

Concerning the recommended public offer by

REXAM

Rexam Plastics Nederland B.V.

a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) registered in Dongen, the Netherlands

for all the issued and outstanding ordinary shares in the capital of



a public limited liability company (*naamloze vennootschap*) registered in Alkmaar, the Netherlands

The information included in this offer memorandum (the “**Offer Memorandum**”) relates to the firm public offer by Rexam Plastics Nederland B.V. (the “**Offeror**”) to all holders of issued and outstanding ordinary shares with a nominal value of EUR 0.16 each (the “**Shares**”, holders of such Shares being referred to as “**Shareholders**”) in the share capital of Airspray N.V. (“**Airspray**” or the “**Company**”) to purchase for cash the Shares held by them, on the terms and subject to the conditions and restrictions contained in this Offer Memorandum (the “**Offer**”). The meanings of the terms in capitals in this Offer Memorandum are stated in chapter 3 ('Definitions').

Shareholders are offered a Consideration in cash of EUR 26.75 per Share, which Consideration excludes a dividend of EUR 0.75 per Share which becomes payable for the Financial Year 2005. The Offer is subject to certain conditions and restrictions, as set out, *inter alia*, in chapter 2 ('Important Information'), chapter 6 ('Invitation to the Shareholders') and chapter 7 ('Explanation and background to the Offer'). The Supervisory Board (from which definition Mr. J.I.J. van Duyn is excluded) and the Management Board, unanimously support the Offer and fully recommend the Shareholders to accept the Offer. See chapter 8 ('Recommendation by the Supervisory Board and the Management Board').

The Acceptance Period will start on 26 April 2006 at 9.00 hours CET and, unless extended, will end on 19 May 2006 at 15.00 hours CET. If the Acceptance Period is extended, the Offeror will make an announcement to that effect, no later than three Euronext Trading Days following the last day of the Acceptance Period, with due observance of the provisions of article 9o, paragraph 5 of the Decree. As soon as possible after the Closing Date, but no later than on the fifth Euronext Trading Day thereafter, the Offeror will announce whether or not the Offer has been declared unconditional (*gestandgedaan*). Any announcement that is required to be made in relation to the Offer will be made in the Daily Official List and in (in any event) *Het Financieele Dagblad* and *De Telegraaf*. See chapter 6 ('Invitation to the Shareholders') and chapter 7 ('Explanation and background to the Offer').

In the event that the Offer has been declared unconditional (*gestandgedaan*), payment of the Consideration to the Shareholders who have tendered and delivered their Shares under the Offer will take place, at the latest, five Euronext Trading Days after the Unconditional Date. See chapter 6 ('Invitation to the Shareholders') and chapter 7 ('Explanation and background to the Offer'). On 11 May 2006 at 10.00 hours CET, the EGM will be convened at the Golden Tulip Hotel, Arcadialaan 6 in Alkmaar, the Netherlands, in which meeting the Offer, among others, will be discussed in accordance with article 9q of the Decree.

Certain Shareholders have irrevocably undertaken to tender the Shares held by them under the Offer, on the terms and conditions of the Offer as described in this Offer Memorandum. The number of Shares committed under the Offer equals 43.61% of the Shares outstanding on the date of this Offer Memorandum. See chapter 5.6 ('Committed Shares').

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1 RESTRICTIONS

1.1 General

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. 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 Rexam, nor the Offeror, nor Airspray, nor any of their advisors accept 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 before taking any action. The distribution of this document in jurisdictions other than the Netherlands may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

1.2 U.S.

The Offer is being made for the shares in the capital of a Dutch company and this Offer Memorandum complies with Dutch disclosure requirements, as well as Dutch format and style, which may differ from U.S. disclosure requirements, format and style. The consolidated financial statements of Airspray in respect of the Financial Year 2005 provided in this Offer Memorandum have been prepared in accordance with IFRS (with 2004 comparatives) while the financial date derived from the consolidated financial statements of Airspray in respect of the Financial Year 2004 and the Financial Year 2003 provided in this Offer Memorandum have been prepared in accordance with Dutch GAAP. Airspray's annual financial statement thus may not be comparable to financial statements of U.S. companies or companies whose financial statements are prepared in accordance with U.S. generally accepted accounting principles.

Each of the Offeror and Airspray is incorporated under the laws of the Netherlands. Some or all of the officers and directors of each of the Offeror and Airspray are residents of countries other than the U.S. and all or a substantial proportion of the assets of the Offeror and Airspray are located outside the U.S. As a result, it may not be possible for U.S. Shareholders to effect service of process within the U.S. upon Airspray or the Offeror or such persons or to enforce against any of them judgments of U.S. courts predicated upon the civil liability provisions of the federal securities laws of the U.S.

1.3 Australia, Canada, Italy and Japan

The Offer is not being made, directly or indirectly, in or into Australia, Canada, Italy or Japan and this Offer Memorandum, and any materials related thereto, should not be sent in or into Australia, Canada, Italy or Japan, whether by use of the Australian, Canadian, Italian or Japanese interstate or foreign commerce, or any facility of a Australian, Canadian, Italian or Japanese national securities exchange (including, but without limitation, electronic mail, post, facsimile transmission, telex and telephone), and the Offer cannot be accepted by any such use, means or instrumentality, in or from within Australia, Canada, Italy or Japan. Accordingly, copies of this Offer Memorandum and any related materials are not being, and must not be, mailed or otherwise distributed or sent in or into or from Australia, Canada, Italy or Japan or, in their capacities as such, to custodians, trustees or nominees holding Shares for Australian, Canadian, Italian or Japanese persons, and persons receiving any such documents (including custodians, nominees and trustees) must not distribute or send them in, into or from Australia, Canada, Italy or Japan and doing so will render invalid any relevant purported acceptance of the Offer.

Furthermore, in respect of Italy, the Offer and the Offer Memorandum have not been submitted to the clearance procedure of the Commissione Nazionale per le Società e la Borsa (CONSOB) pursuant to Italian laws and regulations. Accordingly, Shareholders are hereby notified that, to the extent such Shareholders are Italian residents and/or located in the Republic of Italy, the Offer is not available to them and they may not submit for tender of Shares under the Offer and, as such, any tenders received from such persons shall be ineffective and void, and neither the Offer Memorandum nor any other offering material relating to the Offer or the Shares may be distributed or made available in the Republic of Italy.

26-SEP-2006

2 IMPORTANT INFORMATION

Shareholders are advised to read this Offer Memorandum carefully and if necessary to seek independent advice so that a reasoned judgement can be made of the Offer and all that is discussed and described in this Offer Memorandum.

The information included in chapter 8 ('Recommendation by the Supervisory Board and the Management Board'), chapter 10 ('Extraordinary General Meeting of Shareholders of Airspray'), chapter 11 ('Information regarding Airspray') and chapter 18 ('Financial statements') of this Offer Memorandum, and the corresponding sections in the English and Dutch summary, has been provided solely by Airspray. The information included in chapter 1 ('Restrictions'), chapter 6 ('Invitation to the Shareholders'), chapter 7 ('Explanation and background to the Offer'), chapter 12 ('Information regarding the Offeror') and chapter 14 ('Tax aspects of the Offer') of this Offer Memorandum, and the corresponding sections in the English and Dutch summary, has been provided solely by the Offeror. The information included in chapter 9 ('Fairness Opinion') has been provided by ING Corporate Finance. The auditors' report included in chapter 18.17 of this Offer Memorandum has been provided by KPMG Accountants N.V. The information included in the other chapters of this Offer Memorandum has been provided by Airspray and the Offeror together.

Airspray and the Offeror are exclusively responsible for the accuracy and completeness of the information contained in this Offer Memorandum, each solely with respect to the information provided by Airspray and the Offeror respectively, and jointly for the information provided together and ING Corporate Finance is exclusively responsible for the accuracy and completeness of the information contained in chapter 9 of this Offer Memorandum and KPMG Accountants N.V. is exclusively responsible for the accuracy and completeness of the information contained in chapter 18.17 of this Offer Memorandum. Each of Airspray and the Offeror confirms that, on the date of this Offer Memorandum, the information provided by them as above, and as contained in this Offer Memorandum, is, to the best of their knowledge, true and accurate in all material aspects and there are no other facts the omission of which would make any statement in this Offer Memorandum misleading in any material respect. ING Corporate Finance confirms that the information included in chapter 9 ('Fairness Opinion') is identical to the fairness opinion issued by ING Corporate Finance to the Company. KPMG Accountants N.V. confirms that the information included in chapter 18.17 ('Auditors' Report') is identical to the auditors' report issued by KPMG Accountants N.V. to the Company.

The information included in this Offer Memorandum reflects the situation as at the date of this Offer Memorandum. Under no circumstances may the issue and distribution of this Offer Memorandum be interpreted as implying that the information contained herein is true and accurate at a later date than the date of this Offer Memorandum.

This Offer Memorandum may include 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 Airspray and the Offeror, each with respect to the statements it has provided, believes the expectations reflected in such forward-looking statements are based on reasonable assumptions and are, to the best of their knowledge, true and accurate at the date of this Offer Memorandum, no assurance can be given that such projections will be fulfilled, and no other representations are made as to the accuracy and completeness of such forward-looking statements. Any such forward-looking statements must be considered along with knowledge that actual events or results may vary materially from such predictions due to, among other things, political, economic or legal changes in the markets and environment in which Airspray and/or the Offeror do business, and competitive developments or risks inherent to each of Airspray's and/or the Offeror's business plans. These risks, uncertainties and assumptions may cause the actual results, performance or achievements of Airspray and those of the Offeror, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Moreover, Shareholders should not interpret statements regarding past trends or activities as representations that these trends and activities will continue in the future.

Airspray and the Offeror undertake no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise. This statement is made notwithstanding any such obligations under the Decree and the listing rules of Euronext Amsterdam.

