.

The US dollar is by far the most important foreign currency for Gamma Holding. All other things being equal, a 10 cent rise in the euro/dollar exchange rate as of 31 December 2009 would have had a negative impact on the net group result of 0.3 (2008: 0.3 positive) as a result of currency translation of financial instruments. All other things being equal, a 10 cent rise in the euro/dollar exchange rate would have had a negative impact on equity of 0.1 (2008: 0.3 positive) as a result of currency translations included in the hedging reserve on the basis of the applied cash flow hedges.

Gamma Holding has many foreign subsidiaries, whose net assets are exposed to foreign exchange risk. Currency exposure arising from the net assets of Gamma Holding's foreign operations is managed by financing the entities primarily through borrowings denominated in the relevant foreign currencies, within legal and fiscal parameters.

##### *Interest risk*

Because Gamma Holding does not have any substantial interest-bearing assets, its operating result and operational cash flow are independent of changes in market interest rates. Gamma Holding's interest risk arises from borrowings. Borrowings issued at floating rates expose Gamma Holding to cash-flow interest-rate risk. The policy is to maintain 30% - 70% of the balance of interest-bearing liabilities in fixed-rate instruments and thus to reduce the cash flow risk. As of 31 December 2009, 60% (2008: 56%) of the balance of interest-bearing liabilities were at fixed rates. Gamma Holding

manages its interest-rate risk by using floating-to-fixed interest-rate swaps. The ratio of floating-rate to fixed-rate liabilities is reviewed each quarter.

If, on the balance sheet date, the market interest rate on borrowings denominated in euros had been 100 base points higher, then, all other things being equal, the net group result would have been 0.6 (2008: 0.4) lower. As a result of an increase in the value of interest derivatives classified as cash-flow hedges, the other reserves would have been 1.9 (2008: 2.8) higher. If, on the balance sheet date, the market interest rate on borrowings denominated in dollars had been 100 base points higher, then, all other things being equal, the net group result would have been 0.1 (2008: 0.2) lower. As a result of an increase in the value of interest derivatives classified as cash-flow hedges, the other reserves would have been 1.0 (2008: 1.3) higher.

#### *Credit risk*

Gamma Holding has no significant concentrations of credit risk. The credit risk of trade receivables has been spread by spreading the activities. Sales to retail customers are paid for in cash or via credit cards. Credit insurance is also used in some situations. The age of trade receivables is reviewed periodically at a local level. Derivative counterparties and cash transactions are limited to financial institutions with strong credit ratings (Standard & Poor's single A or higher). Gamma Holding has policies that limit the amount of credit exposure to any financial institution. In principle, bank balances and deposits are held by financial institutions with, for the country in question, strong credit ratings. The maximum credit risk amounts to the book value of cash and cash equivalents, derivative instruments and receivables with the exception of prepaid expenses and accrued income and including corresponding items on non-current assets held for sale and discontinued operations, total 136.3 (2008: 161.5).

#### *Liquidity risk*

Gamma Holding's finance policy stipulates that at least 50% of its credit requirements should be hedged with committed credit lines with a term of more than one year.

In July 2009 improved borrowing terms were agreed with the syndicate of banks. The main group companies are parties to the financing agreement and have provided extensive collateral in that connection. In the new agreement the financial covenants have been eased and account has been taken of the difficult market conditions with which Gamma Holding has to contend. Moreover, an extension of the financing until mid-July 2011 is possible. Please refer to paragraph 3.4.12.

This has given the company time to put into effect its programme of cost savings, divestments and restructurings. To reduce the company's debt, the disposal of companies at a reasonable price is also being considered.

Multi-year cash flow projections are used to determine whether the available credit facilities are sufficient to cover the expected credit requirement. On the basis of this analysis, Gamma Holding believes that, for the coming year, the credit requirement is adequately covered.

#### *Capital risk management*

Gamma Holding strives for a capital structure that on the one hand guarantees the continuity of the company and on the other optimises the cost of capital, taking into account the interests of shareholders and other stakeholders.

The capital structure is monitored on the basis of the gearing, which is calculated by dividing the balance of interest-bearing liabilities by total equity. The balance of interest-bearing liabilities is calculated as interest-bearing liabilities less cash and cash equivalents.

In order to achieve the desired capital structure, Gamma Holding can adjust the level of the dividend, issue new shares or repurchase existing shares.

As a substantial loss was again suffered in 2009, the capital structure has been further weakened in 2009. The gearing has risen from 2.0 at 31 December 2008 to 3.5 at 31 December 2009. In 2010 high priority will once again be given to reducing debt and to maintaining the capability to fulfill bank covenants.

### *Fair value estimation of financial instruments*

The fair value of financial instruments that are not traded on active markets (e.g. private derivative financial instruments) is determined by using valuation techniques. These techniques make maximum use of observable market data and are founded as little as possible on company-specific estimates. Financial instruments valued at fair value consist entirely of private derivative financial instruments for which no active-market prices are available and therefore these derivative financial instruments are classified as level 2 within the fair value hierarchy referred to in IFRS 7. The fair value of interest-rate swaps is calculated as the present value of estimated future cash flows based on observable yield curves. The fair value of forward foreign exchange transactions is determined using forward foreign exchange market rates and yield curves prevailing on the balance sheet date.

### *3.3.2 Critical accounting estimates and judgements*

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Gamma Holding makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### ***Impairment of goodwill and property, plant and equipment***

Gamma Holding tests at least annually whether goodwill has suffered any impairment, in accordance with the accounting policies. The realisable value of the cash-generating units is based on calculation of value in use. These calculations require the use of estimates. In addition, Gamma Holding tests property, plant and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

If the estimated operating result per cash-generating unit had been 10% lower than management's estimates at 31 December 2009, that would have led to an additional reduction of the book value of goodwill by 1.2.

If the estimated after-tax discount rate applied to calculate the present value of future cash flows had been one percentage point higher than management's estimates, that would have led to an additional reduction of the book value of goodwill by 2.0.

#### ***Provision for restructuring***

Gamma Holding recognises a provision for restructuring. Restructuring provisions include estimates and assumed suppositions with regard to severance payments.

#### ***Other provisions***

Gamma Holding recognises other provisions, in particular for claims and environmental issues. Provisions for claims include estimates and assumed suppositions with regard to the likelihood and scale of claims. Environmental provisions include estimates and assumed suppositions with regard to the likelihood and scale of pollution and the cost of environmental remediation.

#### ***Income tax***

Significant estimates are required in determining the worldwide provision for income taxes. For some transactions and risks it is uncertain, in the ordinary course of business, what the tax liability will be. Gamma Holding recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Were the actual final outcome (on the judgement areas) to differ – adversely – by 10% from management's estimates, Gamma Holding would need to increase the income-tax liability by 0.1 and the deferred tax liability by 0.7.

### 3.3.3 Segment information

#### Primary reporting format – business segments

Gamma Holding is organised on a worldwide basis in five business units, as reflected in the segment information. With effect from the financial statements for 2009 the sectoral breakdown has been abandoned and the names of the business units changed to the company names. Corporate Holdings, which charges a management fee to the business units, and the discontinued operations are shown as separate segments.

Ammeraal Beltech is one of the world market leaders in process and conveyor belts. Clear Edge Filtration is a leading player and distributor of advanced industrial filtration products. Dimension-Polyant is the global market leader in sailcloth. Bekaert Textiles is the global market leader in mattress ticking. Vlisco Group is a major player in the field of high-quality dyed and printed African fashion fabrics.

Discontinued operations includes Coating & Composites including Verseidag Ballistic Protection and excluding PTFE Solutions. With effect from 30 September 2009 the composition of discontinued operations has been adjusted accordingly. Coating & Composites including Verseidag Ballistic Protection and excluding PTFE Solutions has been sold as of 31 October 2009. In the financial statements for 2008 Verseidag Ballistic Protection and Dimension-Polyant (Sailcloth) were recognised as discontinued operations. For Dimension-Polyant the previously discontinued depreciation/amortisation of property, plant and equipment and intangible assets was made up in September 2009. PTFE Solutions has been added to Ammeraal Beltech. The comparative figures for 2008 have been adjusted accordingly.

The Executive Board assesses the performance and results of the business segments primarily on the basis of net turnover, EBITDA excluding restructuring, EBITA excluding restructuring and impairment as a % of turnover, capital employed and return on average capital employed excluding restructuring as a %.

€ x 1,000,000	2009	2008	2009	2008	2009	2008
	Net turnover		EBITDA <sup>1</sup> excluding restructuring		Depreciation of property, plant and equipment	
Ammeraal Beltech	239.7	276.1	14.8	18.8	10.3	10.3
Clear Edge Filtration	91.1	112.9	2.7	10.5	3.4	3.7
Dimension-Polyant	31.0	37.7	2.1	3.4	2.2	0.3
Bekaert Textiles	128.4	132.9	16.1	5.7	8.9	11.5
Vlisco Group	168.3	163.3	28.2	32.4	3.7	3.0
Corporate Holdings			(0.7)	(0.6)	0.9	1.3
<i>Total</i>	<i>658.5</i>	<i>722.9</i>	<i>63.2</i>	<i>70.2</i>	<i>29.4</i>	<i>30.1</i>
Discontinued operations	64.0	92.4	(2.2)	7.8	2.0	2.7
<i>Total including discontinued operations</i>	<i>722.5</i>	<i>815.3</i>	<i>61.0</i>	<i>78.0</i>	<i>31.4</i>	<i>32.8</i>
	Impairment of property, plant and equipment		Amortisation of intangible assets		Impairment of intangible assets	
Ammeraal Beltech	3.9		2.6	2.7	4.8	15.6
Clear Edge Filtration	1.5		0.6	0.3	15.5	
Dimension-Polyant			0.8	0.1		
Bekaert Textiles	2.0	4.9		0.5	(1.8)	7.0
Vlisco Group			0.2	0.1		
Corporate Holdings		1.5				
<i>Total</i>	<i>7.4</i>	<i>6.4</i>	<i>4.2</i>	<i>3.7</i>	<i>18.5</i>	<i>22.6</i>
Discontinued operations	12.1			0.1	0.5	
<i>Total including discontinued operations</i>	<i>19.5</i>	<i>6.4</i>	<i>4.2</i>	<i>3.8</i>	<i>19.0</i>	<i>22.6</i>

<sup>1</sup> Group result before income tax, interest, depreciation/amortisation and impairment of property, plant and equipment and intangible assets. For conversion, please refer to paragraph 3.4.27



€ x 1,000,000	2009	2008	2009	2008	2009	2008
	Restructuring expenses impairment		Restructuring expenses other		Total restructuring expenses	
Ammeraal Beltech	3.9		3.8	0.5	7.7	0.5
Clear Edge Filtration	1.5		2.2	1.4	3.7	1.4
Dimension-Polyant						
Bekaert Textiles	1.9	4.9	2.6	22.3	4.5	27.2
Vlisco Group			0.6		0.6	
Corporate Holdings		1.5	2.4	0.5	2.4	2.0
<i>Total</i>	<i>7.3</i>	<i>6.4</i>	<i>11.6</i>	<i>24.7</i>	<i>18.9</i>	<i>31.1</i>
Discontinued operations			0.7	1.0	0.7	1.0
<i>Total including discontinued operations</i>	<i>7.3</i>	<i>6.4</i>	<i>12.3</i>	<i>25.7</i>	<i>19.6</i>	<i>32.1</i>

	Operating result		Share in result of associates and joint ventures		Amortisation of acquired intangible assets	
Ammeraal Beltech	(10.5)	(10.3)	(0.1)		1.6	1.6
Clear Edge Filtration	(20.5)	5.1			0.2	0.2
Dimension-Polyant	(0.9)	3.0			0.4	0.1
Bekaert Textiles	4.4	(40.5)				0.4
Vlisco Group	23.7	29.3				
Corporate Holdings	(4.0)	(3.9)				
<i>Total</i>	<i>(7.8)</i>	<i>(17.3)</i>	<i>(0.1)</i>	<i>0.0</i>	<i>2.2</i>	<i>2.3</i>
Discontinued operations	(17.5)	4.0				
<i>Total including discontinued operations</i>	<i>(25.3)</i>	<i>(13.3)</i>	<i>(0.1)</i>	<i>0.0</i>	<i>2.2</i>	<i>2.3</i>

	Impairment of goodwill and acquired intangible assets		EBITA <sup>1</sup> excluding restructuring and impairment		EBITA <sup>5</sup> excluding restructuring and impairment as a % of turnover	
Ammeraal Beltech	4.8	15.6	3.5	7.4	1.5	2.7
Clear Edge Filtration	15.5		(1.1)	6.7	(1.2)	6.0
Dimension-Polyant			(0.5)	3.1	(1.9)	8.1
Bekaert Textiles	(1.9)	7.0	7.2	(5.9)	5.6	(4.4)
Vlisco Group			24.3	29.3	14.4	17.9
Corporate Holdings			(1.6)	(1.9)		
<i>Total</i>	<i>18.4</i>	<i>22.6</i>	<i>31.8</i>	<i>38.7</i>	<i>4.8</i>	<i>5.4</i>
Discontinued operations	0.4		(4.2)	5.0	(6.5)	5.5
<i>Total including discontinued operations</i>	<i>18.8</i>	<i>22.6</i>	<i>27.6</i>	<i>43.7</i>	<i>3.8</i>	<i>5.4</i>

<sup>1</sup> Group result before income tax, interest and amortisation/impairment of goodwill and acquired intangible assets. For conversion, please refer to paragraph 3.4.27

€ x 1,000,000	2009	2008	2009	2008	2009	2008
	Interest expense		Interest income		Income tax	
Ammeraal Beltech	(6.4)	(5.7)		0.4	0.9	(0.8)
Clear Edge Filtration	(2.7)	(2.0)			0.5	(2.0)
Dimension-Polyant	(1.1)	(1.0)			0.2	(1.1)
Bekaert Textiles	(0.8)	(0.1)	0.1	0.1	(4.2)	7.6
Vlisco Group	(2.1)	(1.2)	0.2	0.3	(6.3)	(7.7)
Corporate Holdings	(25.1)	(7.6)			4.3	3.9
<i>Total</i>	<i>(38.2)</i>	<i>(17.6)</i>	<i>0.3</i>	<i>0.8</i>	<i>(4.6)</i>	<i>(0.1)</i>
Discontinued operations	(1.6)	(2.2)	0.1	0.1	0.4	(0.6)
<i>Total including discontinued operations</i>	<i>(39.8)</i>	<i>(19.8)</i>	<i>0.4</i>	<i>0.9</i>	<i>(4.2)</i>	<i>(0.7)</i>

€ x 1,000,000	2009	2008	2009	2008	2009	2008
	Net group result		Purchase of property, plant and equipment		Net purchase of property, plant and equipment	
Ammeraal Beltech	(16.0)	(16.4)	3.1	6.7	2.8	5.5
Clear Edge Filtration	(22.6)	1.2	4.9	4.5	4.4	4.3
Dimension-Polyant	(1.9)	0.9	1.9	2.2	1.9	2.2
Bekaert Textiles	(0.6)	(32.9)	7.0	5.1	5.4	3.0
Vlisco Group	15.5	20.7	5.8	6.8	5.8	4.6
Corporate Holdings	(24.8)	(7.7)		0.1	(0.4)	(0.2)
<i>Total</i>	<i>(50.4)</i>	<i>(34.2)</i>	<i>22.7</i>	<i>25.4</i>	<i>19.9</i>	<i>19.4</i>
Discontinued operations	(18.6)	1.0	1.3	1.8	1.3	1.8
<i>Total including discontinued operations</i>	<i>(69.0)</i>	<i>(33.2)</i>	<i>24.0</i>	<i>27.2</i>	<i>21.2</i>	<i>21.2</i>

	Purchase of intangible assets		Book value of goodwill at year-end		Book value of acquired intangible assets at year-end	
Ammeraal Beltech	0.4	1.2	18.9	23.6	12.2	14.3
Clear Edge Filtration		0.6	10.5	26.0	0.6	0.8
Dimension-Polyant	0.2	0.3	2.1	2.1	0.8	1.1
Bekaert Textiles					1.9	
Vlisco Group	0.3	0.1				
Corporate Holdings	0.1	0.1				
<i>Total</i>	<i>1.0</i>	<i>2.3</i>	<i>31.5</i>	<i>51.7</i>	<i>15.5</i>	<i>16.2</i>
Discontinued operations				3.7		
<i>Total including discontinued operations</i>	<i>1.0</i>	<i>2.3</i>	<i>31.5</i>	<i>55.4</i>	<i>15.5</i>	<i>16.2</i>