Certain financial and statistical information in this Offer Memorandum has been subject to rounding adjustments and to currency conversion adjustments. Accordingly, the sum of certain data may not conform to the expressed total.

With the exception of the Offeror and Airspray (and without prejudice to the Fairness Opinion of ING Corporate Finance and the auditors' report of KPMG Accountants N.V. included in this Offer Memorandum), no person is authorised to provide any information or make any representations in connection with the Offer and the information included in this Offer Memorandum. If any such information or representation is provided or made by parties other than Airspray or the Offeror, such information or representation should not be relied upon as having been provided, or made by, or on behalf of, Airspray or the Offeror respectively. 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 Airspray.

This Offer Memorandum and the Offer are, and any tender, purchase or delivery of Shares under the Offer 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 Offer and/or any tender, purchase or delivery of Shares under the Offer. 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 under the Offer, may be brought exclusively in such courts.

This Offer Memorandum is published in English. A Dutch summary is included in chapter 17 ('*Nederlandse samenvatting van het Bod*'). In case of differences, whether or not in interpretation, between the English text of this Offer Memorandum and the Dutch summary, the English text will prevail. Copies of this Offer Memorandum, the Articles of Association and the annual financial statements (*jaarrekeningen*) of Airspray for the Financial Year 2003 and the Financial Year 2004, as adopted by the General Meeting of Shareholders, and the Financial Year 2005, to be presented for adoption at the AGM, which documents form an integral part of this Offer Memorandum, are available free of charge at the offices of ING Corporate Finance and the Exchange and Paying Agent, and can be obtained by contacting ING Corporate Finance or the Exchange and Paying Agent Fortis Bank (Nederland) N.V. at the addresses below:

ING Corporate Finance

Foppingadreef 7
P.O. Box 1800
1000 BV Amsterdam
The Netherlands

Telephone: +31 20 563 8535
Fax: +31 20 563 8503
Email: cfprospectus@ingcf.com

Fortis Bank (Nederland) N.V.

Attn. Department Transaction Support
Rokin 55
1012 KK Amsterdam
The Netherlands

Telephone: +31 20 527 2467
Fax: +31 20 527 1928
Email: loket.bis@nl.fortisbank.com

Digital copies of this Offer Memorandum are also available on the website of Euronext Amsterdam: www.euronext.com (Dutch residents only).

Fortis Bank (Nederland) N.V. is acting as sole financial advisor exclusively to the Offeror and to no one else in connection with the Offer and is not responsible to anyone other than the Offeror for providing the protections afforded to the clients of Fortis Bank (Nederland) N.V. or for providing advice in relation to the Offer.

ING Corporate Finance is acting as sole financial advisor and as provider of the Fairness Opinion exclusively to Airspray and to no one else in connection with the Offer and is not responsible to anyone other than Airspray for providing the protections afforded to the clients of ING Bank N.V. or for providing advice in relation to the Offer.

Information for ADR Holders

Since January 2003, Airspray has maintained a sponsored ADR facility with The Bank of New York as Depository. Each ADR represents an entitlement to receive one Share from the Depository. Airspray ADRs have traded in the U.S. in the over the counter market under the trading symbol "AYAKY" in the

form of American Depositary Shares (ADS) evidenced by ADRs. ADRs are issued pursuant to the ADR Deposit Agreement with The Bank of New York acting as Depositary. The custodian for the ADSs is the Amsterdam office of Fortis Bank (Nederland) N.V.

Pursuant to the terms of the Deposit Agreement, ADR holders must deliver the ADR certificates that represent their ADSs to The Bank of New York, withdraw the Shares represented by such ADSs, pay the appropriate fee to The Bank of New York and then follow the procedure set out in chapter 6.2 ('Acceptance by Shareholders').

ADR holders who surrender their ADRs and withdraw the Shares represented by their ADSs for the purposes of accepting the Offer may incur certain fees and expenses stipulated in the Deposit Agreement. Accordingly, if you wish to accept this Offer, you should contact your stockbroker, financial adviser or The Bank of New York (*Tel. 001(0)212 815-2231*) for more detailed information regarding the relevant fees and charges involved.

Holders of ADR's should be aware that, according to the Deposit Agreement, in certain instances, non-payment of such applicable fees may cause the Depositary to delay or refuse to execute certain transactions on your behalf. Such delay could affect your ability to accept this Offer before the close of the Acceptance Period.

For more information regarding withdrawing underlying Shares, ADR holders should read the Deposit Agreement and the form of ADS, both of which are exhibits to Airspray's registration statement filed with the US Securities and Exchange Commission on Form F-6 on 24 January 2003 (Registration Statement No 333-102709). These materials are available from the US Securities and Exchange Commission's website at www.sec.gov.

U.S. Tax Treatment

Notwithstanding any provision herein and the otherwise confidential nature of this Offer Memorandum and its contents, and effective from the date of commencement of discussions concerning any of the transactions described or contemplated herein (the "**Transactions**"), each party thereto (and each employee, representative, or other agent of such party) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the Transactions and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to such tax treatment and tax structure, except to the extent that any such disclosure could reasonably be expected to cause the Transactions not to be in compliance with securities laws. In addition, no person may disclose the name of or identifying information with respect to any party identified herein or other non-public business or financial information that is unrelated to the tax treatment or tax structure of the Transactions without the prior consent of the Offeror or the Company. For purposes of this paragraph, the tax treatment of the Transactions is the purported or claimed U.S. federal income tax treatment of the Transactions, and the tax structure of the Transactions is any fact that may be relevant to understanding the purported or claimed U.S. federal income tax treatment of the Transactions.

3 DEFINITIONS

"Acceptance Period"	The period during which Shareholders may tender their Shares to the Offeror under the Offer, which period starts on 26 April 2006 at 9.00 hours CET and ends on the Closing Date at 15.00 hours CET
"Act"	The Dutch Act on the Supervision of the Securities Trade 1995 (<i>Wet toezicht effectenverkeer 1995</i>), as amended from time to time
"Admitted Institution"	An institution admitted to Euronext Amsterdam (<i>aangesloten instelling</i>), as defined in article 1 of the Securities Giro Act (<i>Wet giraal effectenverkeer</i>)
"ADR"	An American depositary receipt evidencing an American depositary share, which represents one Share
"AFM"	The Netherlands Authority for the Financial Markets (<i>stichting Autoriteit Financiële Markten</i>)
"AGM"	The annual General Meeting of Shareholders in 2006
"Airspray" or "Company"	Airspray N.V., a Dutch public limited liability company (<i>naamloze vennootschap</i>) incorporated under Dutch law, with its statutory seat in Alkmaar, the Netherlands, and/or one or more of its affiliates and group companies, as described in article 2:24b of the Dutch Civil Code
"Articles of Association"	The articles of association (<i>statuten</i>) of Airspray or the Offeror, as the case may be
"Boards"	The Supervisory Board and the Management Board collectively
"CET"	Central European Time
"Closing Date"	The date on which the Acceptance Period ends, being at 15.00 hours CET on 19 May 2006, unless extended in accordance with article 9o, paragraph 5 of the Decree, in which case the Closing Date will be such later time and date
"Commencement Date"	The date on which the Offer is made, being the first day of the Acceptance Period
"Consideration"	A cash amount of EUR 26.75 for each Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (<i>geleverd</i>) under the terms and conditions of the Offer, which amount excludes a dividend of EUR 0.75 per Share payable for the Financial Year 2005
"Corporate Governance Code"	The Dutch corporate governance code adopted on 9 December 2003, as amended from time to time
"Daily Official List"	The Daily Official List (<i>Officiële Prijscourant</i>) of Euronext Amsterdam
"Decree"	The Dutch Decree on the Supervision of the Securities Trade 1995 (<i>Besluit toezicht effectenverkeer 1995</i>), as amended from time to time
"Deposit Agreement"	The deposit agreement between The Bank of New York as Depositary, Airspray and owners, holders and beneficial holders of ADR's
"Depositary"	The Bank of New York
"Dutch Civil Code"	The Dutch Civil Code (<i>Burgerlijk Wetboek</i>), as amended from time to time
"EGM"	The extraordinary General Meeting of Shareholders, as referred to in article 9q of the Decree, which is held at the same time as the AGM

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"EUR"	Euro, the legal European currency of the European Monetary Union
"Euronext Amsterdam"	Euronext Amsterdam N.V. or Eurolist by Euronext Amsterdam, as the context requires
"Euronext Trading Day"	A day on which Euronext Amsterdam is open for trading
"Exchange and Paying Agent"	Fortis Bank (<i>Nederland</i>) N.V.
"Fairness Opinion"	The fairness opinion in respect of the Offer rendered by ING Corporate Finance, included in chapter 9 ('Fairness Opinion') of this Offer Memorandum
"Financial Year 2003"	The financial year of Airspray ended 31 December 2003
"Financial Year 2004"	The financial year of Airspray ended 31 December 2004
"Financial Year 2005"	The financial year of Airspray ended 31 December 2005
"General Meeting of Shareholders"	The general meeting of Shareholders
"IFRS"	International Financial Reporting Standards
"ING Corporate Finance"	The organisation and trade name used by ING Bank N.V. and certain of its subsidiaries for the conduct of investment banking business
"Management Board"	The board of managing directors (<i>raad van bestuur</i>) of Airspray
"Merger Code"	The 2000 Merger Code of the Netherlands Social and Economic Council (<i>SER-besluit Fusiegedragsregels 2000</i>)
"Merger Protocol"	The merger protocol between the Offeror, the Company, and Rexam
"Offer"	The firm public offer (<i>vast openbaar bod</i>) made by the Offeror on all Shares, as described in this Offer Memorandum
"Offer Conditions"	The conditions precedent to declaring the Offer unconditional (<i>gestanddoen</i>), as set out in chapter 6.3 ('Offer Conditions')
"Offer Memorandum"	This offer document describing the Offer, dated 25 April 2006
"Offeror"	Rexam Plastics Nederland B.V., a Dutch private limited liability company (<i>besloten vennootschap met beperkte aansprakelijkheid</i>) with its statutory seat in Dongen, the Netherlands, and/or one or more of its group companies, as the case may be
"Proposed Airspray Articles of Association"	The Articles of Association of Airspray, which are subject to the Offer being declared unconditional (<i>gestandgedaan</i>) and are to be submitted for adoption to the EGM and, if adopted, will be effective at the Settlement Date
"Rexam"	Rexam PLC, a British public limited liability company with its registered office at 4 Millbank, London SW1P 3XR, United Kingdom
"Settlement Date"	The date on which, in accordance with the terms and conditions of the Offer, the Offeror shall pay the Consideration to the Shareholders who have validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (<i>geleverd</i>) their Shares under the Offer, being no later than the fifth Euronext Trading Day after the Unconditional Date, subject to the Offer being declared unconditional (<i>gestandgedaan</i>)
"Share(s)"	One or more issued and outstanding ordinary share(s) in the share capital of Airspray with a nominal value of EUR 0.16 each
"Shareholder(s)"	One or more holders of Share(s)

**"Stichting Medewerkers
Airspray"**

A foundation established under Dutch law, with its statutory seat in Alkmaar, the Netherlands, holder of Shares in its own name but for the account and risk of employees of the Company and its subsidiaries

"Stichting Prioriteit Airspray"

A foundation established under Dutch law, with its statutory seat in Alkmaar, the Netherlands, holder of the one priority share in the share capital of the Company with a nominal value of EUR 0.16

"Supervisory Board"

The board of supervisory directors (*raad van commissarissen*) of Airspray, excluding Mr. J.IJ. van Duyn

"Unconditional Date"

The date on which the Offer is declared unconditional (*gestandgedaan*) by the Offeror, being no later than 15.00 hours CET on the fifth Euronext Trading Day following the Closing Date

"U.S."

United States of America

"WMZ 1996"

The Dutch Act on Disclosure of Major Holdings in Listed Companies 1996 (*Wet melding zeggenschap in ter beurse genoteerde vennootschappen 1996*), as amended from time to time

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5 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 judgement 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 chapter 3 ('Definitions').

5.1 The Offer

For each Share tendered and delivered under the terms and conditions of the Offer, the Offeror offers the Consideration of EUR 26.75 in cash, exclusive of a dividend of EUR 0.75 that becomes payable for the Financial Year 2005.

The Consideration of EUR 26.75 per Share represents an attractive price to the Shareholders and:

- (i) 21% premium over Airspray's closing Share price of EUR 22.85 on 21 February 2006, the last trading day prior to the first and joint public announcement by Rexam and Airspray that the expectation was justified that agreement could be reached on the Offer;
- (ii) 29% premium over Airspray's average closing Share price for the last three months prior to and including 21 February 2006; and
- (iii) 32% premium over Airspray's average closing Share price for the last 12 months prior to and including 21 February 2006.

Please note that Airspray's closing Share prices mentioned above have been adjusted by deducting the dividend of EUR 0.75 per Share that becomes payable for the Financial Year 2005.

See also chapter 7.4 ('Substantiation of the Consideration').

5.2 Rationale for the Offer

Airspray benefited from the listing in 1998 to finance future growth and to gain credibility with its customers, which are mainly large multinational companies in the personal care industry. An acquisition by the Offeror would provide a platform for Airspray to accelerate the growth of its business both geographically as well as in relation to a number of product opportunities through Rexam's customer base, its global presence and production know-how. Rexam is the supplier of choice for many of the world's leading beauty brands and has manufacturing facilities in Europe, Asia and the Americas. Airspray's strategy fits with Rexam's strategy to expand in growth markets and would be complementary to Rexam's dispensing systems operations, thereby establishing Rexam as a global leader in dispensing systems for personal care and beauty. Airspray and Rexam believe that Shareholders will benefit from the Offer in that, when made, it will provide them with an opportunity to sell their Shares at an attractive premium relative to the Share price before the initial announcement of the Offer on 22 February 2006.

See also chapter 7.5 ('Rationale for the Offer').

5.3 Financing of the Offer

The Offeror will fully finance the Offer and its settlement out of Rexam's existing cash resources and borrowing facilities.

5.4 Recommendation by the Supervisory Board and the Management Board

The Supervisory Board and the Management Board have duly considered the strategic, financial and social aspects of the Offer and have reached the conclusion that the Offer is reasonable and fair and in the best interest of Airspray, the Shareholders and other stakeholders in Airspray. In this respect, reference is made to the Fairness Opinion, as included in chapter 9 ('Fairness Opinion') of this Offer Memorandum. The Supervisory Board and the Management Board therefore fully support the Offer and unanimously recommend the Offer to the Shareholders for acceptance.

5.5 Overview of Shares held directly or indirectly by members of the Boards

At the date of this Offer Memorandum, 435,889 Shares with an aggregate nominal value of EUR 69,742.24, representing 7.97% of the total issued and outstanding share capital of Airspray are held, directly or indirectly, by the members of the Management Board and by members of the supervisory board of Airspray (which insofar includes Mr. van Duyn), namely 400 Shares are held by Mr. Brands, 432,573 Shares are held by Mr. van Duyn (through his directly wholly owned subsidiary J.IJ. van Duyn Participaties B.V.), 2,000 Shares are held by Mr. Rensing, 916 Shares are held by Mr. Busch and no Shares are held by Mr. van der Schaaff. See chapter 5.6 ('Committed Shares').

5.6 Committed Shares

Major shareholders, being Beauchamp Beheer B.V., Darlin N.V., Delta Lloyd Asset Management N.V., Orange Fund N.V. and Orange Deelnemingen Fund N.V. (both wholly owned subsidiaries of Kempen Capital Management N.V.) and J.IJ. van Duyn Participaties B.V. (a directly wholly owned subsidiary of Mr. van Duyn), as well as the members of the Management Board and Supervisory Board, have irrevocably committed themselves to tender all Shares held by each of them under the Offer on the same terms and conditions of the Offer as described in this Offer Memorandum. The number of Shares committed under the Offer (2,384,463 Shares) have an aggregate nominal value of EUR 381,514.08 and equals 43.61% of the Shares outstanding on the date of this Offer Memorandum. None of the Shareholders that have committed themselves to tender the Shares held by them under the Offer have received any relevant information regarding the Offer which is not included in this Offer Memorandum.

5.7 Offer Conditions, Acceptance Period, declaring the Offer unconditional, extension and settlement

Offer Conditions

The Offer shall be subject to the fulfilment of the Offer Conditions as set out in chapter 6.3 ('Offer Conditions'). The Offeror reserves the right to waive such Offer Conditions, provided that the Offer Condition included in chapter 6.3 (viii) of the Offer Memorandum may in case of a breach of such condition by the Offeror only be waived by Airspray.

Acceptance Period

The Acceptance Period begins on 26 April 2006 at 9.00 hours CET and ends, subject to extension in accordance with article 9o, paragraph 5 of the Decree, on 19 May 2006 at 15.00 hours CET. See chapter 6.4 ('Acceptance Period').

Shares tendered on or prior to the 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 9o, paragraph 5 of the Decree.

If one or more of the Offer Conditions is not fulfilled, the Offeror may extend the Acceptance Period until all such Offer Conditions have been satisfied or, where appropriate, waived. During an 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 in accordance with the provisions of article 9o, paragraph 5 of the Decree. See chapter 6.6 ('Extension').

Declaring the Offer unconditional (*gestanddoening*)

If all Offer Conditions are satisfied or, where appropriate, waived, 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 and in accordance with the procedures set forth in chapter 6.2 ('Acceptance by Shareholders').

The Offeror will determine within five Euronext Trading Days following the Closing Date, such date being the Unconditional Date, whether the Offer Conditions have been fulfilled or are to be waived by the Offeror and will announce whether (i) the Offer has been declared unconditional (*gestandgedaan*), (ii) there is still uncertainty as to the fulfilment of any of the Offer Conditions, or (iii) the Offer is terminated, as a result of the Offer Conditions not having been fulfilled or waived by the Offeror, all in accordance with article 9t, paragraph 4 of the Decree. See chapter 6.5 ('Declaring the Offer unconditional').

Extension

The Offeror may extend the Acceptance Period past any Closing Date, in which case all references in this Offer Memorandum to 15.00 hours CET, on 19 May 2006 shall, unless the context requires otherwise, be moved to the latest date and time to which the Offer has been so extended. The Shareholder's bank or stockbroker may set an earlier deadline for communication by the Shareholders in order to permit the Shareholders' bank or stockbroker to communicate their acceptances to the Exchange and Paying Agent in a timely manner.

If the Acceptance Period is extended such that the obligation pursuant to article 9t of the Decree to announce whether the Offer has been declared unconditional (*gestandgedaan*) is postponed, a public announcement to that effect shall be made not later than the third Euronext Trading Day following the relevant Closing Date, in accordance with the provisions of article 9o, paragraph 5 of the Decree. See chapter 6.6 ('Extension').

Settlement

In the event that the Offeror announces that the Offer is declared unconditional (*gestandgedaan*), the Shareholders will receive within five Euronext Trading Days following the Unconditional Date the Consideration in respect of each Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*) by them. See chapter 6.7 ('Settlement').

5.8 The Offeror

The Offeror is a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*), with its statutory seat in Dongen, the Netherlands, and was incorporated under Dutch law on 16 February 2006. The Offeror is an indirectly wholly owned subsidiary of Rexam, a public limited liability company incorporated under the laws of England and Wales, with its registered office in London, United Kingdom.