€ x 1,000,000	2009	2008	2009	2008	2009	2008
	Book value of assets at year-end		Capital employed at year-end		Accumulated amortisation and impairment of goodwill and acquired intangible assets at year-end	
Ammeraal Beltech	201.2	230.7	147.4	171.2	24.0	17.6
Clear Edge Filtration	94.2	113.0	73.6	93.6	16.2	0.5
Dimension-Polyant	31.6	35.2	25.0	28.8	1.2	0.8
Bekaert Textiles	118.9	128.8	88.0	85.0	6.5	8.4
Vlisco Group	74.6	75.1	37.5	28.1		
Corporate Holdings	17.0	16.4	(38.1)	(32.8)		
<i>Total</i>	<i>537.5</i>	<i>599.2</i>	<i>333.4</i>	<i>373.9</i>	<i>47.9</i>	<i>27.3</i>
Discontinued operations		76.2		53.6		
<i>Total including discontinued operations</i>	<i>537.5</i>	<i>675.4</i>	<i>333.4</i>	<i>427.5</i>	<i>47.9</i>	<i>27.3</i>

	Capital employed <sup>1</sup> at year-end		Average capital employed <sup>1</sup> excluding restructuring		Return <sup>2</sup> on average capital employed excluding restructuring as a %	
Ammeraal Beltech	171.4	188.8	185.7	197.3	1.9	3.8
Clear Edge Filtration	89.8	94.1	95.0	98.2	(1.1)	6.9
Dimension-Polyant	26.2	29.6	28.6	30.1	(2.0)	10.2
Bekaert Textiles	94.5	93.4	106.1	126.1	6.8	(4.6)
Vlisco Group	37.5	28.1	39.4	32.2	61.7	90.6
Corporate Holdings	(38.1)	(32.8)	(28.1)	(22.7)		
<i>Total</i>	<i>381.3</i>	<i>401.2</i>	<i>426.7</i>	<i>461.2</i>	<i>7.4</i>	<i>8.4</i>
Discontinued operations		53.6	36.2	56.3	(11.5)	8.4
<i>Total including discontinued operations</i>	<i>381.3</i>	<i>454.8</i>	<i>462.9</i>	<i>517.5</i>	<i>6.0</i>	<i>8.4</i>

	Total liabilities at year-end		Average number of employees		Number of employees at year-end	
Ammeraal Beltech	50.7	72.3	2,125	2,294	2,065	2,282
Clear Edge Filtration	19.4	18.1	1,068	1,289	1,015	1,198
Dimension-Polyant	6.2	6.2	228	205	241	202
Bekaert Textiles	29.1	42.5	1,027	1,335	990	1,215
Vlisco Group	24.0	32.3	2,107	1,948	2,128	2,062
Corporate Holdings	334.2	340.6	40	43	38	42
<i>Total</i>	<i>463.6</i>	<i>512.0</i>	<i>6,595</i>	<i>7,114</i>	<i>6,477</i>	<i>7,001</i>
Discontinued operations		21.4	247	307		308
<i>Total including discontinued operations</i>	<i>463.6</i>	<i>533.4</i>	<i>6,842</i>	<i>7,421</i>	<i>6,477</i>	<i>7,309</i>

<sup>1</sup> Adjusted for accumulated amortisation/impairment of goodwill and acquired intangible assets

<sup>2</sup> EBITA excluding restructuring and impairment. For conversion, please refer to paragraph 3.4.27

## Secondary reporting format – geographical segments

Gamma Holding operates in four main geographical areas.

	2009	2008	2009	2008	2009	2008
€ x 1,000,000	Net turnover according to region of origin		Purchase of property, plant and equipment		Purchase of intangible assets	
Europe	293.3	355.4	11.7	13.0	0.9	1.7
Africa	137.0	130.2	4.3	4.1	0.1	
United States	146.7	156.9	3.5	3.4		0.5
Rest of world	81.5	80.4	3.2	4.9		0.1
<i>Total</i>	<i>658.5</i>	<i>722.9</i>	<i>22.7</i>	<i>25.4</i>	<i>1.0</i>	<i>2.3</i>
	Book value of goodwill at year-end		Book value of assets at year-end		Capital employed at year-end	
Europe	31.5	51.7	326.7	392.2	208.1	243.4
Africa			57.1	52.3	17.2	16.9
United States			83.2	92.8	58.9	70.0
Rest of world			70.5	61.9	49.2	43.6
<i>Total</i>	<i>31.5</i>	<i>51.7</i>	<i>537.5</i>	<i>599.2</i>	<i>333.4</i>	<i>373.9</i>

### 3.4 Notes to the consolidated balance sheet

#### 3.4.1 *Property, plant and equipment*

The composition and changes were as follows:

€ x 1,000,000	Land and buildings	Plant and machinery	Other equipment	Assets under construction	Total
<i>Balance at 31/12/2007</i>					
Cost	181.9	531.0	71.9	11.0	795.8
Accumulated depreciation and impairment	(81.0)	(438.9)	(59.3)		(579.2)
<i>Book value at 31/12/2007</i>	<i>100.9</i>	<i>92.1</i>	<i>12.6</i>	<i>11.0</i>	<i>216.6</i>
<i>Changes in 2008</i>					
Additions	2.5	13.8	4.2	4.7	25.2
New consolidations and deconsolidations	5.8	20.1	0.7		26.6
Depreciation	(4.7)	(23.9)	(4.2)		(32.8)
Impairment	(5.8)	(0.4)	(0.2)		(6.4)
Disposals	(1.2)		(0.8)	(0.1)	(2.1)
Exchange rate differences	(0.7)	(1.0)	(0.4)	(0.1)	(2.2)
Transfer to non-current assets held for sale and discontinued operations	(16.1)	(4.6)	(0.5)	(0.3)	(21.5)
Other changes	0.8	8.3		(9.1)	0.0
<i>Balance at 31/12/2008</i>					
Cost	145.3	554.7	70.6	6.1	776.7
Accumulated depreciation and impairment	(63.8)	(450.3)	(59.2)		(573.3)
<i>Book value at 31/12/2008</i>	<i>81.5</i>	<i>104.4</i>	<i>11.4</i>	<i>6.1</i>	<i>203.4</i>

€ x 1,000,000	Land and buildings	Plant and machinery	Other equipment	Assets under construction	Total
<i>Changes in 2009</i>					
Additions	3.4	11.3	3.3	4.3	22.3
Depreciation	(4.1)	(21.7)	(3.8)		(29.6)
Impairment	(8.2)	(10.3)	(1.3)		(19.8)
Disposals	(0.1)	(0.5)	(0.1)		(0.7)
Exchange rate differences	0.5	0.9			1.4
Transfer from (to) non-current assets held for sale and discontinued operations	6.2	(0.9)	0.5		5.8
Other changes	0.5	2.4	0.5	(3.4)	
<i>Balance at 31/12/2009</i>					
Cost	145.7	518.3	66.2	7.0	737.2
Accumulated depreciation and impairment	(66.0)	(432.7)	(55.7)		(554.4)
<i>Book value at 31/12/2009</i>	<i>79.7</i>	<i>85.6</i>	<i>10.5</i>	<i>7.0</i>	<i>182.8</i>

Land is not depreciated. The rate of depreciation on buildings is 3%, on most plant and machinery 10% and on other equipment 25% or 33%.

Purchase of property, plant and equipment includes nil (2008: nil) capitalised interest expense.

Property, plant and equipment with a book value of 155.5 (2008: nil) are encumbered by a mortgage or pledge.

The book value of property, plant and equipment includes nil (2008: 2.1) assets obtained by financial lease.

### 3.4.2 *Intangible assets*

€ x 1,000,000	Acquired intangible assets			
The composition and changes were as follows:	Goodwill		Software	Total
<i>Balance at 31/12/2007</i>				
Cost	39.7	8.4	10.0	58.1
Accumulated amortisation and impairment		(2.7)	(7.5)	(10.2)
<i>Book value at 31/12/2007</i>	<i>39.7</i>	<i>5.7</i>	<i>2.5</i>	<i>47.9</i>
<i>Changes in 2008</i>				
Additions			1.9	1.9
New consolidations	36.0	15.2	1.0	52.2
Amortisation		(2.3)	(1.5)	(3.8)
Impairment	(20.3)	(2.3)		(22.6)
Transfer to non-current assets held for sale and discontinued operations	(5.4)	(1.2)	(0.4)	(7.0)
<i>Balance at 31/12/2008</i>				
Cost	70.3	21.3	11.6	103.2
Accumulated amortisation and impairment	(20.3)	(6.2)	(8.1)	(34.6)
<i>Book value at 31/12/2008</i>	<i>50.0</i>	<i>15.1</i>	<i>3.5</i>	<i>68.6</i>

€ x 1,000,000		Acquired intangible assets	Software	Total
The composition and changes were as follows:	Goodwill			
<i>Changes in 2009</i>				
Additions	(0.4)		0.9	0.5
Amortisation		(1.9)	(1.6)	(3.5)
Impairment	(20.3)	(0.4)	(0.2)	(20.9)
Reversal of impairment		1.9		1.9
Transfer from (to) non-current assets held for sale and discontinued operations	2.2	0.8	0.4	3.4
<i>Balance at 31/12/2009</i>				
Cost	71.7	23.2	14.5	109.4
Accumulated amortisation and impairment	(40.2)	(7.7)	(11.5)	(59.4)
<i>Book value at 31/12/2009</i>	<i>31.5</i>	<i>15.5</i>	<i>3.0</i>	<i>50.0</i>

Purchase of intangible assets includes nil (2008: nil) capitalised interest expense.

The rate of amortisation on software is 33%. The rate of amortisation on licenses and other intangibles is on average 10%.

Intangible assets with a book value of 1.5 (2008: nil) are encumbered by a pledge.

Goodwill is allocated to Gamma Holding's cash-generating units as follows:

€ x 1,000,000	31/12/09	31/12/08
Ammeraal Beltech	18.9	23.6
Clear Edge Filtration	10.5	26.0
Coating & Composites		0.4
Dimension-Polyant	2.1	
Bekaert Textiles		
Vlisco Group		
<i>Total</i>	<i>31.5</i>	<i>50.0</i>
Discontinued operations		5.4
<i>Total including discontinued operations</i>	<i>31.5</i>	<i>55.4</i>

The recoverable amount of a cash-generating unit is determined based on value-in-use calculations.

These calculations use cash-flow projections by management covering a five-year period. Cash flows beyond this period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the cash-generating unit operates. The discount rates applied are after income tax and reflect specific risks relating to the relevant segments.

The key assumptions for value-in-use calculations were as follows:	2009	2008
Weighted average growth rate used to extrapolate cash flows after five years	2.0%	2.0%
Weighted average after-tax discount rate applied to the cash flow projections	10.7%	10.8%

As a result of changed market conditions, the test against the value-in-use calculations has led to an impairment of 20.3 on goodwill (2008: 20.3), 0.4 on acquired intangible assets (2008: 2.3), a reversal of impairment of 1.9 on acquired intangible assets (2008: nil) and 0.2 (2008: nil) impairment of software. The balance of impairment and reversal of impairment is included in the income statement under impairment of intangible assets.



### 3.4.3 *Associates and joint ventures*

This relates to associates.

The changes were as follows:	2009	2008
€ x 1,000,000		
Balance at 1 January	1.2	1.3
Changes		
New consolidations		0.3
Share in result	(0.1)	
Transfer to discontinued operations		(0.3)
Exchange rate differences	(0.1)	(0.1)
<i>Balance at 31 December</i>	<i>1.0</i>	<i>1.2</i>

The associates are not listed on the stock exchange. Please refer to paragraph 3.5.10.

### 3.4.4 *Derivative financial instruments*

The fair value was as follows:	31/12/09	31/12/08
€ x 1,000,000		
Current derivative assets	0.7	2.9
Non-current derivative liabilities	(9.3)	(9.7)
Current derivative liabilities	(3.0)	(3.2)
<i>Total</i>	<i>(11.6)</i>	<i>(10.0)</i>

Financial instruments are used to limit interest and foreign exchange risks. Financial instruments are not used for speculative or trading purposes.

Currency instruments are used to limit the foreign exchange risks ensuing from operational activities in foreign currencies. Currency swap contracts have been entered into in order to match the financing currency of Gamma Holding N.V. to the desired currency. The hedged certain and highly likely cash flows in foreign currencies are expected to occur on different dates during the course of the coming year. The intention is for results from the reversal of the hedging reserve for currency instruments to be included in the result at the same time as the hedged operational transaction. This is normally within the coming year unless the cash flow hedge relates to non-financial non-current assets. In that case the result will be recognised in the income statement during the term of amortisation of the non-current asset.

The interest policy is intended to stabilise and limit financing expense. Interest instruments are used to fix the interest rate of floating-interest financing. The fixed interest varies between 2.92% and 4.32% excluding credit margin (2008: between 2.92% and 4.32%). The floating interest is based on 1 month Euribor, 3 months Euribor and 3 months USD Libor. A cash flow hedge has been defined for all interest-rate swaps, which means that any changes in fair value will be recognised in the hedging reserve until the expiry dates of the underlying interest-rate swaps (2010 - 2014).

The full fair value of a derivative instrument is designated as non-current if the remaining term of the derivative instrument is more than one year; otherwise the derivative instrument is designated as current. If hedge accounting is not applied, derivative financial instruments are presented as current. All derivative instruments are concluded with financial parties with at least a Standard & Poor's long-term single A rating.

The term of the cash flows of the derivative interest instruments designated as liabilities is shown in the following table. Insofar as these cash flows depend on future floating interest rates, the level of which was unknown on the balance sheet date, these cash flows have been estimated on the basis of the forward rates prevailing on the balance sheet date.

The cash flow was as follows:	31/12/09	31/12/08
€ x 1,000,000		
<i>Less than 1 year</i>	(4.4)	(1.4)
Between 1 and 2 years	(1.8)	(3.3)
Between 2 and 3 years	(0.9)	(1.0)
Between 3 and 4 years	(2.6)	(0.6)
Between 4 and 5 years	(0.5)	(2.8)
Between 5 and 6 years		(0.6)
<i>Total</i>	<i>(10.2)</i>	<i>(9.7)</i>

The term of the cash flows of the derivative currency instruments is shown in the table below.

€ x 1,000, 000		
<i>To be paid</i>		
Less than 1 year	(145.6)	(107.2)
<i>To be received</i>		
Less than 1 year	144.8	107.8
<i>Total</i>	<i>(0.8)</i>	<i>0.6</i>

Derivative financial instruments with a book value of 1.1 (2008: nil) are encumbered by a pledge.

### 3.4.5 *Deferred income-tax assets and liabilities*

The composition and changes were as follows:	Assets from loss carry-forwards	Temporary differences	Total deferred income-tax assets	Deferred income-tax liabilities	Total deferred income-tax liabilities less assets
€ x 1,000,000					
<i>Balance at 31/12/2007</i>	<i>4.1</i>	<i>(0.2)</i>	<i>3.9</i>	<i>29.4</i>	<i>25.5</i>
<i>Changes in 2008</i>					
Credited/charged to income	(0.4)		(0.4)	(3.3)	(2.9)
Credited to equity				(2.6)	(2.6)
Transfer	13.7	(9.8)	3.9	3.9	0.0
Transfer to discontinued operations		(0.9)	(0.9)	(1.2)	(0.3)
Exchange rate differences				0.4	0.4
<i>Balance at 31/12/2008</i>	<i>17.4</i>	<i>(10.9)</i>	<i>6.5</i>	<i>26.6</i>	<i>20.1</i>
<i>Changes in 2009</i>					
Credited/charged to income	(1.3)		(1.3)	(1.1)	0.2
Credited to equity				(0.1)	(0.1)
Transfer to income-tax liabilities				(4.6)	(4.6)
Transfer		2.0	2.0	2.0	
Transfer from (to) discontinued operations				(0.2)	(0.2)
Exchange rate differences				(0.3)	(0.3)
<i>Balance at 31/12/2009</i>	<i>16.1</i>	<i>(8.9)</i>	<i>7.2</i>	<i>22.3</i>	<i>15.1</i>

The composition of deferred income-tax liabilities was as follows:	31/12/09	31/12/08
Land and buildings	11.4	10.6
Goodwill and acquired intangible assets	4.0	3.7
Inventories	0.5	1.1
Employee benefits	(2.2)	(2.4)
Other temporary differences	3.7	6.1
<i>Total temporary differences</i>	<i>17.4</i>	<i>19.1</i>
of which classified under assets	(8.9)	(10.9)
Total temporary differences under liabilities	8.5	8.2
Taxable fiscal reserves	4.9	4.3
Fiscal risks	8.9	14.1
<i>Total</i>	<i>22.3</i>	<i>26.6</i>

The composition of the release of deferred income-tax liabilities credited to the effective tax burden was as follows:

€ x 1,000,000	31/12/09	31/12/08
Land and buildings	(0.8)	0.9
Goodwill and acquired intangible assets	(0.3)	(0.3)
Inventories	0.6	0.5
Employee benefits	0.2	0.3
Other temporary differences	(0.3)	0.8
Taxable fiscal reserves	(0.6)	0.1
Fiscal risks	2.3	1.0
<i>Total</i>	<i>1.1</i>	<i>3.3</i>

The provision for fiscal risks relates to a number of risks, whereby the likelihood of a cash outflow is virtually the same as the likelihood that there will be no cash outflow.