Rexam has agreed with the Company that it may be held jointly and severally liable for all obligations which the Offeror may incur in respect of the Offer, and Rexam has fully, unconditionally and irrevocably guaranteed to the Company that the Offeror shall punctually perform its obligation to pay to the Shareholders in respect of each tendered Share the Consideration, in accordance and in full compliance with the terms and conditions of the Offer (which does not constitute a third party stipulation vis-à-vis individual shareholders).

See chapter 12 ('Information regarding the Offeror').

5.9 Liquidity and delisting

The purchase of Shares by the Offeror pursuant to the Offer, among other things, will reduce the number of Shareholders and the number of Shares that might otherwise trade publicly and could adversely affect the liquidity and market value of the remaining Shares not having been tendered.

Should the Offer be declared unconditional (*gestandgedaan*), the Offeror intends to procure that Airspray's listing on Euronext Amsterdam will be terminated as soon as possible thereafter. This would further adversely affect the liquidity of any Shares not tendered. In addition, the Offeror may initiate any of the procedures as set out in chapter 7.8 ('Future legal structure'), including procedures which might result in termination of the listing of the Shares (including Shares not being tendered).

5.10 Legal structure of Airspray following the Offer

General

The Offeror reserves the right to use any legally permitted method to obtain ownership of 100% of the Shares. For this purpose the Offeror will consider, depending *inter alia* on the number of Shares obtained by the Offeror as a result of the Offer, various options, including, but not limited to, a squeeze-out procedure (*uitkoopprocedure*), as referred to in article 2:92a of the Dutch Civil Code, a legal merger in accordance with articles 2:309 and 2:334 of the Dutch Civil Code, a de-merger as specified in article 2:334a of the Dutch Civil Code, a cross-border legal merger, if permitted by law, a conversion of Shares into shares in the capital of Rexam (or a company affiliated with Rexam), or a liquidation or sale of all or substantially all of the assets of Airspray or any combination of the aforementioned.

The Offeror will also consider effecting a legal merger (*juridische fusie*), as specified in articles 2:309 and 2:334 of the Dutch Civil Code, between Airspray and the Offeror or a group company of the Offeror (in the event of a so-called "triangular merger" pursuant to which the shareholders of the disappearing company would become shareholders of a group company of the surviving company, which includes Rexam), with Airspray being the disappearing entity and the Offeror, or a group company of the Offeror, being the surviving entity, respectively.

Furthermore, the Offeror and Airspray reserve the right to have the Offeror contribute assets to Airspray against the issuance of shares in the capital of Airspray, while at the same time pre-emptive rights (*voorkeursrecht*) of other Shareholders may be excluded or to sell all or substantially all of the assets of Airspray, directly or indirectly, following a transfer of those assets to a subsidiary of Airspray first, which may or may not be followed by a distribution of proceeds to the Shareholders, all in accordance with Dutch law and the Articles of Association in force at the relevant time.

At any time after the Offer has been declared unconditional (*gestandgedaan*), it may be decided that Airspray will be converted into a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*). Simultaneously with a conversion of Airspray into a private limited liability company, the majority shareholder of Airspray may adopt further amendments to the Articles of Association, which may include an abolition of the Supervisory Board.

Squeeze-out procedure

In the event that the Offeror has acquired 95% or more of the issued and outstanding share capital of Airspray following the Settlement Date, the Offeror might, as soon as possible, initiate such squeeze-out procedure, in order to acquire the remaining Shares not tendered and not held by the Offeror or Airspray.

Legal merger

In the event that the Offeror has declared the Offer unconditional (*gestandgedaan*) and has not acquired 95% or more of the outstanding share capital of Airspray following the Settlement Date, such that it is not possible to initiate the squeeze-out procedure in accordance with article 2:92a of the Dutch Civil Code, the Offeror, subject to the approval of the Supervisory Board, may shortly thereafter by simple majority of the General Meeting of Shareholders vote to effect a legal merger (*juridische fusie*) between the Offeror, or a wholly owned group company of the Offeror, and Airspray, in which the latter is the disappearing entity. In the event that the legal merger is effected, Shareholders who have not tendered their Shares under the Offer will become, by operation of law, shareholders in the surviving entity alongside the existing shareholders in the surviving entity, or (in the event of a triangular merger) will become shareholders in such group company. (Hereinafter, when reference is made to the "surviving entity", this is deemed to include also the scenario whereby a group company of the Offeror issues shares to the Shareholders, in the event of a triangular merger.) If, after a legal merger is effected, the majority shareholder of the surviving entity holds 95% or more of the capital of the surviving entity, such majority shareholder may initiate a squeeze-out procedure in accordance with article 2:92a of the Dutch Civil Code in relation to any shares in the surviving entity not held by such majority shareholder.

The approval of the Supervisory Board with respect to the legal merger shall require a vote in favour by the independent member of the Supervisory Board as referred to in chapter 5.13 ('Composition of the Boards') if this will be decided on or after the Settlement Date. The independent member of the Supervisory Board may request that additional independent financial or legal experts are appointed to advise him on the reasonableness of the proposed exchange ratio for the shares in the surviving entity with a view to the economic and other rights attached to the shares in the surviving entity to be received by the minority shareholders as compared to the economic and other rights attached to the Shares held by them immediately prior to the date on which the legal merger becomes effective.

The ordinary shares to be distributed by operation of law (*toekennen*) by the surviving entity under the legal merger to the Shareholders that have not tendered their Shares under the Offer will have the same economic and financial rights as the ordinary shares to be held by the majority shareholder, but may constitute a separate class of shares. In addition, the Shareholders that have not tendered their Shares under the Offer may receive, if or when appropriate, also by operation of law pursuant to the legal merger, preference shares or another separate class of shares with a low nominal value in the capital of the surviving entity as compensation in kind for the difference between the value of their Shares prior to the legal merger, based upon the Consideration, and the value of their ordinary shares following the legal merger. A Shareholder who will not receive shares in the surviving entity for all of his Shares as a result of

the exchange ratio, will receive a compensation in cash in accordance with article 2:325 of the Dutch Civil Code. These cash compensations will together not exceed one-tenth of the nominal value of the issued shares as a result of the merger.

As a further result of the surviving entity in a legal merger being an unlisted private limited company, statutory provisions applicable to the governance of public or listed companies will not apply to the surviving entity and the rights of minority shareholders in the surviving entity will be limited to the statutory minimum. However, subject to its articles of association, the surviving entity might have a voluntary supervisory board that shall consist of the same individuals that form the future Supervisory Board as referred to in chapter 5.13 ('Composition of the Boards'), except for individuals who are future members of the management board of the surviving entity.

The articles of association of the surviving entity will provide that its general meeting of shareholders may by simple majority vote (upon a proposal from the management board) cancel each separate class of shares, if or when appropriate. It is expected that, following a legal merger, the Offeror's current ultimate shareholders would control the majority of votes in the general meeting of shareholders of the surviving entity, and therefore would be able to procure the cancellation of such separate class of shares. A cancellation of these shares shall take place in accordance with article 2:208 of the Dutch Civil Code.

It is envisaged that for a period of six months after the legal merger has become effective, those Shareholders who have become shareholders in the surviving entity as a result of the legal merger shall have the right to sell and transfer their ordinary shares and preference or other class of shares attributed following the legal merger, while the majority shareholder of the surviving entity will commit itself for the same six-month period to purchase and acquire the shares in the surviving entity held by such Shareholders should they elect to sell. The price for such shares shall, during this limited period, be approved in such a way that the value of the shares issued to such shareholder is identical to the Consideration. Shareholders requesting an independent valuation of their shares during this six-month period shall maintain the right to offer their shares in the surviving entity in accordance with the applicable articles of association but shall forfeit their right to require the majority shareholder of the surviving entity to purchase such shares.

In the event of a legal merger, an independent auditor will be appointed to examine the proposed legal merger and will be asked to certify that in his opinion the proposed exchange ratio for the Shares is reasonable. Such auditor will be appointed by the Supervisory Board.

Other potential measurements

Finally, the Offeror reserves the right to submit proposals to the Shareholders in order to alter the company structure and the capital structure of Airspray and/or intended to achieve an optimal financial or other structuring, including amendments to the Airspray Articles of Association, a liquidation, a demerger as specified in article 2:334a of the Dutch Civil Code or, as already referred to above, a sale of all or substantially all of the assets of Airspray, which may or may not be followed by a distribution of proceeds to the Shareholders, all in accordance with Dutch law and the Airspray Articles of Association. Such a distribution may take the form of a distribution out of reserves, an interim dividend, a dividend or, in the event that the Company is also liquidated, a liquidation distribution. Furthermore, the corporate governance rules applicable to Airspray at the date of this Offer Memorandum may be amended in accordance with the (consequences of the) Offer. This would be done in order to align the company structure of Airspray with the group's new holding and financing structure that will materialise once the Offer has been declared unconditional (*gestandgedaan*).

5.11 Dividend policy

The Offeror expects to amend significantly Airspray's dividend policy should the Offer be declared unconditional (*gestandgedaan*). The Shareholders should be aware that Airspray may not pay dividends to the Shareholders in the future.

5.12 Organisational and social consequences

The Offer as such is not expected to have any adverse consequences on the employment situation of the business.

See also chapter 7.11 ('Organisational and social consequences').

5.13 Future composition of the Boards

It is envisaged that, from the Settlement Date onwards, the Management Board will consist of three members, being Mr. R.F.Q. Brands, current CEO of the Company, Mr. E. van der Heijden, current member of Airspray's management team and Mr. J. van der Schaaff, current CFO of Airspray. Mr. J. van der Schaaff will resign with effect as of 1 June 2006 and will not be paid any compensation upon resignation. The successor of Mr. J. van der Schaaff will be appointed when appropriate in accordance with the Proposed Articles of Association.