Offsettable losses which are expected to be realised have been recognised at the statutory rates with an average of 28.8% (2008: 30.6%), resulting in a total of 55.8 (2008: 56.9). The total available offsettable losses amount to 105.5 (2008: 86.0).

In particular, the losses in Belgium, Germany, the United Kingdom and Denmark mean that the total amount of available losses rose substantially in 2009. The fact that a large proportion of these losses were not recognised, in combination with the fact that a portion of the loss recognised at the end of 2008 could no longer be utilised, means that, on balance, the recognised portion of the losses decreased. Wherever possible, assets from loss carry-forwards are netted with deferred income-tax liabilities.

Deferred income-tax assets of 7.2 (2008: 6.5) include 4.1 (2008: 4.0) of recognised loss carry-forwards and 3.1 (2008: 2.5) of temporary differences. Of these recognised loss carry-forwards, 0.6 (2008: 0.5) is expected to be recovered within one year. Of the recognised loss carry-forwards, 1.3 (2008: 0.7) relates to companies which suffered a loss in the current or previous financial year, as they are expected to make sufficient profit again in the coming years. Deferred income-tax liabilities are mostly non-current.

#### 3.4.6 Other non-current receivables

The composition was as follows:	31/12/09	31/12/08
Loans	0.3	0.3
Income-tax assets	3.2	3.2
Other receivables	1.4	2.4
<i>Total</i>	<i>4.9</i>	<i>5.9</i>

An amount of nil (2008: nil) is due after five years. Other non-current receivables with a book value of 0.6 (2008: nil) are encumbered by a pledge.

### 3.4.7 *Inventories*

The composition was as follows:	31/12/09	31/12/08
€ x 1,000,000		
Raw materials and consumables	46.9	50.8
Work in progress	20.5	25.1
Finished products and goods for resale	74.9	93.4
<i>Total</i>	<i>142.3</i>	<i>169.3</i>
The impairment of the inventories was as follows:	2009	2008
€ x 1,000,000		
Balance at 1 January	16.2	17.5
Changes		
Additions charged to the income statement	2.2	3.3
Release credited to the income statement	(1.8)	(1.1)
Withdrawals	(1.9)	(0.9)
Transfer from (to) discontinued operations	1.2	(2.1)
Exchange rate differences	0.3	(0.5)
<i>Balance at 31 December</i>	<i>16.2</i>	<i>16.2</i>

Inventories with a book value of 91.2 (2008: nil) are encumbered by a pledge. The book value of the inventories includes 12.6 (2008: 13.1) impaired inventories.

### 3.4.8 *Trade and other receivables*

The composition was as follows:	31/12/09	31/12/08
€ x 1,000,000		
Trade receivables	84.9	95.9
Other receivables	12.0	12.0
Prepaid expenses and accrued income	7.9	10.8
<i>Total</i>	<i>104.8</i>	<i>118.7</i>

Trade and other receivables with a book value of 68.8 (2008: nil) are encumbered by a pledge. The impairment of the trade receivables is included in paragraph 3.4.16.

### 3.4.9 *Cash and cash equivalents*

The composition was as follows:	31/12/09	31/12/08
€ x 1,000,000		
Cash	3.9	2.6
Banks	20.7	20.7
Current deposits	1.1	1.6
<i>Total</i>	<i>25.7</i>	<i>24.9</i>

Cash and cash equivalents totalling 5.4 (2008: 12.5) are held by financial institutions with a Standard & Poor's rating of single A or higher.

The effective interest rate on cash and cash equivalents was 1.5% (2008: 2.0%). The deposits have an average maturity of less than ten days.

Cash and cash equivalents with a book value of 7.2 (2008: nil) are encumbered by a pledge.

### 3.4.10 Non-current assets held for sale and discontinued operations

Non-current assets held for sale mainly relate to property not employed in the production process. Of these, 8.6 (2008: 9.1) are encumbered by a mortgage or pledge. Discontinued operations relate to Coating & Composites including Verseidag Ballistic Protection and excluding PTFE Solutions. In the financial statements for 2008, Verseidag Ballistic Protection and Dimension-Polyant (Sailcloth) were recognised as discontinued operations with effect from 1 April 2008. With effect from 30 September 2009 the composition of discontinued operations has been changed.

Coating & Composites including Verseidag Ballistic Protection and excluding PTFE Solutions was sold as of 31 October 2009 for 35.5, resulting in a book loss of -2.1 before taxation (-1.8 after taxation). This book loss is included in the net group result from discontinued operations. Dimension-Polyant was once again designated as a continuing operation with effect from 30 September 2009. In September 2009 the previously suspended depreciation/amortisation of property, plant and equipment and intangible assets of Dimension-Polyant was made up. The comparative figures for 2008 in the income statement and statement of cash flows have been adjusted to reflect the changed composition of discontinued operations.

The composition was as follows:	31/12/09	31/12/08
€ x 1,000,000		
Non-current assets held for sale	10.0	11.5
Discontinued operations		56.6
<i>Total</i>	<i>10.0</i>	<i>68.1</i>
<i>Non-current assets held for sale</i>		
Property, plant and equipment	10.0	11.5
Associates and joint ventures		
Other non-current receivables		
<i>Total</i>	<i>10.0</i>	<i>11.5</i>
<i>Discontinued operations</i>		
Property, plant and equipment		12.3
Intangible assets		7.2
Associates and joint ventures		0.1
Deferred income-tax assets		0.6
<i>Total non-current assets</i>	<i>0.0</i>	<i>20.2</i>
Inventories		22.4
Trade and other receivables		13.0
Derivative financial instruments		0.1
Income-tax assets		0.5
Cash and cash equivalents		0.4
<i>Total current assets</i>	<i>0.0</i>	<i>36.4</i>
<i>Total assets</i>	<i>0.0</i>	<i>56.6</i>
	31/12/09	31/12/08
<i>Liabilities directly related to discontinued operations</i>		
Employee benefit obligations		1.0
Deferred income-tax liabilities		1.8
<i>Total non-current liabilities</i>	<i>0.0</i>	<i>2.8</i>
Trade and other payables		12.7
Income-tax liabilities		0.8
Other provisions		0.6
<i>Total current liabilities</i>	<i>0.0</i>	<i>14.1</i>
<i>Total liabilities</i>	<i>0.0</i>	<i>16.9</i>

The accumulated currency translation differences on foreign activities processed in equity amounted to nil (2008: -0.8).

	2009	2008
€ x 1,000,000		
<i>Net group result from discontinued operations</i>		
Net turnover	64.0	92.4
Depreciation of property, plant and equipment	(2.0)	(2.7)
Impairment of property, plant and equipment	(12.1)	
Amortisation of intangible assets		(0.2)
Impairment of intangible assets	(0.5)	
Other expenses	(68.4)	(87.9)
<i>Group result before taxation</i>	(19.0)	1.6
Income tax	0.4	(0.6)
<i>Net group result from discontinued operations</i>	(18.6)	1.0
<i>Cash flow from discontinued operations</i>		
Net cash flow from operating activities	2.4	6.0
Net cash used in investing activities	(1.3)	(1.7)
<i>Total</i>	1.1	4.3

### 3.4.11 Issued capital and reserves attributable to equity holders

In paragraph 3.1.4 the consolidated statement of changes in equity is disclosed.

The total authorised share capital was changed in 2009 and on 31 December 2009 consisted of 9,347,015 (2008: 13,600,000) ordinary shares, 133,985 (2008: 400,000) ordinary participating preference shares, 9,481,000 (2008: 14,000,000) four per cent (4%) cumulative preference shares and 19,038,000 (2008: nil) twelve per cent (12%) cumulative preference shares with a par value of € 2.50 per share. This change was prompted by one of the conditions for extending the loan agreement with the banks, whereby a conversion right has been granted to the banks and for which the twelve per cent (12%) cumulative preference shares have been added to the total authorised share capital. Please refer to paragraph 3.4.12 for a more detailed explanation of this conversion right.

The issued capital consisted of:	31/12/09	31/12/08
€ x 1,000,000		
Ordinary share capital	18.8	18.8
Ordinary participating preference share capital	0.3	0.3
<i>Total</i>	19.1	19.1

The composition and changes in the number of issued shares were as follows:	Ordinary shares	of which treasury shares	Ordinary participating preference shares	of which treasury shares
€ x 1,000,000				
Balance at 31/12/2007	7,518,535	162,700	400,000	266,015
<i>Changes in 2008</i>				
Cancelled			(266,015)	(266,015)
Delivery of treasury shares for exercised options and share plan		(36,756)		
Balance at 31/12/08	7,518,535	125,944	133,985	0.0
<i>Balance at 31/12/09</i>	7,518,535	125,944	133,985	0.0

The ordinary shares in treasury are intended for issue to holders of option rights to shares in the company and to the Executive Board and the top management as part of the share plan.

All issued shares are fully paid. Ordinary participating preference shares have regular voting and dividend rights in accordance with the profit appropriation under Other information.



The composition and changes of the other reserves were as follows:	Share premium reserve	Hedging reserve	Currency translation reserve	Legal reserve	Retained earnings	Total
€ x 1,000,000						
Balance at 31/12/2007	38.8	2.5	(4.2)	7.8	140.0	184.9
<i>Changes in 2008</i>						
Net group result					(34.0)	(34.0)
Exchange rate differences			(4.1)			(4.1)
Changes in value of derivative financial instruments		(7.6)				(7.6)
<i>Total result</i>	0.0	(7.6)	(4.1)		(34.0)	(45.7)
Dividend previous financial year					(15.1)	(15.1)
Granted option rights and share plan					0.1	0.1
Cancellation of treasury shares					(0.5)	(0.5)
Delivery of treasury shares for exercised options and share plan					(0.5)	(0.5)
Other changes				(0.5)	0.5	0.0
Balance at 31/12/2008	38.8	(5.1)	(8.3)	7.3	90.5	123.2
<i>Changes in 2009</i>						
Net group result					(69.7)	(69.7)
Exchange rate differences			0.7			0.7
Changes in value of derivative financial instruments		(0.2)				(0.2)
<i>Total result</i>	0.0	(0.2)	0.7	0.0	(69.7)	(69.2)
Granted option rights and share plan					0.1	0.1
Other changes				(2.2)	2.2	
<i>Balance at 31/12/09</i>	<i>38.8</i>	<i>(5.3)</i>	<i>(7.6)</i>	<i>5.1</i>	<i>23.1</i>	<i>54.1</i>

Of the hedging reserve 1.7 (2008: 2.2) lapses within one year.

The changes in the value of the hedging reserve consist of 0.2 (2008: -0.7) changes in the value of currency instruments and -0.4 (2008: -6.9) changes in the value of interest instruments.

The entire share premium reserve is designated as paid-up capital for tax purposes.

The value of derivative financial instruments in the hedging reserve changed as follows:	2009	2008
€ x 1,000,000		
Before taxation	(0.3)	(10.2)
Income tax	0.1	2.6
<i>Total</i>	<i>(0.2)</i>	<i>(7.6)</i>
The value of derivative financial instruments in the income statement changed as follows:		
Cost of raw materials and consumables	(0.6)	(0.4)
Financial income and expense	(1.5)	0.3
<i>Total</i>	<i>(2.1)</i>	<i>(0.1)</i>

This includes nil (2008: nil) ineffectiveness from the hedging reserve. The reversal from the hedging reserve increased the book value of property, plant and equipment by an amount of nil (2008: nil).

Gamma Holding has in place a hedging reserve for changes in the value of financial instruments that qualify as cash flow hedges less deferred taxation.

Gamma Holding has in place a statutory currency translation reserve for currency translation differences on foreign activities processed in equity.

The legal reserve consists of the reserve for non-distributable profits from subsidiaries, joint ventures and associates and unrealised gains/losses on derivative financial instruments.

### 3.4.12 *Interest-bearing liabilities*

On 18 February 2009, agreement was reached with the syndicate of banks on changes to the existing facilities until March 2010, thus bringing the total facilities made available by the syndicate to 390.0. With regard to this financing, improved conditions were agreed in July 2009. In the new agreement the financial covenants have been eased and account has been taken of the difficult market conditions with which Gamma Holding is having to contend. The term of the existing loan facilities was extended in autumn 2009 to July 2011 after the conditions for this had been met. On account of a conversion right, the banks are entitled, in the cases specified below, to convert a portion of the loan facilities amounting to 30.0 into specially created twelve per cent (12%) cumulative preference shares that represent 50.1% of the issued capital after conversion. This conversion right may only be exercised in its entirety.

The conversion right may only be exercised if one of the following conditions is fulfilled:

- |                                  |       |
|----------------------------------|-------|
| 1. Available credit              | < 5.0 |
| 2. Interest-Bearing Funds/EBITDA | ≥ 7.5 |

Before the Interest-Bearing Funds/EBITDA ratio rises to 7.5, the agreed conditions are deemed to have been exceeded, making the financing payable on demand. Please refer to the conditions as of the balance sheet date which are described below.

If the conversion right is invoked, a dividend of 12% of the amount paid for the twelve per cent (12%) cumulative preference shares will be paid on these shares. This right is cumulative. If in any financial year the profit is insufficient to pay the dividend, the entitlement passes to subsequent years until the deficit has been made up. In that case a separate share premium reserve will be created for the twelve per cent (12%) cumulative preference shares.

The main subsidiaries are a party to the financing agreement and in that respect have provided extensive security.

The composition of the interest-bearing liabilities was as follows:	31/12/09	31/12/08
€ x 1,000,000		
<i>Non-current</i>		
Syndicated loans	274.5	
Borrowings from financial institutions	0.6	6.4
<i>Total</i>	<i>275.1</i>	<i>6.4</i>
<i>Current</i>		
Syndicated loans		215.2
Borrowings from financial institutions	0.9	55.1
Bank overdrafts	9.2	34.1
<i>Total</i>	<i>10.1</i>	<i>304.4</i>
<i>Total</i>	<i>285.2</i>	<i>310.8</i>

Gamma Holding has the following undrawn borrowing facilities:	31/12/09	31/12/08
€ x 1,000,000		
<i>Floating rate</i>		
Expiring or cancellable within 1 year	5.5	49.0
Expiring beyond 1 year	54.1	0.8
<i>Total</i>	<i>59.6</i>	<i>49.8</i>

The changes in the interest-bearing liabilities were as follows:	2009	2008
Balance at 1 January	310.8	232.9
<i>Changes</i>		
New consolidations		18.1
Syndicated loans	57.4	16.9
Borrowings from financial institutions	(59.5)	24.3
Bank overdrafts	(24.7)	17.8
Exchange rate differences	1.2	0.8
<i>Balance at 31 December</i>	<i>285.2</i>	<i>310.8</i>

The maturity was nominally as follows:	31/12/09	31/12/08
Within 1 year	10.1	304.4
Between 1 and 2 years	283.2	5.1
Between 2 and 3 years		0.3
Between 3 and 4 years		0.3
Between 4 and 5 years		0.7
<i>Total</i>	<i>293.3</i>	<i>310.8</i>

The contractual interest cash flow was as follows:

Within 1 year	15.5	6.5
Between 1 and 2 years	15.8	3.1
Between 2 and 3 years		1.5
Between 4 and 5 years		0.1
<i>Total</i>	<i>31.3</i>	<i>11.2</i>

These interest cash flows comprise floating-rate interest, the level of which was still unknown on the balance sheet date. The floating contractual interest cash flows are therefore estimated on the basis of the forward rates on the balance sheet dates.

The average effective interest rates were as follows:	2009	2008
Fixed	7.3%	4.4%
Floating	5.7%	5.8%
Average	6.6%	5.1%

For loans up to an amount of 274.4 (2008: 307.4), a negative pledge clause, a cross-default clause and a pari-passu clause apply. For an amount of 274.4, mortgages and pledges have been provided and the following conditions apply, or the realisation was as follows:

	<i>Condition</i>		
	31/12/09	31/12/09	31/12/08
1. Interest-Bearing Funds/EBITDA	≤ 5.70	4.24	3.66
2. EBITDA/Net Accounting Interest Expense	≥ 2.20	2.62	4.19
3. Debt Service Cover Ratio 2nd half year 2009	≥ 1.00	1.26	
4. Capital Expenditure 4th quarter 2009	≤ 12.0	9.8	
5. Aggregate Net Assets of the Guarantors	≥ 75%	78%	
6. Aggregate EBITDA of the Guarantors	≥ 75%	80%	

These conditions have been recorded for each month for the entire term of the loan facilities. If the first four conditions are exceeded, the financing is payable on demand. For conditions five and six there is a limited recovery period.

In addition, a positive pledge clause would apply if Gamma Holding failed to fulfil its obligations under the loan agreement.

For 37% (2008: 52%) of the interest-bearing liabilities, the interest has been fixed by means of interest swaps for more than one year at an average of 4.0% (2008: 3.9%). For nil (2008: 6%) of the interest-bearing liabilities, the interest has been fixed for more than five years.

### 3.4.13 *Employee benefit obligations*

The composition was as follows:	31/12/09	31/12/08
€ x 1,000,000		
<i>Balance sheet obligations for</i>		
Defined-benefit pension plans (a)	17.5	18.2
Other long-term employee benefits (b)	0.9	0.8
<i>Total</i>	<i>18.4</i>	<i>19.0</i>
	2009	2008
<i>Income statement charge for</i>		
Defined-benefit pension plan (a)	1.5	1.0
Other long-term employee benefits (b)	0.2	0.1
<i>Total</i>	<i>1.7</i>	<i>1.1</i>

#### (a) *Defined-benefit pension plans*

The amounts recognised in the balance sheet were determined as follows:	31/12/09	31/12/08
€ x 1,000,000		
Present value of funded obligations	29.1	25.7
Present value of non-funded obligations	14.8	15.1
Present value of granted benefit obligations	43.9	40.8
Fair value of plan assets	(24.1)	(22.5)
	19.8	18.3
Unrecognised net actuarial gains and losses	(2.3)	(0.1)
<i>Total</i>	<i>17.5</i>	<i>18.2</i>

	31/12/07	31/12/06	31/12/05
Present value of granted benefit obligations	44.3	51.5	51.7
Fair value of plan assets	(23.8)	(22.9)	(22.6)
	20.5	28.6	29.1
Unrecognised net actuarial gains and losses	0.3	(5.5)	(4.6)
<i>Total</i>	<i>20.8</i>	<i>23.1</i>	<i>24.5</i>

The amounts recognised in the income statement were as follows:	2009	2008
Service cost	1.1	1.1
Interest cost	1.5	1.6
Expected return on plan assets	(1.1)	(1.2)
Curtailment of pension plans	(0.1)	(0.5)
Amortisation of actuarial and losses	0.1	
<i>Total</i>	<i>1.5</i>	<i>1.0</i>

The movement in the fair value of plan assets was as follows:	2009	2008
Balance at 1 January	22.5	23.8
<i>Changes</i>		
Expected return on plan assets	1.1	1.2
Employer's premiums	2.6	2.7
Employee's premiums	0.5	0.5
Payments	(3.9)	(2.5)
Exchange rate differences	0.8	(0.5)
Actuarial gains and losses	0.5	(2.7)
<i>Balance at 31 December</i>	<i>24.1</i>	<i>22.5</i>

The actual return on plan assets was 7.3% (2008: -6.3%).

The changes in the present value of the granted benefit obligation were as follows:	2009	2008
€ x 1,000,000		
Balance at 1 January	40.8	44.3
<i>Changes</i>		
Total expense charged to the income statement	2.6	2.7
Employee's premiums	0.5	0.5
Payments	(3.9)	(2.5)
Curtailment of pension plans	(0.1)	(0.4)
Transfer from (to) liabilities directly related to discontinued operations	0.3	(1.1)
Exchange rate differences	1.0	(0.6)
Actuarial gains and losses	2.7	(2.1)
<i>Balance at 31 December</i>	<i>43.9</i>	<i>40.8</i>

The expected employer's premiums payable for the financial year 2010 amount to 2.9. The expected payments for the financial year 2010 amount to 5.4.

Of the actuarial gains and losses, -0.2 (2008: -1.7) relates to differences between the actual and assumed suppositions and -2.0 (2008: 1.0) is due to a change of base.

The principal annual actuarial assumptions used were, on average, as follows:	2009	2008
Discount rate	4.9%	4.9%
Discount rate balance sheet at year-end	4.7%	4.9%
Expected return on plan assets	4.8%	5.0%
Expected return on plan assets at year-end	4.5%	4.7%
Rate of salary increase	1.7%	1.7%
Rate of benefit increase	1.6%	1.3%

The composition of the fair value of the plan assets was as follows:

Equity instruments	23%	30%
Debt instruments	21%	20%
Real estate	8%	7%
Deposits	48%	43%
<i>Total</i>	<i>100%</i>	<i>100%</i>

The expected return on the plan assets was as follows:

Equity instruments	7.0%	5.8%
Debt instruments	3.1%	3.5%
Real estate	4.8%	5.4%
Deposits	3.9%	4.4%
Average	4.5%	4.7%

The pension liability for defined-benefit plans recognised in the balance sheet mainly relates to self-administered plans in Germany and a plan which is covered by a company pension fund in Switzerland.

In the Netherlands there is a defined-benefit pension plan, whereby in 2008 the pension entitlements of the non-active members were transferred to the insurer Delta Lloyd and those of the active members were transferred to the pension fund for the fashion, interior fittings, carpet and textile industry (Bpf MITT).

The transfer of the non-active members is fully funded. The defined-benefit pension plan of Bpf MITT is a (conditionally) index-linked average-pay plan. Despite sending a written request for information, Gamma Holding has not received any information on the valuation of Gamma Holding's share in the Bpf MITT, because Bpf MITT says it does not have an objective cypher for allocating the Gamma Holding share. As a result of this, the pension plan that applies in the Netherlands is recognised as a defined-contribution plan.

(b) ***Other long-term employee benefits***

The movement in the obligation recognised in the balance sheet was as follows:	2009	2008
€ x 1,000,000		
Balance at 1 January	0.8	0.8
<i>Changes</i>		
Total expense charged to the income statement	0.2	0.1
Payments	(0.1)	(0.1)
<i>Balance at 31 December</i>	<i>0.9</i>	<i>0.8</i>

This relates to long-service allowances. The discount rate applied is 5.1% (2008: 5.2%).

The amount recognised in the income statement relates to service cost.



### 3.4.14 *Other provisions*

The composition and changes were as follows:	Restructuring	Other	Total
€ x 1,000,000			
Balance at 31/12/2007	11.5	6.4	17.9
<i>Changes in 2008</i>			
Additions charged to the income statement	27.0	1.7	28.7
Release credited to the income statement	(1.4)		(1.4)
Payments	(11.3)	(2.6)	(13.9)
Transfer to liabilities directly related to discontinued operations		(0.4)	(0.4)
Exchange rate differences	(0.1)		(0.1)
Balance at 31/12/2008	25.7	5.1	30.8
<i>Changes in 2009</i>			
Additions charged to the income statement	12.0	1.7	13.7
Release credited to the income statement	(0.4)		(0.4)
Payments	(26.9)	(1.4)	(28.3)
Transfer from (to) liabilities directly related to discontinued operations		(0.1)	(0.1)
Other transfers		0.6	0.6
<i>Balance at 31/12/2009</i>	<i>10.4</i>	<i>5.9</i>	<i>16.3</i>
The distribution was as follows:		31/12/09	31/12/08
Non-current		6.5	7.1
Current		9.8	23.7
<i>Total</i>		<i>16.3</i>	<i>30.8</i>

The other provisions mainly relate to claims and the environment.

### 3.4.15 *Trade and other payables*

The composition was as follows:	31/12/09	31/12/08
€ x 1,000,000		
Trade payables	47.2	57.9
Taxes, other than income tax	9.1	7.1
Social security	4.9	7.6
Other liabilities	22.0	24.6
Accrued expenses	19.6	13.5
<i>Total</i>	<i>102.8</i>	<i>110.7</i>

Current liabilities have a term of less than one year.

### 3.4.16 Supplementary disclosure on financial instruments

The composition of the book value per category as of 31 December 2009 was as follows:

	Category IAS 39 <sup>1</sup>	Amor- tised cost	Valued at fair value in equity	Valued at fair value in income statement	Total book value	Total fair value
€ x 1,000,000						
<i>Assets</i>						
Forward foreign exchange contracts designated for hedge accounting	9	a	0.2		0.2	0.2
Forward foreign exchange contracts not designated for hedge accounting	9	a		0.1	0.1	0.1
Currency swaps not designated for hedge accounting	9	a		0.4	0.4	0.4
Trade receivables	13	b	84.9		84.9	84.9
Other receivables	11, 13	b	25.0		25.0	25.0
Cash and cash equivalents	14	b	25.7		25.7	25.7
<i>Total assets</i>			<i>135.6</i>	<i>0.5</i>	<i>136.3</i>	<i>136.3</i>
<i>Liabilities</i>						
Forward foreign exchange contracts designated for hedge accounting	9	c	0.2		0.2	0.2
Forward foreign exchange contracts not designated for hedge accounting	9	c		0.8	0.8	0.8
Currency swaps not designated for hedge accounting	9	c		0.5	0.5	0.5
Interest swaps designated for hedge accounting	9	c	10.8		10.8	10.8
Interest-bearing liabilities	17	d	285.2		285.2	285.2
Trade payables	20	d	47.2		47.2	47.2
Other payables <sup>2</sup>	20	d	42.4		42.4	42.4
<i>Total liabilities</i>			<i>374.8</i>	<i>1.3</i>	<i>387.1</i>	<i>387.1</i>

<sup>1</sup> Legend IAS 39 categories:

a Financial assets at fair value, with changes in value reflected in the income statement

b Borrowings and receivables

c Financial liabilities at fair value, with changes in value reflected in the income statement

d Financial obligations valued at amortised cost

<sup>2</sup> Including income tax

The composition of the book value per category as of 31 December 2008 was as follows:

		Catego- ry IAS 39 <sup>1</sup>	Amor- tised cost	Valued at fair value in equity	Valued at fair value in income state- ment	Total book value	Total fair value
€ x 1,000,000							
<i>Assets</i>							
Forward foreign exchange contracts designated for hedge accounting	9	a		1.2		1.2	1.2
Forward foreign exchange contracts not designated for hedge accounting	9	a			0.4	0.4	0.4
Currency swaps not designated for hedge accounting	9	a			1.4	1.4	1.4
Trade receivables	13, 15	b	107.1			107.1	107.1
Other receivables	11, 13, 15	b	26.1			26.1	26.1
Cash and cash equivalents	14, 15	b	25.3			25.3	25.3
<i>Total assets</i>			<i>158.5</i>	<i>1.2</i>	<i>1.8</i>	<i>161.5</i>	<i>161.5</i>
<i>Liabilities</i>							
Forward foreign exchange contracts designated for hedge accounting	9	c		1.5	(0.1)	1.4	1.4
Forward foreign exchange contracts not designated for hedge accounting	9	c			0.5	0.5	0.5
Currency swaps not designated for hedge accounting	9	c			0.6	0.6	0.6
Interest swaps not designated for hedge accounting	9	c		10.4		10.4	10.4
Interest-bearing liabilities	17	d	310.8			310.8	310.8
Trade payables	15, 20	d	63.3			63.3	63.3
Other payables <sup>2</sup>	15, 20	d	47.6			47.6	47.6
<i>Total liabilities</i>			<i>421.7</i>	<i>11.9</i>	<i>1.0</i>	<i>434.6</i>	<i>434.6</i>

<sup>1</sup> Legend IAS 39 categories:

a Financial assets at fair value, with changes in value reflected in the income statement

b Borrowings and receivables

c Financial liabilities at fair value, with changes in value reflected in the income statement

d Financial obligations valued at amortised cost

<sup>2</sup> Including income tax

The composition of the book value per currency as of 31 December 2009 was as follows:

	Euro	US dollar	Other currencies	Total
€ x 1,000,000				
<i>Assets</i>				
Trade receivables	40.2	19.0	25.7	84.9
Other receivables	16.8	0.9	7.3	25.0
Derivative financial instruments		0.3	0.4	0.7
Cash and cash equivalents	4.4	2.8	18.5	25.7
<i>Total assets</i>	<i>61.4</i>	<i>23.0</i>	<i>51.9</i>	<i>136.3</i>
<i>Liabilities</i>				
Interest-bearing liabilities	200.2	64.5	20.5	285.2
Trade payables	22.7	13.1	11.4	47.2
Other payables	25.5	4.0	12.9	42.4
Derivative financial instruments	9.1	2.8	0.4	12.3
<i>Total liabilities</i>	<i>257.5</i>	<i>84.4</i>	<i>45.2</i>	<i>387.1</i>
<i>Balance</i>	<i>(196.1)</i>	<i>(61.4)</i>	<i>6.7</i>	<i>(250.8)</i>

The composition of the book value per currency as of 31 December 2008 was as follows:

	Euro	US dollar	Other currencies	Total
€ x 1,000,000				
Trade receivables	55.6	27.7	23.8	107.1
Other receivables	16.0	2.4	7.7	26.1
Derivative financial instruments	0.2	0.6	2.2	3.0
Cash and cash equivalents	4.7	1.6	19.0	25.3
<i>Total</i>	<i>76.5</i>	<i>32.3</i>	<i>52.7</i>	<i>161.5</i>
Interest-bearing liabilities	199.4	74.1	37.3	310.8
Trade payables	35.7	14.3	13.3	63.3
Other payables	34.0	3.3	10.3	47.6
Derivative financial instruments	7.8	4.1	1.0	12.9
<i>Total</i>	<i>276.9</i>	<i>95.8</i>	<i>61.9</i>	<i>434.6</i>
<i>Balance</i>	<i>(200.4)</i>	<i>(63.5)</i>	<i>(9.2)</i>	<i>(273.1)</i>

The changes in impairment of the financial instruments were as follows:

	Derivative financial instruments	Trade receivables	Other receivables	Cash and cash equivalents	Total
€ x 1,000,000					
Balance at 31/12/07		9.8	4.3		14.1
Changes in 2008					
Additions charged to the income statement		2.6			2.6
Release credited to the income statement		(0.2)			(0.2)
Withdrawals		(1.6)			(1.6)
Exchange rate differences		(0.2)			(0.2)
Balance at 31/12/08	0.0	10.4	4.3	0.0	14.7
Changes in 2009					
Additions charged to the income statement		1.7	0.1		1.8
Release credited to the income statement		(0.1)			(0.1)
Withdrawals		(1.0)			(1.0)
Deconsolidations		(1.7)			(1.7)
Exchange rate differences		0.1			0.1
<i>Balance at 31/12/09</i>	<i>0.0</i>	<i>9.4</i>	<i>4.4</i>	<i>0.0</i>	<i>13.8</i>

The composition of the book value as of 31 December 2009 was as follows:

Impaired receivables		2.1			2.1
Not past due	0.7	60.8	23.5	25.7	110.7
Due in less than 1 month		14.5	0.2		14.7
Due in 1 to 3 months		5.3	0.1		5.4
Due in 3 to 6 months		1.3	0.3		1.6
Due in over 6 months		0.9	0.9		1.8
<i>Total</i>	<i>0.7</i>	<i>84.9</i>	<i>25.0</i>	<i>25.7</i>	<i>136.3</i>

The composition of the book value as of 31 December 2008 was as follows:

Impaired receivables		2.0			2.0
Not past due	3.0	70.9	24.2	25.3	123.4
Due in less than 1 month		19.6	0.1		19.7
Due in 1 to 3 months		9.6	0.1		9.7
Due in 3 to 6 months		2.5	0.1		2.6
Due in over 6 months		2.5	1.6		4.1
<i>Total</i>	<i>3.0</i>	<i>107.1</i>	<i>26.1</i>	<i>25.3</i>	<i>161.5</i>

There are no indications that the payment obligation for the non-impaired receivables will not be honoured.