Furthermore, after Settlement Date, it is envisaged that the Supervisory Board shall consist of three members. These members will be Mr. V.C. Rensing, current member of the Supervisory Board (who is independent within the meaning of the Corporate Governance Code), Mr. J.C.E.M. Vissers, current member of the Management Board of the Offeror, and Mr. M. Petitjean who is an employee within Rexam's group of companies. It is intended that Mr. C.A.M. Busch and Mr. J.IJ. van Duyn will resign with effect as of Settlement Date, subject to the Offer being declared unconditional, and will both not be paid any compensation upon resignation.

If the intended composition of the Supervisory Board shall be effectuated, Airspray shall no longer be in compliance with best practice provision III.2.1 of the Corporate Governance Code, Airspray and the Offeror deem such deviation justified because of the significant shareholding in Airspray by the Offeror as of Settlement Date and because of the necessity of the Offeror (or its ultimate parent company) to consolidate the financial results of Airspray.

See also chapter 7.12 ('Future composition of the Boards') and chapter 10 ('Extraordinary General Meeting of Shareholders of Airspray').

5.14 Announcements

Any announcement that is required to be made in relation to the Offer will be made in the Daily Official List and in (in any event) *Het Financieele Dagblad* and *De Telegraaf*.

5.15 Envisaged timetable

<i>Expected Time (CET) and Date</i>	<i>Event</i>
25 April 2006	Publication of advertisement announcing the availability of the Offer Memorandum and the commencement of the Acceptance Period, in accordance with article 9o, paragraph 2 of the Decree
09.00 hours, 26 April 2006	<i>Commencement Date</i> The date on which the Offer is being made, being the first day of the Acceptance Period
08.00 hours, 11 May 2006	Trading update Airspray
10.00 hours, 11 May 2006	EGM/AGM, at which meeting the Offer, among other matters, will be discussed in accordance with the provisions of article 9q, paragraph 1 of the Decree
12 May 2006	Publication of advertisement announcing the payment of a dividend of EUR 0.75 per Share for the Financial Year 2005
15 May 2006	Ex-dividend date of the Shares
16 May 2006	Date of payment of a dividend of EUR 0.75 per Share for the Financial Year 2005

26-SEP-2006

15.00 hours, 19 May 2006,
subject to extension

No later than five Euronext
Trading Days after the Closing
Date

No later than five Euronext
Trading Days after the
Unconditional Date

Closing Date

The Euronext Trading Day on which the Acceptance Period ends

Unconditional Date

The date on which the Offeror shall publicly announce whether the Offer is declared unconditional (*gestandgedaan*), being no later than 15.00 hours CET on the fifth Euronext Trading Day following the Closing Date, in accordance with article 9t, paragraph 4 of the Decree

Settlement Date

The date on which, in accordance with the terms and conditions of the Offer, the Offeror shall pay the Consideration to the Shareholders who have validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*) their Shares under the Offer, being no later than the fifth Euronext Trading Day after the Unconditional Date, subject to the Offer being declared unconditional (*gestandgedaan*)

6 INVITATION TO THE SHAREHOLDERS

The Offeror makes a recommended public cash offer for all the Shares. The Shareholders are advised to review this Offer Memorandum (including all documents incorporated by reference herein) and in particular chapter 1 ('Restrictions') and chapter 2 ('Important Information') thoroughly and completely and to seek independent advice where appropriate in order to reach a reasoned judgement with respect to the Offer and this Offer Memorandum. With due reference to all statements, terms, conditions 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 conditions set out below.

6.1 Consideration

For each Share tendered under the terms and conditions of the Offer, the Offeror offers the Consideration of EUR 26.75 in cash, exclusive of a dividend of EUR 0.75 per Share that becomes payable for the Financial Year 2005.

6.2 Acceptance by Shareholders

Acceptance by Shareholders holding Shares 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 15.00 hours CET on the Closing Date. The Shareholder's bank or stockbroker may set an earlier deadline for communication by the Shareholders in order to permit the Shareholder's bank or stockbroker to communicate their acceptances to the Exchange and Paying Agent in a timely manner. The Admitted Institutions may tender Shares for acceptance only to Fortis Bank (*Fortis Bank (Nederland) N.V., Attn. Settlements Department Rokin 55, 1012 KK Amsterdam, the Netherlands, Fax: +31 20 527 1963*) and only in writing. In tendering Shares, the Admitted Institutions are required to declare that (i) they have the Shares in their custody, (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 chapter 1 ('Restrictions') and (iii) they undertake to deliver (*leveren*) these Shares to the Offeror on the Settlement Date, provided that the Offer has been declared unconditional (*gestandgedaan*).

Subject to article 9o, paragraph 5 of the Decree, the tendering of Shares in acceptance of the Offer shall constitute irrevocable instructions to block any attempt to transfer the Shares tendered, so that on or prior to the Closing Date no transfer of such Shares may be effected (other than to Fortis Bank on or prior to the Closing Date if the Offer has been declared unconditional (*gestandgedaan*) and the Shares have been accepted for purchase), and 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 Fortis Bank of the Consideration per Share in respect of those Shares.

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 Closing Date, that:

- (i) the tender of any Shares constitutes an acceptance by the Shareholder of the Offer, on and subject to the terms and conditions of the Offer;
- (ii) such Shareholder has full power and authority to tender, sell and deliver (*leveren*) the Shares tendered by it; such Shareholder has not entered into any other agreement with any party other than the Offeror to tender, sell or deliver (*leveren*) the Shares (together with all rights attaching thereto) that such Shareholder has tendered under the Offer; and the Offeror will acquire the tendered Shares with full title guarantee and free and clear of all third party rights and restrictions of any kind; and
- (iii) such Shares are being tendered in compliance with the restrictions as set out in chapter 1 ('Restrictions') 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 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 9o, paragraph 5 of the Decree. During any such extension of the Acceptance Period, any Shares previously tendered and not withdrawn will remain subject to the Offer.

6.3 Offer Conditions

The obligation of the Offeror to declare the Offer unconditional (*gestandgedaan*) is subject to the following Offer Conditions being satisfied or, if permitted by applicable law, waived by the party entitled to waive:

- (i) on the Closing Date, the Shares tendered under the Offer, together with the Shares, directly or indirectly held by the Offeror for its own account at the Closing Date, represent at least 95% of the Company's issued and outstanding share capital as at the Closing Date;
- (ii) on or prior to the Closing Date, the Stichting Prioriteit Airspray has proposed, and the EGM has resolved (i) to amend the Articles of Association, substantially as set out in chapter 7.9 ('Proposed Airspray Articles of Association'); and (ii) to authorise the sale of the priority share by the Stichting Prioriteit Airspray for its nominal value to the Company, which amendments and sale will be subject to the Offer having been declared unconditional (*gestandgedaan*) and shall come into effect upon the Settlement Date;
- (iii) on or prior to the Closing Date, the Stichting Medewerkers Airspray has not terminated, revoked or amended its agreement with the Offeror dated 21 February 2006 in which the Stichting Medewerkers Airspray committed itself to support the Offer by (i) cooperating with the settlement of loans granted by Airspray to certain employees of Airspray in connection with the financing of Shares held by the Stichting Medewerkers Airspray for the account and risk of such employees and the termination of management agreements with these employees and by (ii) the obtaining of the authority from the relevant employees to tender of the Shares held by the Stichting Medewerkers Airspray for the account and risk of such employees in accordance with the terms and conditions of the Offer;
- (iv) on or prior to the Closing Date, the Stichting Prioriteit Airspray has not terminated, revoked or amended its agreement with the Offeror dated 21 February 2006 in which the Stichting Prioriteit Airspray committed itself to support the Offer by (i) proposing amendments of the Articles of Association (as set out in chapter 10 'Extraordinary General Meeting of Shareholders'), to cooperate with the appointment and dismissal of members of the Management Board and the Supervisory Board, the determination of the number of members of the Management Board and the Supervisory Board and the determination of which share of the profit will be added to the Company's reserves, and (ii) by the sale of the priority share held by the Stichting Prioriteit Airspray to the Company for a purchase price equal to the nominal value of the priority share;
- (v) on or prior to the Closing Date, no event, fact or circumstance (including any proceeding, order, decree or judgment by any court, governmental or regulatory authority) with respect to the Company, its group companies and their businesses has occurred, which occurrence was unknown or unforeseeable to the Offeror at the Commencement Date and could not have been derived from information disclosed by the Company to the Offeror, and which is of such material nature that it can in all reasonableness and fairness not be expected from the Offeror to declare the Offer unconditional (*gestanddoening*);
- (vi) on or prior to the Closing Date, no public announcement has been made indicating for the first time that a third party (a) has announced that it is preparing, has prepared or made a public offer for any of the Shares or any other securities issued, or to be issued, by the Company for a consideration that is higher than the Consideration, or (b) has obtained the right to acquire, or has agreed to acquire or take up securities to be issued by the Company or a substantial part of the assets of the Company;
- (vii) between the Commencement Date and the Closing Date, the Company and the Stichting Medewerkers Airspray have not, other than in respect of the dividend payment of EUR 0.75 per Share, as set out in chapter 6.1 ('Consideration'), committed themselves in any way to the payment of any dividend or any other distribution, whether or not in the form of shares, nor will the Company or the Stichting Medewerkers Airspray have paid out any dividend, capital repayment or any other distribution, whether or not in the form of shares, other than in respect of the dividend payment of EUR 0.75 per Share, as set out in chapter 6.1 ('Consideration');