The trade receivables are hedged for an amount of 9.6 (2008: 14.1) by credit insurance. The other receivables are hedged for an amount of 1.9 (2008 3.4) by a lien against shares.

### 3.4.17 Commitments and contingencies

As of the balance sheet date Gamma Holding has issued guarantees and suretyships amounting to 2.6 (2008: 0.1). Financial institutions have also issued guarantees and sureties on behalf of Gamma Holding amounting to 9.2 (2008: 10.7). The contingent liability for recourse arising from bills discounted by Gamma Holding amounts to 0.1 (2008: 0.6). Commitments to purchase property, plant and equipment amounted to 4.6 (2008: 5.4).

Gamma Holding leases various machinery and equipment, offices and warehouses under operating lease agreements that cannot be cancelled prematurely. The leases have varying terms, escalation clauses and renewal rights.

Gamma Holding also leases various plant and machinery under cancellable operating lease agreements. Gamma Holding is generally required to give a six-month notice for the termination of these agreements.

The future aggregate minimum lease payments under non-cancellable operating leases were as follows:	31/12/09	31/12/08
€ x 1,000,000		
Within 1 year	6.2	4.3
Between 1 and 5 years	16.2	9.6
Over 5 years	10.7	0.8
<i>Total</i>	<i>33.1</i>	<i>14.7</i>

Insofar as considered necessary, adequate provision has been made on the balance sheet for claims and disputes.

### 3.5 Notes to the consolidated income statements

#### 3.5.1 *Net turnover*

The net turnover was 658.5 (2008: 722.9).

In percentage terms the net turnover per geographical area was realised as follows:	2009	2008
€ x 1,000,000		
Netherlands	3.7	4.1
Belgium and Luxembourg	2.1	2.6
Subtotal Benelux	5.8	6.7
Germany	8.1	8.8
France	4.2	4.4
United Kingdom	6.2	6.7
Italy/Spain/Portugal	6.0	6.4
Scandinavia	2.8	3.8
Switzerland	1.1	1.1
Rest of Western Europe	0.6	0.7
Eastern Europe	4.1	4.9
Subtotal Europe	38.9	43.5
Africa	23.2	20.0
United States	20.6	19.7
Canada	2.7	2.7
Central and South America	3.5	3.4
Asia	6.8	6.7
New Zealand/Australia	4.3	4.0
<i>Total</i>	<i>100.0</i>	<i>100.0</i>

#### 3.4.19 *Contracted work and other external costs*

The composition was as follows:

€ x 1,000,000		
Contracted work	4.6	1.6
Energy	25.0	28.8
Outgoing freight	9.7	12.4
Packaging	3.4	4.5
<i>Total</i>	<i>42.7</i>	<i>47.3</i>

### 3.4.20 Personnel costs

The composition was as follows:	2009	2008
€ x 1,000,000		
Wages and salaries	169.1	188.2
Social-security charges	31.5	37.3
Pension costs from defined-contribution plans	7.3	7.2
Pension costs from defined-benefit plans	1.5	1.0
Other long-term employee benefits	0.2	0.1
Temporary personnel	7.9	10.5
Other personnel costs	11.7	13.0
	229.2	257.3
Redundancy costs	7.7	23.2
<b>Total</b>	<b>236.9</b>	<b>280.5</b>

At the end of the year under review the total number of employees was 6,477 (2008: 7,001), of whom 5,700 (2008: 6,206) outside the Netherlands. During the year under review the average number of employees was 6,595 (2008: 7,114).

Due to efficiency measures the number of employees fell by 217 at Ammeraal Beltech, by 183 at Clear Edge filtration, by 225 at Bekaert Textiles and by 4 at Corporate Holdings. The number of employees rose by 39 at Dimension-Polyant and by 66 at Vlisco Group.

### 3.4.21 Stock options and share plan

In 1997 the Supervisory Board approved a stock option plan for the members of the Executive Board and senior management. Under this plan, options will only be granted after approval by the Supervisory Board up to a maximum of 1% of the number of outstanding shares per year. When exercised, these options will entitle the holder to one ordinary share per option. The options may be exercised during a period of five years after the date on which they are granted and cannot be exercised during the first three years after granting. The exercise price of the options will be the same as the closing price of the date prior to the date on which they are granted. Options were awarded to the members of the Executive Board for the last time in 2005.

The changes in the number of outstanding options in 2009 were as follows:

Granted in	Valid unit	Exercise price in €	Outstanding 31/12/2008	Granted 2009	Lapsed 2009	Outstanding 31/12/2009
<b>Executive Board<sup>1</sup></b>						
2004	2009	41.80	12,000		12,000	0
2005	2010	39.49	12,000			12,000
2006	2011	37.48	1,500			1,500
2007	2012	52.49	1,500			1,500
			27,000		12,000	15,000
<b>Senior management</b>						
2004	2009	41.80	19,000		19,000	
2005	2010	39.49	22,500		2,500	20,000
2006	2011	37.48	27,000		4,500	22,500
2007	2012	52.49	26,000		4,000	22,000
2008	2013	42.98	21,850		5,000	16,850
2009	2014	3.26		14,850	3,000	11,850
			116,350	14,850	38,000	93,200
<b>Total</b>			<b>143,350</b>	<b>14,850</b>	<b>50,000</b>	<b>108,200</b>

<sup>1</sup> Including former members of the Executive Board



The fair value of options granted during the period, determined using the Black-Scholes valuation model, was 0.0 at the moment of granting (2008: 0.2). The significant inputs into the model were: a share price of € 3.26 (2008: € 42.98) at the grant date, the exercise price shown above, a standard deviation from the expected share price return of 39% (2008: 26%), the option life disclosed above and an annual risk-free interest rate of 2.44% (2008: 4.12%). The standard deviation from the expected share price return is based on statistical analysis of daily share prices of Gamma Holding N.V. over the last five years. On 23 April 2009, 14,850 options were granted at the previous day's closing price of € 3.26 (2008: 21,850 options with an exercise price of € 42.98). These options, which are valid until 23 April 2014, were granted to the senior management. In 2009, 50,000 options lapsed.

The share plan is a long-term incentive for the Executive Board and the top management. The 2008 share plan has come into effect for the Executive Board and the top management as a replacement for the 2005 share plan and the option plan respectively. The 2008 share plan came into effect on 1 January 2008, with 2007 as the first reference year and 2010 as the last. Each year shares are granted on a conditional basis. The share grant becomes unconditional three years after granting if the agreed performance criteria have been fulfilled. As part of the 2008 share plan, 75,185 ordinary shares were granted conditionally in the year under review, of which 32,718 were granted to the Executive Board and 42,467 to the top management, for which an amount of nil was charged to income. In 2009, 4,380 ordinary shares granted conditionally to the Executive Board lapsed. At the end of 2009 the number of ordinary shares granted conditionally was 91,037, of which 38,846 to the Executive Board<sup>1</sup> and 52,191 to the top management (2008: 20,232 of which 9,492 to the Executive Board<sup>1</sup> and 10,740 to the top management).

In 2009, nil ordinary shares were purchased to cover the outstanding option rights and the share plan (2008: nil). At year-end 2009 the number of treasury shares purchased to cover the outstanding option rights and the share plan totalled 125,944 (2008: 125,944).

The liabilities arising from the share plan are as follows:

	2009	2008
€ x 1,000,000		
2005 share plan		17
2008 share plan		
<i>Total</i>	<i>0</i>	<i>17</i>

### 3.4.22 Remuneration of the members of the Executive Board and Supervisory Board

During the year under review the remuneration of the active members of the Executive Board excluding the share plan amounted to 686 (2008: nil). Included as remuneration are salary, bonuses, social-security contributions, employer's pension contributions and charges related to granted option rights recognised in the income statement in the year under review.

The distribution was as follows:

€ x 1,000	Fixed remuneration		Variable remuneration		Pension charges		Granted option rights		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
J.H.L. Albers <sup>2</sup>	190		113		33				336	
L. van Reeuwijk <sup>3</sup>	202		118		30				350	
<i>Total</i>	<i>392</i>		<i>231</i>		<i>63</i>				<i>686</i>	

During the year under review the remuneration of the former members amounted to 2,623 (2008: 1,047).

<sup>1</sup> With effect from August 2009

<sup>2</sup> With effect from May 2009

<sup>3</sup> Up to and including July 2009 in the Executive Board, employed until January 2010

The distribution was as follows:

€x 1,000	Fixed remuneration		Other remuneration		Pension charges		Granted option rights		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
M. Veninga <sup>1</sup>	259	444	1,336		205	155	2	1,800	601	
M.J.A. Frequin <sup>2</sup>	128	384	640		55	60		823	444	
M.H. Zegger							2		2	
<i>Total</i>	<i>387</i>	<i>828</i>	<i>1,976</i>		<i>260</i>	<i>215</i>	<i>4</i>	<i>2,623</i>	<i>1,047</i>	

Other remuneration consists, in the case of M. Veninga, of 222 salary paid over the period of notice and 1,114 severance allowance paid in February 2010 and, in the case of M.J.A. Frequin, of 43 variable remuneration for 2008, 188 payment in respect of the six-month period of notice and 409 severance allowance.

As part of the 2005 share plan, 3,236 ordinary shares were granted to M. Veninga and 2,320 to M.H. Zegger in 2008, for which an amount of 17 was charged to income in 2008, with 4 relating to M. Veninga and 13 to M.H. Zegger. As part of the 2008 share plan, in the year under review 25,249 ordinary shares were granted conditionally to M. Veninga and 7,469 to L. van Reeuwijk, for which an amount of nil was charged to income. The ordinary shares granted conditionally to M.J.A. Frequin in 2008 lapsed in 2009. At the end of the year under review the number of ordinary shares granted conditionally to M. Veninga and L. van Reeuwijk under the 2008 share plan was 30,361 and 8,485 respectively. On the reporting date the ordinary shares granted conditionally to M. Veninga lapsed.

At 31 December 2008 and 31 December 2009, 3,000 options in the name of Executive Board member L. van Reeuwijk were outstanding. At 31 December 2008, 14,000 options in the name of former Executive Board member M. Veninga were outstanding, of which 7,000 lapsed in 2009. At 31 December 2009, he had 7,000 options outstanding. At 31 December 2008, 10,000 options in the name of former Executive Board member M.H. Zegger were outstanding, of which 5,000 lapsed in 2009. At 31 December 2009, he had 5,000 options outstanding.

In 2009 the remuneration of the Supervisory Board members totalled 161 (2008: 167).

The distribution was as follows:

€x 1,000	2009	2008
J.F. van Duyne	45	42
R.J.A. van der Bruggen	32	24
F.W. Fröhlich		(2)
J.H.M. Lindenbergh	36	34
A. Wateler	11	34
J. Zuidam	37	35
<i>Total</i>	<i>161</i>	<i>167</i>

With effect from the second quarter of 2008 this figure was made up of fixed remuneration of 32 (previously: 23) per Supervisory Board member and of 38 for the chairman (previously: 28) on an annual basis, supplemented by remuneration of 4 for membership of a committee as well as the corresponding social-security charges.

The Supervisory Board members' total shareholding in the company comprises nil ordinary shares (2008: nil). No loans, advances or guarantees have been issued to the members of the Executive Board or Supervisory Board. The key elements of the remuneration policy are outlined in the section headed Corporate governance in the Report of the Executive Board.

<sup>1</sup> Up to and including July 2009 in the Executive Board, employed until January 2010

<sup>2</sup> Up to including April 2009

### 3.4.23 Other operating expenses

The composition was as follows:

€x 1,000,000	2009	2008
Production expense	35.9	39.1
Selling expense	15.9	18.3
General expense	44.5	48.4
Restructuring expense	3.9	1.4
<i>Total</i>	<i>100.2</i>	<i>107.2</i>

Production expense includes 14.9 (2008: 19.6) for maintenance and 5.2 (2008: 4.4) auxiliary materials. Selling expense includes 8.1 (2008: 8.0) marketing expense and 3.0 (2008: 4.0) in respect of agents' commissions. General expense includes 15.5 (2008: 17.7) in respect of travel and accommodation expense, 9.8 (2008: 10.1) in respect of consultancy and auditing, and 3.4 (2008: 3.5) in respect of insurance.

The consultancy and accountancy costs charges by the external accountants PricewaterhouseCoopers were as follows:

€x 1,000,000	2009	2008
Audit of the financial statements	1.5	1.6
Other audit assignments	1.2	0.2
Tax-related consultancy services	0.8	0.5
Other non-audit services	0.3	0.1
<i>Total</i>	<i>3.8</i>	<i>2.4</i>

The fees quoted above relate to the work carried out at the company and at the consolidated companies by PricewaterhouseCoopers Accountants N.V. and the network of PricewaterhouseCoopers in the Netherlands and abroad, including their tax departments and consultancy departments. The fees included in this for PricewaterhouseCoopers Accountants N.V. in the Netherlands amount to 1.3 (2008: 0.4).

### 3.4.24 Other income and expense

This includes the results on the sale of property, plant and equipment and subsidiaries of 0.2 (2008: 2.6).

### 3.4.25 Operating result

Restructuring costs and impairment were included in the operating result as follows:	2009	2008
€x 1,000,000		
Operating result	(7.8)	(17.3)
Impairment of property, plant and equipment	7.4	6.4
Impairment of intangible assets	18.5	22.6
Other restructuring costs	11.6	24.7
<i>Operating result excluding restructuring costs and impairment</i>	<i>29.7</i>	<i>36.4</i>

Research and development costs were included in the operating result as follows:

Cost of raw material and consumables	0.4	0.5
Personnel costs	5.2	3.5
Depreciation of property, plant and equipment	0.1	0.1
Other operating expenses	0.3	0.4
<i>Total</i>	<i>6.0</i>	<i>4.5</i>

### 3.4.26 *Financial income and expense*

The composition was as follows:

€x 1,000,000	2009	2008
Interest income from cash and cash equivalents	0.3	0.6
Interest expense on interest-bearing liabilities	(16.8)	(17.5)
Interest income (interest expense) from interest swaps	(5.5)	1.0
Exchange rate differences on interest-bearing liabilities	0.7	(0.4)
Exchange rate differences on forward foreign exchange contracts and currency swaps	(1.3)	0.3
Accumulated exchange rate differences of sold and closed operations	(0.3)	
Syndicated and other allowances	(15.0)	(0.8)
<i>Total</i>	<i>(37.9)</i>	<i>(16.8)</i>

### 3.4.27 *Conversion of EBITDA and EBITA*

Paragraph 3.3.3 shows EBITDA excluding restructuring and EBITA excluding restructuring and impairment as part of the segment information. These can be converted into group result before taxation as follows:

€x 1,000,000	2009	2008
EBITDA excluding restructuring	63.2	70.2
Depreciation of property, plant and equipment	(29.4)	(30.1)
Amortisation of intangible assets	(4.2)	(3.7)
Including amortisation of acquired intangible assets	2.2	2.3
EBITA excluding restructuring and impairment	31.8	38.7
Including result of associates and joint ventures	0.1	
Restructuring	(18.9)	(31.1)
Amortisation of acquired intangible assets	(2.2)	(2.3)
Impairment of property, plant and equipment and intangible assets	(25.9)	(29.0)
Including restructuring	7.3	6.4
Operating result	(7.8)	(17.3)
Financial income and expense	(37.9)	(16.8)
Share in result of associates and joint ventures	(0.1)	
Group result before taxation	(45.8)	(34.1)

### 3.4.28 *Income tax*

The composition was as follows:	2009	2008
€x 1,000,000		
Acute tax expenses	(4.3)	(2.9)
Adjustment of acute tax expenses from prior years	(0.1)	(0.1)
Deferred income-tax expenses relating to changes in temporary differences	1.1	3.2
Changes to the deferred income-tax position as a result of changes to rates		0.1
Changes to deferred income-tax assets as a result of utilised tax losses that were not recognised in the past	0.5	2.4
Changes as a result of the non-recognition of offsettable losses	(1.8)	(2.8)
<i>Total</i>	<i>(4.6)</i>	<i>(0.1)</i>

The effective tax rate was made up as follows:	2009	2008
€ x 1,000,000		
Natural tax rate <sup>1</sup>	27.7	27.9
Unrecognised losses	(21.6)	(10.7)
Utilisation/valuation of previously unrecognised losses	1.7	9.6
Structural benefits	6.3	5.1
Structural disadvantages	(1.7)	(3.4)
Impairment of goodwill	(15.8)	(15.3)
Other	(6.5)	(13.4)
<i>Total</i>	<i>(9.9)</i>	<i>(0.2)</i>

It should be noted that the group result before taxation in 2008 and 2009 was negative in both cases.