(viii) prior to the Closing Date,

- a. neither the Company, nor the Boards, nor any members of the Boards have breached the Merger Protocol to the extent that such breach could reasonably be expected to have a material adverse effect on the Company, the Offeror, their respective group companies and/or businesses, or which is or could be of such material nature that, in case of such a breach, it cannot in all reasonableness be expected from the Offeror to declare the Offer unconditional (*gestandgedaan*), and
- b. neither the Offeror nor Rexam have breached the Merger Protocol to the extent that such breach could reasonably be expected to have a material adverse effect on the Company, the Offeror, their respective group companies and/or businesses, or which is or could be of such material nature that, in case of such a breach, it cannot in all reasonableness be expected that the Company and the Boards continue to support and co-operate in the Offer;

(ix) on or prior to the Closing Date, or the Postponed Closing Date as the case may be:

- a. with the exception of the competition approvals provided for in (b) below, all material approvals, licences, exemptions and permissions of domestic and international authorities required in connection with the Offer and its intended change of control have been obtained;
- b. all mandatory pre-completion and competition approvals of domestic and international authorities reasonably required in connection with the Offer and its intended change of control have been obtained;
- c. in relation to the matters referred to in (a) and (b) above, all waiting periods pursuant to applicable legislation have expired during which domestic, international and supranational authorities may oppose the Offer or its intended change of control or can take or announce steps which could impede the Offer and its intended change of control or in any other way result in material adverse repercussions for the Company or the Offeror in connection with the Offer; and
- d. in relation to the matters referred to in (a) and (b) above, neither domestic, international nor supranational authorities have taken or announced steps which could impede the Offer or its intended change of control or in any other way result in material adverse repercussions for the Company or the Offeror in connection with the Offer; and

(x) on or prior to the Closing Date, no notification has been received from the AFM that the Offer has been made in conflict with Chapter IIA of the Act, in which case the securities institutions pursuant to section 32a of the Decree would not be allowed to co-operate with the settlement of the Offer.

The Offer Conditions in subclauses (i) through (vii) and subclause (ix) serve for the benefit of the Offeror and the Offeror has the right, (either in whole or in part) at any time by written notice to Airspray, to waive such Offer Conditions. The Offer Condition in subclause (viii) serves for the benefit of both Airspray and the Offeror and may only be waived (either in whole or in part) by the Offeror upon a breach of such condition by Airspray and/or the Boards and/or the members of the Boards, and by Airspray upon a breach of such condition by the Offeror and/or Rexam. The Offer Condition in subclause (x) cannot be waived.

6.4 Acceptance Period

The Acceptance Period begins on 26 April 2006 at 9.00 hours CET and ends, subject to extension in accordance with article 9o, paragraph 5 of the Decree, on 19 May 2006 at 15.00 hours CET.

If one or more of the Offer Conditions set out in chapter 6.3 ('Offer Conditions') is not fulfilled, the Offeror may extend the Acceptance Period until all such Offer Conditions have been satisfied or, where appropriate, waived. See also chapter 6.6 ('Extension'). During an 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 that he already tendered.

If all Offer Conditions are satisfied or, where appropriate, waived, 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, for the Shares, with the procedures set out in chapter 6.2 ('Acceptance by Shareholders').

6.5 Declaring the Offer unconditional (*gestanddoening*)

If all Offer Conditions are satisfied or, where appropriate, waived, 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 and in accordance with the procedures set forth in chapter 6.2 ('Acceptance by Shareholders').

The Offeror will determine no later than on the Unconditional Date, whether the Offer Conditions have been fulfilled or are to be waived by the Offeror and will announce whether (i) the Offer has been declared unconditional (*gestandgedaan*), (ii) there is still uncertainty as to the fulfilment of any of the Offer Conditions, or (iii) the Offer is terminated, as a result of the Offer Conditions not having been fulfilled or waived by the Offeror, all in accordance with article 9t, paragraph 4 of the Decree.

The announcement, if any, by the Offeror that there is still uncertainty as to the fulfilment of any of the Offer Conditions, does not mean that any Shareholder will have the right to withdraw any tender of Shares or that any tender of Shares shall be deemed to be automatically withdrawn.

6.6 Extension

The Offeror, at its sole discretion, may extend the Offer past the Closing Date, in which case all references in this Offer Memorandum to the "Closing Date" or "15.00 hours, CET, on 19 May 2006" shall, unless the context requires otherwise, be moved to the latest date and time to which the Offer has been so extended. A Shareholder's bank or stockbroker may set an earlier deadline for communication by the Shareholders in order to permit the Shareholder's bank or stockbroker to communicate their acceptances to the Exchange and Paying Agent in a timely manner.

If the Acceptance Period is extended such that the obligation pursuant to article 9t of the Decree to announce whether the Offer has been declared unconditional (*gestandgedaan*) is postponed, a public announcement to that effect shall be made no later than on the third Euronext Trading Day following the relevant Closing Date, in accordance with the provisions of article 9o, paragraph 5 of the Decree.

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 9o, paragraph 5 of the Decree, Shares tendered on or prior to the extended Closing Date may, during the period to which the Acceptance Period has been extended, be withdrawn.

6.7 Settlement

In the event that the Offeror announces that the Offer is declared unconditional (*gestandgedaan*), Shareholders who have tendered and delivered their Shares for acceptance pursuant to the Offer will receive on the Settlement Date, the Consideration in respect of each 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 a Shareholder's tender or delivery (*levering*) shall not be permitted.

6.8 Dividend

Upon the terms of, and subject to, the Offer Conditions, the Offer shall commit the Offeror to acquire each Share tendered under the Offer against cash payment of the Consideration, which Consideration is exclusive of a dividend of EUR 0.75 per Share which becomes payable for the Financial Year 2005.

6.9 Commission

Admitted Institutions shall receive from Fortis Bank (Nederland) B.V. on behalf of the Offeror a commission in the amount of EUR 0.091 in respect of each Share validly tendered under the Offer (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*), up to a maximum of EUR 5,000 per Shareholder tender. The commission must be claimed from the Offeror through Fortis Bank within 30 days of the Unconditional Date. No costs will be charged to the Shareholders by the Offeror or Airspray for the delivery and payment of the Shares, however, Shareholders may be charged certain fees by their banks or stockbrokers.

6.10 Restrictions

The Offer is being made with due observance of such statements, conditions 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.

6.11 Announcements

Any announcement that is required to be made in relation to the Offer will be made in the Daily Official List and in (in any event) *Het Financieele Dagblad* and *De Telegraaf*.

26 - a.m.p. - 2006

7 EXPLANATION AND BACKGROUND TO THE OFFER

7.1 Introduction

On 22 February 2006, the Offeror, Rexam and Airspray jointly announced that the expectation was justified that agreement could be reached in connection with an offer by the Offeror for the Shares, subject to the fulfilment of certain terms and conditions. Since then, a definitive agreement has been reached with respect to the Offer, certain terms of which agreement are reflected in this Offer Memorandum.

On 22 March 2006, the Offeror, Rexam and Airspray jointly announced that the works council of Airspray had given a positive advice in respect of the intended Offer, that the German Federal Cartel Office had granted clearance under the German antitrust laws to the acquisition of sole control of Airspray's business by the Offeror, that they had subsequently reached agreement in respect of the Offer and that the Offeror expected to make the Offer by making an offer memorandum available in the second half of April 2006.

Rexam has agreed with the Company that it may be held jointly and severally liable for all obligations which the Offeror may incur in respect of the Offer, and Rexam has fully, unconditionally and irrevocably guaranteed to the Company that the Offeror shall punctually perform its obligation to pay to the Shareholders in respect of each tendered Share the Consideration, in accordance and in full compliance with the terms and conditions of the Offer (which does not constitute a third party stipulation vis-à-vis individual Shareholders).

7.2 Committed Shares

Beauchamp Beheer B.V., Darlin N.V., Delta Lloyd Asset Management N.V., Orange Fund N.V. and Orange Deelnemingen Fund N.V. (both wholly owned subsidiaries of Kempen Capital Management N.V.) and J.IJ. van Duyn Participaties B.V., as well as the members of the Boards, have irrevocably committed themselves to tender all Shares held by each of them under the Offer on the same terms and conditions of the Offer as described in this Offer Memorandum. None of the Shareholders that have committed themselves to tender the Shares held by them under the Offer have received any relevant information regarding the Offer which is not included in this Offer Memorandum.

The number of Shares committed under the Offer (2,384,463 Shares) have an aggregate nominal value of EUR 381,514.08 and equals 43.61% of the Shares outstanding on the date of this Offer Memorandum. A detailed breakdown of these commitments as at 22 February 2006 is set out in the table below:

Shareholder	Number of Shares	Percentage of total Shares
Beauchamp Beheer B.V.	686,617	12.55%
Delta Lloyd Asset Management N.V.	604,475	11.1%
J.IJ. van Duyn Participaties B.V.	432,573	7.9%
Orange Fund N.V.	104,715	1.9%
Orange Deelnemingen Fund N.V.	275,000	5.0%
Darlin N.V.	277,767	5.1%
Management Board (Mr. Brands)	400	0.01%
Supervisory Board (Mr. Rensing and Mr. Busch)	2,916	0.06%
Total	<u>2,384,463</u>	<u>43.61%</u>

Based on notices received by the AFM pursuant to article 2 of the WMZ 1996 and the information provided by Airspray, the following Shareholders with an interest of 5 per cent. or more are known to Airspray:

Shareholder	Percentage of Shares outstanding	Most recent notification pursuant to WMZ 1996
Beauchamp Beheer B.V.	12.6%	28 May 1998
Darlin N.V.	5.1%	20 December 2005
Orange Deelnemingen Fund N.V.	5.0%	25 October 2000
Total	<u>22.7%</u>	

Based on notices received by the AFM pursuant to article 2a of the WMZ 1996 and the information provided by Airspray, the following members of the Management Board and Supervisory Board (incl. Mr. Van Duyn) hold Shares:

<u>Shareholder</u>	<u>Percentage of Shares outstanding</u>	<u>Most recent notification pursuant to WMZ 1996</u>
J.IJ. van Duyn Participaties B.V.	7.90%	16 July 2003
Mr. Rensing	0.04%	18 March 2003
Mr. Busch	0.02%	1 September 2002
Mr. Brands	0.01%	20 July 2005
Total	<u>7.97%</u>	

The overview of shareholdings mentioned in this Offer Memorandum may deviate from earlier announcements pursuant to the WMZ 1996, as (i) persons can be registered under different names in the WMZ 1996 register and (ii) the first threshold for disclosing interests under the WMZ 1996 is 5% or more. The above overview reflects the actual committed Shares, whereas the WMZ 1996 register reflects the percentages as of the date on which the obligation to make an announcement in accordance with the WMZ 1996 arose.

7.3 Overview of Shares held directly or indirectly by members of the Management Board and supervisory board of Airspray

At the date of this Offer Memorandum, 435,889 Shares with an aggregate nominal value of EUR 69,742.24, representing 7.97% of the total issued and outstanding share capital of Airspray are held, directly or indirectly, by the members of the Management Board and by members of the supervisory board of Airspray (which insofar includes Mr. Van Duyn), namely 400 Shares are held by Mr. Brands, 432,573 Shares are held by Mr. Van Duyn (through his directly wholly owned subsidiary J.IJ. van Duyn Participaties B.V.), 2,000 Shares are held by Mr. Rensing, 916 Shares are held by Mr. Busch and no Shares are held by Mr. Van der Schaaff. See also chapter 7.2 ('Committed Shares').

7.4 Substantiation of the Consideration

The Offeror and Airspray have reached agreement on the Offer and the Consideration following negotiations between themselves, assisted by their respective advisors. A number of factors have been important in determining the Consideration, including, amongst others:

- (i) the historical share price performance of Airspray, also compared with the share price performances of other publicly traded companies active in the same sector and market segments as Airspray;
- (ii) the historical developments and the Offeror's view on potential future developments concerning the profitability of Airspray (as further set out in chapter 11.2 ('Business Information'));
- (iii) an analysis of trading and transaction multiples based on financial terms, to the extent available, of other publicly traded companies active in the same sector and market segments as Airspray and other comparable acquisition transactions respectively; and
- (vi) an analysis of bid premiums in recent public offers for companies listed on Euronext Amsterdam.

For each Share tendered under the terms and conditions of the Offer, the Offeror offers a Consideration of EUR 26.75 in cash, exclusive of a dividend of EUR 0.75 payable for Financial Year 2005.

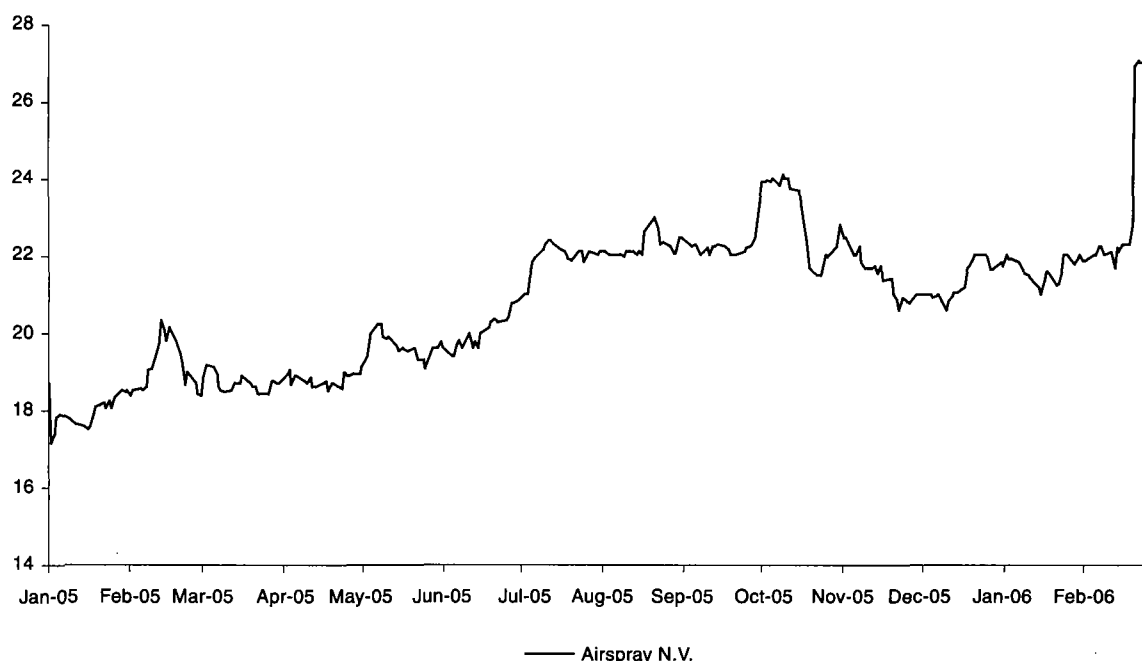
A Consideration of EUR 26.75 per Share exclusive of a dividend of EUR 0.75 per Share represents an attractive price to the Shareholders and a:

- a) 21% premium over Airspray's closing Share price of EUR 22.85 on 21 February 2006, the last Euronext Trading Day prior to the first and joint public announcement by Rexam and Airspray that the expectation was justified that agreement could be reached on the Offer;
- b) 29% premium over Airspray's average closing Share price for the last three months prior to and including 21 February 2006;
- c) 28% premium over Airspray's average closing Share price for the last nine months prior to and including 21 February 2006; and

- d) 32% premium over Airspray's average closing Share price for the last twelve months prior to and including 21 February 2006.

Please note that Airspray's closing Share prices mentioned above have been adjusted by deducting the dividend of EUR 0.75 per Share that becomes payable for the Financial Year 2005.

The Share price performance (closing Share price) during the year prior to the joint public announcement regarding the Offer on 22 February 2006 is set out below.



Source: Datastream

On 21 April 2006, ING Corporate Finance has rendered its Fairness Opinion in writing to the Supervisory Board. This fairness opinion is included in chapter 9 ('Fairness Opinion'). As at the date of this opinion, and based upon and subject to the factors and assumptions referred to in this opinion, ING Corporate Finance considers the Consideration to be fair, from a financial point of view, to the Shareholders.

7.5 Rationale for the Offer

Airspray benefited from the listing in 1998 to finance future growth and to gain credibility with its customers, which are mainly large multinational companies in the personal care industry. An acquisition by Rexam would provide a platform for Airspray to accelerate the growth of its business both geographically as well as in relation to a number of further product opportunities through Rexam's customer base, its global presence and production know-how. Rexam is the supplier of choice for many of the world's leading beauty brands and offers manufacturing in Europe, Asia and the Americas. Airspray fits with Rexam's strategy to expand in growth markets and would be complementary to Rexam's dispensing systems operations, establishing Rexam as a global leader in dispensing systems for personal care and beauty.

Airspray and Rexam believe that Shareholders will benefit from the Offer as it provides them with an opportunity to sell their Shares at an attractive premium relative to the Share price before the initial announcement of the Offer on 22 February 2006.

The Offer has the following benefits:

- The Offeror supports the strategy that has been formulated by the Management Board and which is based on accelerated growth and international expansion (as further set out in chapter 11.2 ('Business Information')).
- The Offeror has the expertise and financial resources to help Airspray realise this strategy. This will enable Airspray to develop its own strategic position in an international context, on a larger scale and at an accelerated pace.
- The Consideration offers current Shareholders the possibility of selling their stakes in Airspray at a premium to the market price as of or prior to the announcement of the intention to make the Offer.

7.6 Future strategy

Should the Offer be declared unconditional (*gestandgedaan*), the Offeror intends to continue the business activities of Airspray under the name and aegis of "Rexam" augmented by its current trade name and trade marks.

It is intended that Airspray will be managed within the Plastic Packaging sector of Rexam which is already active in the area of dispensing technology.

7.7 Liquidity and delisting

The purchase of Shares by the Offeror pursuant to the Offer, among other things, will reduce the number of Shareholders, and the number of Shares that might otherwise trade publicly and could adversely affect the liquidity of the remaining Shares not tendered.

Should the Offer be declared unconditional (*gestandgedaan*), the Offeror intends to procure that Airspray's listing on Euronext Amsterdam will be terminated as soon as possible. This would further adversely affect the liquidity of any Shares not tendered. In addition, the Offeror may initiate any of the procedures as set out in chapter 7.8 ('Future legal structure'), including procedures which would result in termination of the listing of the Shares (including Shares not being tendered).

7.8 Future legal structure

General

The Offeror reserves the right to use any legally permitted method to obtain ownership of 100% of the Shares. For this purpose the Offeror will consider, depending *inter alia* on the number of Shares obtained by the Offeror as a result of the Offer, various options, including, but not limited to, a squeeze-out procedure (*uitkoopprocedure*), as referred to in article 2:92a of the Dutch Civil Code, a legal merger in accordance with articles 2:309 and 2:334 of the Dutch Civil Code, a de-merger as specified in article 2:334a of the Dutch Civil Code, a cross-border legal merger, if permitted by law, a conversion of Shares into shares in the capital of Rexam (or a company affiliated with Rexam), or a liquidation or sale of all or substantially all of the assets of Airspray or any combination of the aforementioned.

The Offeror will also consider effecting a legal merger (*juridische fusie*), as specified in articles 2:309 and 2:334 of the Dutch Civil Code, between Airspray and the Offeror or a group company of the Offeror (in the event of a so-called "triangular merger" pursuant to which the shareholders of the disappearing company would become shareholders of a group company of the surviving company, which includes Rexam), with Airspray being the disappearing entity and the Offeror, or a group company of the Offeror, being the surviving entity, respectively.