The natural tax rate was 27.7% (2008: 27.9%).

The unrecognised losses mainly relate to Belgium, the United Kingdom, Germany and Denmark. The utilisation of previously unrecognised losses mainly relates to Côte d'Ivoire, while the valuation of previously unrecognised losses mainly relates to the Czech Republic.

The structural benefits are mainly due to the utilisation of 'tax holidays' in various countries and a tax facility in Belgium (notional interest deduction).

The structural disadvantages mainly relate to non-recoverable withholding tax on dividends, particularly from Africa.

No tax saving could be recognised on the impairment of goodwill.

Other mainly includes burden-increasing effects of adjustments with regard to prior years and uncertainty regarding the deductibility of costs/refunding of income tax.

#### 3.4.29 *Related-party transactions*

The net amounts due from joint ventures amounted to 1.3 (2008: 0.6). Rent received from joint ventures amounted to nil (2008: 0.3).

#### 3.4.30 *Earnings per share*

Earnings per share were determined as follows:	2009	2008
€ x 1,000,000		
Net group result attributable to holders of ordinary shares	(69.7)	(34.0)
Net group result from discontinued operations	(18.6)	1.0
Net group result from continuing operations attributable to holders of ordinary shares	(51.1)	(35.0)
Net group result attributable to holders of ordinary shares	(69.7)	(34.0)
Impairment of property, plant and equipment	(19.5)	(6.4)
Impairment of intangible assets	(19.0)	(22.6)
Other restructuring expenses	(12.3)	(25.7)
Income tax thereon	2.0	7.6
Restructuring and impairment after taxation	(48.8)	(47.1)
Net group result attributable to holders of ordinary shares excluding restructuring and impairment	(20.9)	13.1
Weighted average number of ordinary shares outstanding (thousands)	7,393	7,384

<sup>1</sup> Weighted average of statutory rates applied in the countries in which Gamma Holding operates, weighted on the basis of the result before income tax in each of these countries

Earnings per share were determined as follows:	2009	2008
€ x 1		
Earnings per share	(9.43)	(4.61)
Earnings per share from continuing operations	(6.91)	(4.75)
Earnings per share excluding restructuring and impairment	(2.82)	1.78
Diluted earnings per share were determined as follows:		
Weighted average number of ordinary shares outstanding (thousands)	7,393	7,384
Adjustments for share options outstanding (thousands)	5	
Adjusted weighted average of ordinary shares for diluted earnings per share (thousands)	7,398	7,384
€ x 1		
Diluted earnings per share	(9.42)	(4.61)
Diluted earnings per share from continuing operations	(6.90)	(4.75)
Diluted earnings per share excluding restructuring and impairment	(2.81)	1.78

### 3.4.31 Dividend per share

The dividends paid in 2008 with respect to 2007 were 15.1 (€ 2.00 per ordinary share and € 0.21 per ordinary participating preference share). In 2009 no dividend was distributed with respect to 2008. With respect to 2009, it will be proposed to the General Meeting of Shareholders on 29 April 2010 not to distribute any dividend.

### 3.4.32 Business combinations

In 2009, Gamma Holding did not acquire any companies. As of 1 January 2008 Gamma Holding has acquired 100% of the shares in uni-chains®. In 2008 Gamma Holding also acquired a number of small companies.

	2009	2008	2008	2008
Key figures were as follows:	Total	uni-chains®	other	total
€ x 1,000,000				
Acquisition price paid		62.3	3.9	66.2
Directly related costs		0.8	0.2	1.0
Purchase price		63.1	4.1	67.2
Goodwill		32.5	3.5	36.0
Acquired intangible assets		15.2		15.2
Property, plant and equipment		26.5	0.1	26.6
Fair value of other assets excluding cash and cash equivalents		22.4	0.9	23.3
Interest-bearing liabilities		18.0	0.1	18.1
Fair value of liabilities		15.5	0.3	15.8
EBITA <sup>1</sup>		(2.0)	0.2	(1.8)

Goodwill has been paid for synergy benefits and unrecognised intangible assets.

<sup>1</sup> Group result before income tax, interest and amortisation/impairment of goodwill and acquired intangible assets

### 3.4.33 Company balance sheet

€ x 1,000,000 (before profit appropriation)

		31/12/09	31/12/08
<i>Assets</i>			
<i>Non-current assets</i>			
Intangible assets	<b>39</b>	0.2	0.1
Property, plant and equipment	<b>40</b>	0.4	0.6
Non-current financial assets	<b>41</b>	231.1	315.1
Total non-current assets		231.7	315.8
<i>Current assets</i>			
Receivables	<b>42</b>	238.1	204.9
Cash and cash equivalents		4.1	2.4
Total current assets		242.2	207.3
<i>Total assets</i>		<i>473.9</i>	<i>523.1</i>
<i>Equity and liabilities</i>			
<i>Equity</i>			
Issued share capital		19.1	19.1
Share premium reserve		38.8	38.8
Treasury shares		(3.7)	(3.7)
Hedging reserve		(5.3)	(5.1)
Currency translation reserve		(7.6)	(8.3)
Legal reserve		5.1	7.3
Retained earnings		23.1	90.5
Total equity	<b>16</b>	69.5	138.6
Provisions	<b>43</b>	1.5	0.2
Non-current liabilities	<b>44</b>	283.8	9.7
Current liabilities	<b>45</b>	119.1	374.6
<i>Total equity and liabilities</i>		<i>473.9</i>	<i>523.1</i>

### 3.4.34 Company income statement

€ x 1,000,000		2009	2008
Result from participating interests after taxation	<b>41</b>	(54.1)	(32.3)
Other income and expense after taxation		(15.6)	(1.7)
Result after taxation	<b>16</b>	(69.7)	(34.0)

## 3.5 Notes to the company financial statements

### 3.5.1 Summary of significant accounting policies

#### **General**

The company financial statements of Gamma Holding N.V. are prepared in accordance with the statutory provisions of Part 9, Book 2 of the Netherlands Civil Code. In preparing the company financial statements, use is made of the facility under section 362 subsection 8, Book 2 of the Netherlands Civil Code for applying the same accounting policies for valuation and the calculation of result (including the policies for the presentation of financial instruments as equity or debt) as in the consolidated financial statements.



### *Accounting policies*

The accounting policies for the company financial statements are the same as those for the consolidated financial statements. Unless otherwise stated, please refer to the accounting policies specified in the consolidated financial statements. For the notes to the issued capital and reserves, the remuneration of the members of the Executive Board and Supervisory Board and stock options, please refer to the notes to the consolidated financial statements.

### *Non-current financial assets*

#### *Subsidiaries*

Subsidiaries are recognised at net asset value on an individual basis. The net asset value is established by valuing assets, provisions and liabilities and calculating the result in accordance with the accounting policies applied in the consolidated financial statements. In establishing the net asset value, account is taken of the transitional provisions for valuation and the first-time adoption of the accounting policies followed in the consolidated financial statements.

#### *3.5.2 Intangible assets*

This relates to software.

The changes were as follows:	2009	2008
€x 1,000,000		
<i>Balance at 1 January</i>		
Cost	0.6	0.5
Accumulated amortisation	(0.5)	(0.5)
Book value at 1 January	0.1	
<i>Changes</i>		
Additions	0.1	0.1
<i>Balance at 31 December</i>		
Cost	0.7	0.6
Accumulated amortisation	(0.5)	(0.5)
Book value at 31 December	0.2	0.1

The rate of amortisation on software is 33%.

#### *3.5.3 Property, plant and equipment*

	Plant and machinery	Other equipment	Total
The composition and changes were as follows:			
€ x 1,000,000			
<i>Balance at 31/12/2007</i>			
Cost	0.9	1.7	2.6
Accumulated depreciation	(0.3)	(1.5)	(1.8)
Book value at 31/12/2007	0.6	0.2	0.8
<i>Changes in 2008</i>			
Additions		0.1	0.1
Depreciation	(0.1)	(0.2)	(0.3)
<i>Balance at 31/12/2008</i>			
Cost	0.9	1.6	2.5
Accumulated depreciation	(0.4)	(1.5)	(1.9)
Book value at 31/12/2008	0.5	0.1	0.6
<i>Changes in 2009</i>			
Depreciation	(0.1)	(0.1)	(0.2)

The composition and changes were as follows:	Plant and machinery	Other equipment	Total
<i>Balance at 31/12/2009</i>			
Cost	0.9	1.5	2.4
Accumulated depreciation	(0.5)	(1.5)	(2.0)
<i>Book value at 31/12/2009</i>	<i>0.4</i>	<i>0.0</i>	<i>0.4</i>

The rate of depreciation on plant and machinery is 10% and on other equipment 25% or 33%.

#### 3.5.4 *Non-current financial assets*

The composition and changes were as follows:	Subsidiaries	Loans to subsidiaries	Derivative financial instruments	Deferred income-tax assets	Total
Balance at 31/12/2007	147.3	92.0	1.7		241.0
<i>Changes in 2008</i>					
Additions	8.8				8.8
Capital changes	125.4				125.4
Share in result	(32.3)				(32.3)
Dividend	(20.0)				(20.0)
Exchange rate differences	(4.1)	0.7			(3.4)
Balance of issued and repaid loans		(10.0)			(10.0)
Changes in value of derivative financial instruments	(0.9)		(1.7)	2.4	(0.2)
Other changes	6.5			(0.7)	5.8
<i>Balance at 31/12/2008</i>	<i>230.7</i>	<i>82.7</i>	<i>0.0</i>	<i>1.7</i>	<i>315.1</i>
<i>Changes in 2009</i>					
Additions	5.7				5.7
Capital changes	38.0				38.0
Share in result	(54.1)				(54.1)
Dividend	(45.0)				(45.0)
Exchange rate differences	0.7	(1.0)			(0.3)
Balance of issued and repaid loans		(27.0)			(27.0)
Changes in value of derivative financial instruments	0.2			0.1	0.3
Other changes	(1.3)			(0.3)	(1.6)
<i>Balance at 31/12/2009</i>	<i>174.9</i>	<i>54.7</i>	<i>0.0</i>	<i>1.5</i>	<i>231.1</i>

The subsidiaries are not listed on the stock exchange. Please refer to paragraph 3.5.10.

The effective interest rate of the loans to subsidiaries was 6.9% (2008: 6.0%). Of the loans to subsidiaries, an amount of nil (2008: nil) matures after five years.

#### 3.5.5 *Receivables*

This relates to current receivables.

The composition was as follows:	31/12/09	31/12/08
€ x 1,000,000		
Receivables from subsidiaries	231.7	195.0
Other receivables	0.1	0.3
Derivative financial instruments	1.1	4.5
Income-tax assets	3.7	3.8
Prepaid expenses and accrued income	1.5	1.3
<i>Total</i>	<i>238.1</i>	<i>204.9</i>

The carrying amounts of the receivables from subsidiaries, other receivables and derivative financial instruments approximate the fair value.

### 3.5.6 Provisions

This relates to other provisions.

### 3.5.7 Non-current liabilities

The composition was as follows:	31/12/09	31/12/08
€ x 1,000,000		
Interest-bearing liabilities	274.5	
Derivative financial instruments	9.3	9.7
<i>Total</i>	<i>283.8</i>	<i>9.7</i>

The repayment commitment of the interest-bearing liabilities was nominally as follows:

Between 1 and 2 years	282.6	
<i>Total</i>	<i>282.6</i>	<i>0.0</i>

### 3.5.8 Current liabilities

The composition was as follows:	31/12/09	31/12/08
Interest-bearing liabilities	5.4	288.3
Trade payables	0.6	0.6
Payables to subsidiaries	97.3	73.4
Taxes, excluding income tax	1.4	1.4
Social security	1.2	2.0
Derivative financial instruments	3.2	4.6
Other liabilities	2.9	3.5
Deferred income and accrued expenses	7.1	0.8
<i>Total</i>	<i>119.1</i>	<i>374.6</i>

### 3.5.9 Employees

The average number of employees was 33 (2008: 36), all working in the Netherlands.

### 3.5.10 Associates

In accordance with the provisions of section 379, Book 2 of the Netherlands Civil Code, a list of associates is available at the Trade Register Office in Eindhoven, The Netherlands.

### 3.5.11 Commitments and contingencies

For the Dutch subsidiaries, declarations of assumption of liability have been issued as referred to in section 403, Book 2 of the Netherlands Civil Code. Under the terms of credit agreements, the company is severally liable for subsidiaries' debts to financial institutions. The company is also head of the fiscal entity for corporation tax, in which all Dutch subsidiaries are included.

Helmond, 25 February 2010

#### **Supervisory Board**

Fokko van Duyne, chairman  
René van der Bruggen  
Hessel Lindenbergh  
Jan Zuidam

#### **Executive Board**

Jan Albers, CEO  
Leendert van Reeuwijk, CFO

## 3.6 Other information

### 3.6.1 Profit appropriation

#### ***Statutory profit appropriation***

For the order of dividend entitlement, the articles of association distinguish between a situation in which no twelve per cent (12%) cumulative preference shares are held by others than the company (article 26, section 3 of the articles of association) and a situation where that is the case (article 26, section 4 of the articles of association).

On the date of the report no twelve per cent (12%) cumulative preference shares are held by others than the company. This means that, under article 26, section 1 of the articles of association, the Supervisory Board may decide that all or part of the profit shown by the financial statements adopted by the General Meeting of Shareholders, up to a specified amount, is to be retained by way of reserve. The Supervisory Board also decides about the appropriation or termination of such a reserve.

Pursuant to article 26, section 2 of the articles of association, the company may only make payments on the distributable profit insofar as equity exceeds the sum of the capital plus the reserves which must, by law, be retained. Of the distributable profit that then remains, up to € 0.12 is paid on the ordinary participating preference shares, then a dividend of up to 4% on the amount that had to be paid for the four per cent (4%) cumulative preference shares, then a dividend of up to 4% on the nominal amount of the ordinary shares, whereafter an extra dividend of maximum € 0.09 is paid on the ordinary participating preference shares. Finally, an additional dividend is paid on the four per cent (4%) cumulative preference shares which is equal to the percentage of the twelve-month Euro Interbank Offered Rates (EURIBOR), plus 2.5%.

The remaining profit is at the disposal of the General Meeting of Shareholders, to be added to the aforementioned dividend on the ordinary shares or to be used for other purposes that are in the interest of the company.

If twelve per cent (12%) cumulative preference shares are held by others than the company, then € 0.21 is first paid to holders of ordinary participating preference shares. Then, holders of twelve per cent (12%) cumulative preference shares receive a payment of 12% on the dividend base, being the total nominal amount of the twelve per cent (12%) cumulative preference shares plus the time-proportionate average balance of the share premium reserve, as referred to in article 23 of the articles of association, during the financial year for which the financial statements have been adopted. The Supervisory Board can then decide that the profit that remains after the above-mentioned payments is to be retained by way of reserve. Whatever then remains of the profit is paid out in the following order: a dividend of up to 4% of the amount that had to be paid on the four per cent (4%) cumulative preference shares, a dividend of up to 4% on the nominal amount of the ordinary shares, and then a dividend equal to the percentage of the twelve-month Euro Interbank Offered Rates (EURIBOR), plus 2.5% on the four per cent (4%) cumulative preference shares.

Here too, the remaining profit is at the disposal of the General Meeting of Shareholders, to be added to the aforementioned dividend on the ordinary shares or to be used for other purposes that are in the interest of the company.

Pursuant to article 26, section 5 of the articles of association, the General Meeting of Shareholders, acting on a proposal of the Supervisory Board, may decide to make a distribution from a reserve.

Proposed distribution charged to retained earnings	2009	2008
€ x 1,000		
Net group result attributable to equity holders	(69,685)	(34,015)
Withdrawal from retained earnings	69,685	34,015
Distributable profit	0	0
€ 0.00 (2008: € 0.00) primary dividend per share of € 2.50 to holders of ordinary participating preference shares		
€ 0.00 (2008: € 0.00) primary dividend per share of € 2.50 to holders of ordinary shares		
€ 0.00 (2008: € 0.00) extra dividend per share of € 2.50 to holders of ordinary participating preference shares		
Remainder	0	0
€ 0.00 (2008: € 0.00) extra dividend per share of € 2.50 to holders of ordinary shares		

### 3.6.2 *Stichting Preferente Aandelen Gamma Holding*

On 18 February 1987 the current Stichting Preferente Aandelen Gamma Holding ('the Foundation') was established. The Foundation's object is to protect the interests of the parent company Gamma Holding N.V. and all its stakeholders. A call option agreement has been concluded between the Foundation and Gamma Holding N.V. On the basis of this agreement the Foundation is entitled to take four per cent (4%) cumulative preference shares (previously named: four per cent (4%) participating preference shares) in the capital of Gamma Holding N.V. up to half the following the issue, expanded issued capital. The Foundation did not acquire any four percent (4%) cumulative preference shares during the year under review. In the year under review Gamma Holding and the Foundation decided to terminate the existing put option, under which the company could request the Foundation to take four per cent (4%) cumulative preference shares. Gamma Holding N.V. also agreed to grant right of inquiry to the Foundation. On the date of the report the Foundation does not have loan facilities.

The Board of the Foundation is made up as follows:

Dr. J.V.H. Pennings, chairman  
Drs. J. van den Belt  
Drs. J.L. Brentjens  
Drs. J.F. van Duyne  
Mr. E.P. Heiden

The Executive Board of Gamma Holding N.V. and the Board of the Foundation are jointly of the opinion that the Foundation is a legal entity independent of Gamma Holding as referred to in article 5:71 of the Financial Supervision Act (Wet op het financieel toezicht).

### 3.6.3 *Auditor's report*

To the Shareholders of Gamma Holding N.V.

#### **Report on the financial statements**

We have audited the financial statements 2009 of Gamma Holding N.V., Helmond, as set out on pages 66 to 119. The financial statements consist of the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2009, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes. The company financial statements comprise the company balance sheet as at 31 December 2009, the company income statement for the year then ended and the notes.

### ***Executive Board's responsibility***

The Executive Board is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the Report of the Executive Board in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### ***Auditor's responsibility***

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Executive Board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion with respect to the consolidated financial statements***

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Gamma Holding N.V. as at 31 December 2009, and of its result and its cash flow for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

### ***Opinion with respect to the company financial statements***

In our opinion, the company financial statements give a true and fair view of the financial position of Gamma Holding N.V. as at 31 December 2009, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

### ***Report on other legal requirements***

Pursuant to the legal requirement under 2:393 sub 5 part f of the Netherlands Civil Code, we report, to the extent of our competence, that the report of the Executive Board is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Eindhoven, 25 February 2010

PricewaterhouseCoopers Accountants N.V.  
J.A.M. Stael RA

## 4 CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR FIRST HALF-YEAR 2010

## 4.1 Consolidated balance sheets

€ x 1,000,000	1 HY 2010	1 HY 2009	2009
<b>Assets</b>			
<i>Non-current assets</i>			
Property, plant and equipment	198.0	183.2	182.8
Intangible assets	48.7	46.6	50.0
Associates and joint ventures	1.1	1.2	1.0
Deferred income-tax assets	8.2	6.9	7.2
Other non-current receivables	5.7	5.6	4.9
<i>Total non-current assets</i>	<i>261.7</i>	<i>243.5</i>	<i>245.9</i>
<i>Current assets</i>			
Inventories	163.7	158.6	142.3
Trade and other receivables	127.2	118.7	104.8
Derivative financial instruments	1.1	0.8	0.7
Income-tax assets	6.4	6.2	8.1
Cash and cash equivalents	38.5	21.0	25.7
Non-current assets held for sale and discontinued operations	3.0	63.9	10.0
<i>Total current assets</i>	<i>339.3</i>	<i>369.2</i>	<i>291.6</i>
<i>Total assets</i>	<i>601.6</i>	<i>612.7</i>	<i>537.5</i>
<b>Equity and liabilities</b>			
<i>Equity</i>			
Issued capital and reserves attributable to equity holders	77.2	85.3	69.5
Minority interests	4.2	3.4	4.4
<i>Total equity</i>	<i>81.4</i>	<i>88.7</i>	<i>73.9</i>
<i>Non-current liabilities</i>			
Interest-bearing liabilities	310.4	3.0	275.1
Derivative financial instruments	9.2	6.8	9.3
Employee benefit obligations	18.1	18.4	18.4
Deferred income-tax liabilities	21.6	23.3	22.3
Other provisions	6.1	8.0	6.5
<i>Total non-current liabilities</i>	<i>365.4</i>	<i>59.5</i>	<i>331.6</i>
<i>Current liabilities</i>			
Interest-bearing liabilities	10.2	331.4	10.1
Trade and other payables	124.2	101.4	102.8
Derivative financial instruments	2.5	2.4	3.0
Income-tax liabilities	6.4	2.5	6.3
Other provisions	11.5	13.6	9.8
	<i>154.8</i>	<i>451.3</i>	<i>132.0</i>
Liabilities directly related to discontinued operations	0.0	13.2	0.0
<i>Total current liabilities</i>	<i>154.8</i>	<i>464.5</i>	<i>132.0</i>
<i>Total equity and liabilities</i>	<i>601.6</i>	<i>612.7</i>	<i>537.5</i>



## 4.2 Consolidated income statements

€ x 1,000,000	1HY 2010	1HY 2009 <sup>1</sup>	2009
Net turnover	371.3	322.2	658.5
Changes in finished products and work in progress	2.4	(3.5)	(14.3)
<i>Total operating income</i>	<i>373.7</i>	<i>318.7</i>	<i>644.2</i>
Cost of raw materials and consumables	(129.7)	(105.2)	(212.9)
Contracted work and other external costs	(25.6)	(21.1)	(42.7)
<i>Added value</i>	<i>218.4</i>	<i>192.4</i>	<i>388.6</i>
Personnel costs	(125.0)	(123.9)	(236.9)
Depreciation of property, plant and equipment	(13.9)	(13.9)	(29.4)
Impairment of property, plant and equipment	0.1	(1.8)	(7.4)
Amortisation of intangible assets	(2.1)	(1.7)	(4.2)
Impairment of intangible assets	0.0	(20.3)	(18.5)
Other operating expenses	(53.0)	(50.5)	(100.2)
Other income and expense	1.5	0.1	0.2
Total other operating expenses	(192.4)	(212.0)	(396.4)
Operating result	26.0	(19.6)	(7.8)
Financial income and expense	(17.8)	(17.3)	(37.9)
Share in result of associates and joint ventures	0.1	0.0	(0.1)
<i>Group result before taxation</i>	<i>8.3</i>	<i>(36.9)</i>	<i>(45.8)</i>
Income tax	(6.9)	(1.8)	(4.6)
<i>Net group result from continuing operations</i>	<i>1.4</i>	<i>(38.7)</i>	<i>(50.4)</i>
Net group result from discontinued operations	0.0	(14.6)	(18.6)
<i>Net group result</i>	<i>1.4</i>	<i>(53.3)</i>	<i>(69.0)</i>
<i>Attributable to</i>			
Equity holders	1.0	(53.6)	(69.7)
Minority interests	0.4	0.3	0.7
€ x 1	1HY 2010	1HY 2009 <sup>16</sup>	2009
Earnings per share	0.14	(7.25)	(9.43)
Earnings per share from continuing operations	0.14	(5.27)	(6.91)
Earnings per share excluding restructuring and impairment	1.01	(1.64)	(2.82)
Diluted earnings per share	0.13	(7.25)	(9.42)
Diluted earnings per share from continuing operations	0.13	(5.27)	(6.90)
Diluted earnings per share excluding restructuring and impairment	1.01	(1.64)	(2.81)

<sup>1</sup> The figures for the first half of 2009 have been adjusted due to the changed composition of discontinued operations

#### 4.3 Consolidated Statement of Comprehensive Income

€ x 1,000,000	1HY 2010	1HY 2009	2009
Net group result	1.4	(53.3)	(69.0)
Exchange rate differences	9.1	0.6	0.8
Changes in value of derivative financial instruments before taxation	(2.6)	(0.5)	(0.3)
Income tax on changes in value of derivative financial instruments	0.7	0.1	0.1
	7.2	0.2	0.6
Total result	8.6	(53.1)	(68.4)
<i>Attributable to</i>			
Equity holders	7.7	(53.4)	(69.2)
Minority interests	0.9	0.3	0.8

#### 4.4 Consolidated statement of cash flows

€ x 1,000,000	1HY 2010	1HY 2009 <sup>1</sup>	2009
<i>Operating result</i>	26.0	(19.6)	(7.8)
Depreciation of property, plant and equipment	13.9	13.9	29.4
Impairment of property, plant and equipment	(0.1)	1.8	7.4
Amortisation of intangible assets	2.1	1.7	4.2
Impairment of intangible assets	0.0	20.3	18.5
Result on disposal of property, plant and equipment and subsidiaries	(1.5)	(0.1)	(0.2)
Interest paid	(21.9)	(20.6)	(32.3)
Income tax paid	(7.4)	(6.3)	(9.4)
Change in provisions	0.8	(10.3)	(16.5)
Change in working capital	(8.3)	(0.3)	19.1
<i>Net cash flow from operating activities</i>	3.6	(19.5)	12.4
Purchase of property, plant and equipment	(16.0)	(8.5)	(22.7)
Purchase of intangible assets, other than by acquisition of subsidiaries	(0.5)	(0.6)	(1.0)
Proceeds from disposal of property, plant and equipment	8.6	0.5	2.8
Proceeds from disposal of subsidiaries	0.0	0.1	35.0
Change in discontinued operations	0.0	2.7	1.1
Interest received	0.1	0.4	0.3
<i>Net cash used in investing activities</i>	(7.8)	(5.4)	15.5
Dividend paid to third parties	(0.9)	(0.2)	(0.3)
Proceeds from new loans	0.0	0.0	109.9
Repayment of loans	0.0	0.0	(151.5)
Other changes in interest-bearing liabilities	16.2	21.8	15.6
<i>Net cash used in financing activities</i>	15.3	21.6	(26.3)
Change in cash and cash equivalents	11.1	(3.3)	1.6
Cash and cash equivalents at 1 January	25.7	24.6	24.6
Exchange rate differences on cash and cash equivalents	1.7	(0.3)	(0.5)
<i>Cash and cash equivalents at the end of the period</i>	38.5	21.0	25.7

<sup>1</sup> The figures for the first half of 2009 have been adjusted due to the changed composition of discontinued operations

## 4.5 Notes to the consolidated interim financial statements for the first half of 2010

### 4.5.1 General information

The consolidated interim financial statements for the first half of 2010 were prepared and signed by the Executive Board on 29 July 2010.

The annual figures contained in these statements are derived from the 2009 Financial Statements, for which an unqualified audit opinion was issued.

### 4.5.2 Summary of significant accounting policies

The consolidated interim financial statements for the first half of 2010 of Gamma Holding have been prepared on the basis of IAS 34, interim Financial Reporting. These statements must be read in conjunction with the 2009 Financial Statements of Gamma, which were prepared on the basis of the International Financial Reporting Standards, as endorsed by the European Union. For an explanation of the accounting policies, please refer to the notes to the 2009 Financial Statements. These policies have been applied unchanged, with the exception of what is stated below. The interim figures for income tax are calculated on the basis of the percentage of income tax expected for the financial year as a whole. In addition, the following standards, interpretations and changes to published standards have become applicable which in the reporting period are not relevant to the Gamma Holding Group:

- IFRS 2 (amendment): Group Cash - settled Share-based Payment Transactions
- IFRS 3 (amendment): Business Combinations

### 4.5.3 Segment information

Gamma Holding is organised on a worldwide basis in five business units, as reflected in the segment information. Corporate Holdings, which charges a management fee to the business units, and the discontinued operations are shown as separate segments.

Information by segment

€ x 1,000,000	1HY 2010	1HY 2009 <sup>1</sup>	Index	Year 2009	1HY 2010	1HY 2009 <sup>1</sup>	Index	Year 2009
				Net turnover				EBITDA <sup>2</sup> excluding restructuring
Ammeraal Beltech	135.0	118.7	114	239.7	13.6	5.2		14.8
Clear Edge Filtration	54.4	45.5	119	91.1	6.8	0.3		2.7
Dimension-Polyant	21.6	17.4	124	31.0	3.0	2.0	151	2.1
Bekaert Textiles	75.9	60.7	125	128.4	13.8	6.0	231	16.1
Vlisco Group	84.4	79.9	106	168.3	12.9	12.6	103	28.2
Corporate Holdings					(1.6)	(0.5)		(0.7)
<i>Total</i>	<i>371.3</i>	<i>322.2</i>	<i>115</i>	<i>658.5</i>	<i>48.5</i>	<i>25.6</i>	<i>189</i>	<i>63.2</i>
Discontinued operations		39.9		64.0		(0.2)		(2.2)
<i>Total (including discontinued operations)</i>	<i>371.3</i>	<i>362.1</i>	<i>103</i>	<i>722.5</i>	<i>48.5</i>	<i>25.4</i>	<i>191</i>	<i>61.0</i>

<sup>1</sup> The figures for the first half of 2009 have been adjusted due to the changed composition of discontinued operations

<sup>2</sup> Group result before income tax, interest, depreciation/amortisation and impairment of property, plant and equipment and intangible assets

€ x 1,000,000	1HY 2010	1HY 2009 <sup>1</sup>	Index	Year 2009	1HY 2010	1HY 2009 <sup>1</sup>	Index	Year 2009
Depreciation of property, plant and equipment				Restructuring				
Ammeraal Beltech	4.5	5.3	85	10.3	0.9	2.5	34	7.7
Clear Edge Filtration	1.9	1.7	109	3.4	5.6			3.7
Dimension-Polyant	0.7			2.2				
Bekaert Textiles	4.5	4.6	99	8.9	0.4	4.9	8	4.5
Vlisco Group	2.0	1.8	111	3.7				0.6
Corporate Holdings	0.3	0.5	53	0.9	(0.3)	1.9		2.4
Total	13.9	13.9	100	29.4	6.6	9.3	71	18.9
Discontinued operations		1.3		2.0		0.5		0.7
Total (including discontinued operations)	13.9	15.2	91	31.4	6.6	9.8	67	19.6

€ x 1,000,000	1HY 2010	1HY 2009 <sup>1</sup>	Index	Year 2009	1HY 2010	1HY 2009 <sup>1</sup>	Index	Year 2009
Operating result				EBITDA <sup>2</sup> excluding restructuring				
Ammeraal Beltech	7.0	(8.6)		(10.5)	8.7	(0.5)		3.5
Clear Edge Filtration	(1.0)	(17.2)		(20.5)	4.7	(1.6)		(1.1)
Dimension-Polyant	2.0	1.9	105	(0.9)	2.1	2.0	110	(0.5)
Bekaert Textiles	8.8	(3.5)		4.4	9.3	1.4		7.2
Vlisco Group	10.8	10.7	101	23.7	10.8	10.7	101	24.3
Corporate Holdings	(1.6)	(2.9)		(4.0)	(1.9)	(1.0)		(1.6)
Total	26.0	(19.6)		(7.8)	33.7	11.0		31.8
Discontinued operations		(14.5)		(17.5)		(1.5)		(4.2)
Total (including discontinued operations)	26.0	(34.1)		(25.3)	33.7	9.5		27.6

EBITA <sup>2</sup> excluding restructuring and impairment as a % of turnover				Net group result				
Ammeraal Beltech	6.5	(0.4)		1.5	2.3	(10.1)		(16.0)
Clear Edge Filtration	8.6	(3.5)		(1.2)	(3.8)	(17.9)		(22.6)
Dimension-Polyant	10.0	11.3		(1.9)	0.9	0.9	102	(1.9)
Bekaert Textiles	12.2	2.4		5.6	4.0	(5.5)		(0.6)
Vlisco Group	12.8	13.3		14.4	6.7	6.2	107	15.5
Corporate Holdings					(8.7)	(12.3)		(24.8)
Total	9.1	3.4		4.8	1.4	(38.7)		(50.4)
Discontinued operations		(3.7)		(6.5)		(14.6)		(18.6)
Total (including Information by segment (continued))	9.1	2.6		3.8	1.4	(53.3)		(69.0)

<sup>1</sup> The figures for the first half of 2009 have been adjusted due to the changed composition of discontinued operations

<sup>2</sup> Group result before income tax, interest and amortization/impairment of goodwill and acquired intangible assets

€ x 1,000,000	1HY 2010	1HY 2009 <sup>1</sup>	Index	Year 2009	1HY 2010	1HY 2009 <sup>1</sup>	Index	Year 2009
	Net purchase of property, plant and equipment				Average capital employed excluding restructuring			
Ammeraal Beltech	1.8	1.5	125	2.8	176.6	191.6	92	185.7
Clear Edge Filtration	2.2	2.4	91	4.4	92.3	96.5	96	95.0
Dimension-Polyant	0.3	0.9	31	1.9	27.7	30.0	92	28.6
Bekaert Textiles	0.5	0.5	91	5.4	107.7	111.4	97	106.1
Vlisco Group	2.6	2.7	99	5.8	38.0	37.4	102	39.4
Corporate Holdings				(0.4)	(30.9)	(26.9)		(28.1)
Total	7.4	8.0	92	19.9	411.4	440.0	94	426.7
Discontinued operations		0.9		1.3		51.8		36.2
Total (including discontinued operations)	7.4	8.9	83	21.2	411.4	491.8	84	462.9
	Return <sup>2</sup> on average capital employed as a % excluding restructuring				Number of employees at the end of the period			
Ammeraal Beltech	9.9	(0.5)		1.9	2,108	2,110	100	2,065
Clear Edge Filtration	10.2	(3.3)		(1.1)	1,052	1,028	102	1,015
Dimension-Polyant	15.6	13.1		(2.0)	244	226	108	241
Bekaert Textiles	17.3	2.6		6.8	1,078	995	108	990
Vlisco Group	56.8	57.0		61.7	2,103	2,134	99	2,128
Corporate Holdings					33	40	83	38
Total	16.4	4.9		7.4	6,618	6,533	101	6,477
Discontinued operations		(5.7)		(11.5)		280		
Total (including discontinued operations)	16.4	3.8		6.0	6,618	6,813	97	6,477

#### 4.5.4 Interest-bearing liabilities

€ x 1,000,000	1HY 2010	1HY 2009	Year 2009
Balance at 1 January	285.2	310.8	310.8
Changes			
Syndicated loans	16.6	(1.6)	57.4
Borrowings from financial institutions	(0.4)	19.4	(59.5)
Bank overdrafts	0.1	4.1	(24.7)
Exchange rate differences	19.1	1.7	1.2
Balance at the end of the period	320.6	334.4	285.2

#### 4.5.5 Seasonal pattern of activities

Gamma Holding activities are not significantly characterised by an unequal seasonal distribution of net turnover over the first and second halves of the year.

<sup>1</sup> The figures for the first half of 2009 have been adjusted due to the changed composition of discontinued operations

<sup>2</sup> EBITA excluding restructuring and impairment

#### 4.5.6 Conversion of EBITDA and EBITA

EBITDA excluding restructuring and EBITA excluding restructuring and impairment can be converted into group result before taxation as follows:

##### Conversion of EBITDA and EBITA

€ x 1,000,000	1HY 2010	1HY 2009 <sup>1</sup>	Year 2009
EBITDA excluding restructuring	48.5	25.6	63.2
Depreciation of property, plant and equipment	(13.9)	(13.9)	(29.4)
Amortisation of intangible assets	(2.1)	(1.7)	(4.2)
of which amortisation of acquired intangible assets	1.2	1.0	2.2
EBITA excluding restructuring and impairment	33.7	11.0	31.8
Including result of associates and joint ventures	(0.1)		0.1
Restructuring	(6.6)	(9.3)	(18.9)
Amortisation of acquired intangible assets	(1.2)	(1.0)	(2.2)
Impairment of intangible assets		(20.3)	(18.5)
Impairment of property, plant and equipment	0.1	(1.8)	(7.4)
of which restructuring	0.1	1.8	7.3
Operating result	26.0	(19.6)	(7.8)
Financial income and expense	(17.8)	(17.3)	(37.9)
Share in result of associates and joint ventures	0.1		(0.1)
Group result before taxation	8.3	(36.9)	(45.8)

#### 4.6 Subsequent events

##### 4.6.1 Disposal of Vlisco Group

On 7 September, Gamma Holding sold Vlisco Group to Actis, an emerging markets private equity investor, for an amount of € 116 million (after finalization of the completion accounts). The real estate in Helmond, Netherlands, will remain the property of Gamma Holding and will be let out to Vlisco Group. A long-term lease with a market-rate rent, to be indexed annually, has been agreed.

In 2009 the activities sold represented an annual turnover of € 168.3 million and EBITDA<sup>2</sup> excluding restructuring expenses of € 28.2 million. In 2010 the activities sold represented until selling date a turnover of € 120.0 million and EBITDA<sup>2</sup> excluding restructuring expenses of € 19.5 million. Vlisco Group has 2,103 employees. The sale will not have any impact on jobs. The Works Councils concerned have issued a positive opinion regarding the takeover.

With the sale of Vlisco Group, Gamma Holding has improved its debt position. The book profit realised and the resulting shortening of the balance sheet will more than double the solvency of the company from 13.5% at 30 June 2010 to approximately 28% at 31 December 2010. With regard to the business units Ammeraal Beltech, Clear Edge Filtration, Dimension-Polyant and Bekaert Textiles, Gamma Holding will continue to focus on optimising business processes and strengthening market positions. Improving the balance sheet ratios has increased Gamma Holding's financial strength.

##### 4.6.2 Improved financing for Gamma Holding

On 24 November 2010 Gamma Holding has reached agreement with ABN AMRO, ING and Rabobank on changes to the Company's existing loan facilities until March 2014.

<sup>1</sup> The figures for the first half of 2009 have been adjusted due to the changed composition of discontinued operations

<sup>2</sup> Group result before income tax, interest, depreciation/amortisation and impairment of property, plant and equipment and intangible assets

The financing now available consists of three separate facilities in which the banks are participating equally:

- a facility of \$ 125 million;
- a facility of € 70 million; and
- a multicurrency facility of € 100 million.

The changes have taken effect from the beginning of December 2010 until March 2014. Furthermore, the financing may, with the consent of the banks, be extended for a maximum of two times one year until March 2015 and March 2016 respectively.

The changes to the facilities mean that the right of conversion from the original loan agreement which ran until July 2011 at the latest ceases to exist. Under that arrangement the banks were able, on certain conditions, to convert a portion of the original loan facilities into newly issued cumulative preference shares.

#### Conditions of revised loan agreement

Facility	Amount	Term
A Senior	\$ 125 million	March 2014
B Senior	€ 70 million	March 2014
C Senior	€ 100 million	March 2014

Facility B Senior will be reduced by € 6.25 million per half-year, starting on 31 December 2011.

The interest surcharge is the same for the three facilities and depends on the ratio of net interest-bearing debt to EBITDA:

#### Interest surcharge<sup>1</sup>

Debt/ EBITDA ratio	Surcharge
≥3	3.00%
<3 and ≥2.5	2.50%
<2.5 and ≥2	1.75%
<2 and ≥1.5	1.50%
<1.5	1.25%

The interest surcharges for the loan taken out in 2009 were 8.75% for a subordinated loan of € 45 million and 4.0% for the remainder of the loan. The commitment fee for the portion of the loan that is not taken up remains 50% of the agreed interest surcharge.

#### Collateral

The pledging of shares of the main subsidiaries, intercompany receivables and a number of mortgage registrations will be maintained. Existing securities in respect of such things as inventories, machinery, bank accounts and trade receivables will be released.

#### Fees

The upfront fee is 1% of the principal sum. The additional fee agreed in 2009 of 8% EBITDA for 2009, as a consequence of the failure to achieve a strengthening of the risk-bearing capital, has been paid beginning of December. This fee and the other costs of the loan taken out in 2009 are recognised in the result for 2009 (€ 15 million) and the first 9 months of 2010 (€ 9 million). The costs associated with the revised financing will be written off over the expected term of the loan.

<sup>1</sup> Interest surcharge calculated on 1 or 3-month Euribor or Libor



#### Main covenants

The covenants below will be reviewed quarterly.

#### Main covenants

Date	Debt/ EBITDA ratio	Interest cover ratio
31/12/2010	3.5	2.1
31/03/2011	3.5	2.4
30/06/2011	3.5	2.8
30/09/2011	3.2	3.5
31/12/2011	3.0	3.9
As of 31/03/2012 and beyond	3.0 <sup>1</sup>	4.0

<sup>1</sup> In the last year before of the end of the revised financing arrangements the Debt/EBITDA ratio will be reduced step by step to 2.5

5. REVIEW REPORT RELATING TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR FIRST HALF-YEAR 2010

To: the Executive Board of Gamma Holding N.V.

***Introduction***

We have reviewed the consolidated interim financial statements of Gamma Holding N.V., Helmond, for the six-month period ended 30 June 2010 (as set out on pages 120 to 130 of the Offer Memorandum) (the “**Special Purpose Financial Information**”). The Executive Board is responsible for the preparation and presentation of this Special Purpose Financial Information in accordance with IAS 34, ‘Interim Financial Reporting’ as adopted by the European Union. Our responsibility is to express a conclusion on this Special Purpose Financial Information based on our review. We have not performed a review of the special purpose financial information for the six-month period ended 30 June 2009. The amounts included for comparative purposes have therefore not been reviewed.

***Scope***

We conducted our review in accordance with Dutch law including standard 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Company. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Special Purpose Financial Information as at 30 June 2010 is not prepared, in all material respects, in accordance with IAS 34, ‘Interim Financial Reporting’ as adopted by the European Union.

***Corresponding figures not reviewed***

We have not performed a review engagement on the special purpose financial information of the previous year. Consequently the corresponding figures in the balance sheet and profit and loss account included in the special purpose financial information for the six-month period ended 30 June 2009 have not been reviewed.

***Other matter – restriction of use***

The Special Purpose Financial Information of Gamma Holding N.V., Helmond, for the six-month period ended 30 June 2010 and our review report thereon are intended solely for the Management Board of Gamma Holding N.V. for inclusion in the Offer Memorandum, Part B and are not suitable for any other purpose.

Eindhoven, 13 January 2011

PricewaterhouseCoopers Accountants N.V.

J.A.M. Stael RA

**Positive third quarter Gamma Holding**

- Turnover: € 150 million (third quarter 2009: € 124 million)
- EBITDA excluding restructuring expenses: € 18.8 million (third quarter 2009: € 11.4 million)
- EBITA excluding restructuring expenses and impairment: € 12.4 million (third quarter 2009: € 3.1 million)
- Divestment of Vlisco Group:
  - accounted for as discontinued operations
  - book profit of approximately € 65 million
- Net group result: € 64.6 million (third quarter 2009: € -7.5 million).

The figures quoted in this trading update relate to continuing operations. Comparative figures have been adjusted to reflect the sale of Vlisco Group.

*‘In spite of continuing economic uncertainty, our company strengthened its financial position in the third quarter of this year. All the business units showed growth of turnover and earnings, and the sale of Vlisco Group enabled us to reduce our debt burden. That puts us in a better position for refinancing and gives us more possibilities for the future. Barring unforeseen circumstances, we expect the positive trend to continue in the fourth quarter.’*

Jan Albers, CEO

**Developments in the third quarter**

In the third quarter Gamma Holding once again benefited from an improved economic climate and earlier cost savings and restructurings. This had a positive effect on earnings in all the business units.

Group turnover in the third quarter of 2010 totalled € 150 million (2009: € 124 million). This includes a positive effect of € 11 million arising from currency movements.

Group EBITDA excluding restructuring expenses was € 18.8 million (2009: € 11.4 million). Currency movements had a positive effect of € 1.7 million.

Interest-bearing liabilities fell by € 113.7 million in the third quarter to € 168.4 million.

Turnover of *Ammeraal Beltech* increased by 20% to € 73 million (2009: € 61 million). EBITDA excluding restructuring expenses came to € 8.2 million (2009: € 5.1 million). The business unit benefited from upward trends mainly in America and Asia. Sales of timing belts were particularly strong, partly thanks to large deliveries for the kilometres-long baggage system of the new airport in Dubai in the United Arab Emirates. Modular belts also sold well, due, for instance, to the introduction of a new spiral belt with a small radius for purposes such as the refrigeration and freezing of food products.

Turnover at *Clear Edge Filtration* increased by 29% to € 29 million (2009: € 22 million). EBITDA excluding restructuring expenses came to € 3.6 million (2009: € 1.0 million). Above all, sales of filtration cloth and products for filtration belts, core products within the Clear Edge range, picked up. Of all the regions, the trend in Asia was particularly positive. Consolidation is taking place in Europe, with all the activities being transferred from Sweden to Germany. The German unit will act as a centre of excellence within the group in the field of weaving and R&D.

Turnover of *Dimension-Polyant* rose by 10% to € 8 million (2009: € 7 million). EBITDA excluding restructuring expenses came to € 0.1 million (2009: € -0.2 million). The OEM market and the cruising and wind-surfing segments picked up, and demand for the D4-Multi Panel membrane sails used for racing competitions also increased. The business unit launched successful new products

in the third quarter of 2010. For instance, Dimension-Polyant developed a racing spinnaker line for high-quality applications. Furthermore, various sailing competitions were once again won with Dimension-Polyant sailcloth, including the Trophée des Champions and the European Championships.

Turnover at *Bekaert Textiles* increased by 16% to € 40 million (2009: € 34 million). EBITDA excluding restructuring expenses improved from € 5.6 million in the third quarter of 2009 to € 6.3 million in the third quarter of 2010. There were upward trends particularly in North and South America and Australia. In Argentina the business unit moved into a new factory, thereby tripling its production capacity. In order to further develop new specialised products for mattress fabrics on the basis of earlier innovations and to embed them more effectively in the organisation, Bekaert Textiles also set up a New Business Development Team.

### **Discontinued Operations**

On 7 September Gamma Holding sold Vlisco Group for a sum of € 116 million (after finalisation of the completion accounts) to Actis, a private equity investor in emerging markets, including Africa. In 2009 the activities that were sold represented annual turnover of € 168.3 million and an EBITDA excluding restructuring expenses of € 28.2 million. The number of employees affected by the sale was 2,103.

The turnover of Vlisco Group in the first two months of the third quarter was € 35 million (third quarter 2009: € 43 million). EBITDA excluding restructuring expenses came to € 6.2 million (third quarter of 2009: € 7.2 million). With the divestment of Vlisco Group, Gamma Holding posted a book profit of approximately € 65 million after costs.

### **Developments in the first nine months**

Group turnover in the first nine months of 2010 was € 436 million (2009: € 367 million). This includes a positive effect of € 18 million attributable to currency movements.

Group EBITDA excluding restructuring expenses was € 54.4 million (2009: € 24.5 million). Currency movements had a positive effect of € 2.6 million.

EBITA excluding restructuring expenses and impairment came to € 35.3 million (2009: € 3.4 million).

The balance of financial income and expense improved to € -25.6 million (2009: € -30.2 million) as a consequence of lower (re-)financing expenses of € 6.0 million and a lower balance of interest-bearing liabilities together with an increase in the average rate of interest.

The net group result excluding restructuring expenses and impairment came to € 72.9 million (2009: € -17.8 million).

Restructuring expenses in the first nine months totalled € 6.9 million (2009: € 11.1 million). Impairment in the first nine months amounted to € -0.1 million (2009: € 32.9 million).

In the first nine months the net group result came to € 66.0 million (2009: € -60.8 million), mainly due to a book profit of approximately € 65 million on the sale of Vlisco Group in 2010, lower restructuring expenses and impairment of € 36.3 million, as well as improved operating results.

Net interest-bearing liabilities at 30 September 2010 totalled € 168.4 million. Net interest-bearing debt in relation to EBITDA came to 2.59 and is thus within the parameter of 3.75 agreed with the syndicate of banks.

**Outlook**

Barring unforeseen circumstances, Gamma Holding expects the positive trend to continue in the fourth quarter of 2010, though ongoing uncertainty surrounding the economic climate and rising energy and raw material prices should be taken into account.

Gamma Holding will publish its annual figures for 2010 on Friday, 25 February 2011 before the opening of the stock exchange.

Executive Board of Gamma Holding N.V.  
Helmond, 29 October 2010

The figures contained in this trading update have not been audited.