Furthermore, the Offeror and Airspray reserve the right to have the Offeror contribute assets to Airspray against the issuance of shares in the capital of Airspray, while at the same time pre-emptive rights (*voorkeursrecht*) of other Shareholders may be excluded or to sell all or substantially all of the assets of Airspray, directly or indirectly, following a transfer of those assets to a subsidiary of Airspray first, which may or may not be followed by a distribution of proceeds to the Shareholders, all in accordance with Dutch law and the Articles of Association in force at the relevant time.

At any time after the Offer has been declared unconditional (*gestandgedaan*), it may be decided that Airspray will be converted into a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*). Simultaneously with a conversion of Airspray into a private limited liability company, the majority shareholder of Airspray may adopt further amendments to the Articles of Association, which may include an abolition of the Supervisory Board.

Squeeze-out procedure

In the event that the Offeror has acquired 95% or more of the issued and outstanding share capital of Airspray following the Settlement Date, the Offeror might, as soon as possible, initiate such squeeze-out procedure, in order to acquire the remaining Shares not tendered and not held by the Offeror or Airspray.

Legal merger

In the event that the Offeror has declared the Offer unconditional (*gestandgedaan*) and has not acquired 95% or more of the outstanding share capital of Airspray following the Settlement Date, such that it is not

possible to initiate the squeeze-out procedure in accordance with article 2:92a of the Dutch Civil Code, the Offeror, subject to the approval of the Supervisory Board, may shortly thereafter by simple majority of the General Meeting of Shareholders vote to effect a legal merger (*juridische fusie*) between the Offeror, or a wholly owned group company of the Offeror, and Airspray, in which the latter is the disappearing entity. In the event that the legal merger is effected, Shareholders who have not tendered their Shares under the Offer will become, by operation of law, shareholders in the surviving entity alongside the existing shareholders in the surviving entity, or (in the event of a triangular merger) will become shareholders in such group company. (Hereinafter, when reference is made to the "surviving entity", this is deemed to include also the scenario whereby a group company of the Offeror issues shares to the Shareholders, in the event of a triangular merger.) If, after a legal merger is effected, the majority shareholder of the surviving entity holds 95% or more of the capital of the surviving entity, such majority shareholder may initiate a squeeze-out procedure in accordance with article 2:92a of the Dutch Civil Code in relation to any shares in the surviving entity not held by such majority shareholder.

The approval of the Supervisory Board with respect to the legal merger shall require a vote in favour by the independent member of the Supervisory Board as referred to in chapter 7.12 ('Future composition of the Boards') if this will be decided on or after the Settlement Date. The independent member of the Supervisory Board may request that additional independent financial or legal experts are appointed to advise him on the reasonableness of the proposed exchange ratio for the shares in the surviving entity with a view to the economic and other rights attached to the shares in the surviving entity to be received by the minority shareholders as compared to the economic and other rights attached to the Shares held by them immediately prior to the date on which the legal merger becomes effective.

The ordinary shares to be distributed by operation of law (*toekennen*) by the surviving entity under the legal merger to the Shareholders that have not tendered their Shares under the Offer will have the same economic and financial rights as the ordinary shares to be held by the majority shareholder, but may constitute a separate class of shares. In addition, the Shareholders that have not tendered their Shares under the Offer may receive, if or when appropriate, also by operation of law pursuant to the legal merger, preference shares or another separate class of shares with a low nominal value in the capital of the surviving entity as compensation in kind for the difference between the value of their Shares prior to the legal merger, based upon the Consideration, and the value of their ordinary shares following the legal merger. A Shareholder who will not receive shares in the surviving entity for all of his Shares as a result of the exchange ratio, will receive a compensation in cash in accordance with article 2:325 of the Dutch Civil Code. These cash compensations will together not exceed one-tenth of the nominal value of the issued shares as a result of the merger.

As a further result of the surviving entity in a legal merger being an unlisted private limited company, statutory provisions applicable to the governance of public or listed companies will not apply to the surviving entity and the rights of minority shareholders in the surviving entity will be limited to the statutory minimum. However, subject to its articles of association, the surviving entity might have a voluntary supervisory board that shall consist of the same individuals that form the future Supervisory Board as referred to in chapter 7.12 ('Future composition of the Boards'), except for individuals who are future members of the management board of the surviving entity.

The articles of association of the surviving entity will provide that its general meeting of shareholders may by simple majority vote (upon a proposal from the management board) cancel each separate class of shares, if or when appropriate. It is expected that, following a legal merger, the Offeror's current ultimate shareholders would control the majority of votes in the general meeting of shareholders of the surviving entity, and therefore would be able to procure the cancellation of such separate class of shares. A cancellation of these shares shall take place in accordance with article 2:208 of the Dutch Civil Code.

It is envisaged that for a period of six months after the legal merger has become effective, those Shareholders who have become shareholders in the surviving entity as a result of the legal merger shall have the right to sell and transfer their ordinary shares and preference or other class of shares attributed following the legal merger, while the majority shareholder of the surviving entity will commit itself for the same six-month period to purchase and acquire the shares in the surviving entity held by such Shareholders should they elect to sell. The price for such shares shall, during this limited period, be approved in such a way that the value of the shares issued to such shareholder is identical to the Consideration. Shareholders requesting an independent valuation of their shares during this six-month period shall maintain the right to offer their shares in the surviving entity in accordance with the applicable articles of association but shall forfeit their right to require the majority shareholder of the surviving entity to purchase such shares.

In the event of a legal merger, an independent auditor will be appointed to examine the proposed legal merger and will be asked to certify that in his opinion the proposed exchange ratio for the Shares is reasonable. Such auditor will be appointed by the Supervisory Board.

Other potential measurements

Finally, the Offeror reserves the right to submit proposals to the Shareholders in order to alter the company structure and the capital structure of Airspray and/or intended to achieve an optimal financial or other structuring, including amendments to the Articles of Association, a liquidation, a demerger as specified in article 2:334a of the Dutch Civil Code or, as already referred to above, a sale of all or substantially all of the assets of Airspray, which may or may not be followed by a distribution of proceeds to the Shareholders, all in accordance with Dutch law and the Articles of Association. Such a distribution may take the form of a distribution out of reserves, an interim dividend, a dividend or, in the event that the Company is also liquidated, a liquidation distribution. Furthermore, the corporate governance rules applicable to Airspray at the date of this Offer Memorandum may be amended in accordance with the (consequences of the) Offer. This would be done in order to align the company structure of Airspray with the group's new holding and financing structure that will materialise once the Offer has been declared unconditional (*gestandgedaan*).

7.9 Proposed Airspray Articles of Association

In view of the fact that, if the Offer is declared unconditional (*gestand wordt gedaan*), the majority of Shares will upon Settlement be owned by one shareholder (the Offeror) and in view of the fact that the Offeror intends to de-list Airspray, it is proposed to amend the Articles of Association, under the condition precedent that the Offer will be declared unconditional, and to provide for the deletion of the priority share and any and all references to such priority share, the holder thereof and the rights relating thereto. See chapter 10 ('Extraordinary General Meeting of Shareholders') under item (v).

7.10 Future dividend policy

The Offeror expects to amend significantly Airspray's dividend policy should the Offer be declared unconditional (*gestandgedaan*). The Shareholders should be aware that Airspray may not pay (cash) dividends to the Shareholders in the future.

7.11 Organisational and social consequences

The Offeror and Rexam have expressed to plan to continue the character and company culture of the Company and to retain the main office and place of business of the Company in the Netherlands and the U.S. Also, the Offeror and Rexam have agreed that the existing employments and employment conditions within the business of the Company will not be adversely changed as a result of the Offer as such. The Offeror and Rexam plan to continue the existing level of employment and employment conditions within the business of the Company for at least a period of two years following completion of the Offer. In summary, the Offer as such is not expected to adversely affect the existing levels and conditions of employment within Airspray.

The secretariat of the Dutch Social Economic Council (*Sociaal-Economische Raad*) has been informed of the Offer in accordance with the Merger Code (*SER-besluit Fusiegedragsregels 2000*).

On 21 February 2006, Airspray requested the advice of its works council about the Offer. The works council rendered its positive advice in this respect on 16 March 2006.

7.12 Future composition of the Boards

It is envisaged that, from the Settlement Date onwards, the Management Board will consist of three members, being Mr. R.F.Q. Brands, current CEO of the Company, Mr. E. van der Heijden, current member of Airspray's management team and Mr. J. van der Schaaff, current CFO of Airspray. Mr. J. van der Schaaff will resign with effect as of 1 June 2006 and will not be paid any compensation upon resignation. The successor of Mr. J. van der Schaaff will be appointed when appropriate in accordance with the Proposed Articles of Association.

Furthermore, after Settlement Date, it is envisaged that the Supervisory Board shall consist of three members. These members will be Mr. V.C. Rensing, current member of the Supervisory Board (who is independent within the meaning of the Corporate Governance Code), Mr. J.C.E.M. Vissers, current

member of the Management Board of the Offeror, and Mr. M. Petitjean who is an employee within Rexam's group of companies. It is intended that Mr. C.A.M. Busch and Mr. J.IJ. van Duyn will resign with effect as of Settlement Date, subject to the Offer being declared unconditional, and will both not be paid any compensation upon resignation.

If the intended composition of the Supervisory Board shall be effectuated, Airspray shall no longer be in compliance with best practice provision III.2.1 of the Dutch corporate governance code adopted on 9 December 2003 (as amended from time to time). Airspray and the Offeror deem such deviation justified because of the significant shareholding in Airspray by the Offeror as of Settlement Date and because of the necessity of the Offeror (or its ultimate parent company) to consolidate the financial results of Airspray.

7.13 Employee option plan

Under the current Airspray employee stock option plan, options on Shares have been granted to certain employees ("Option(s)"). Airspray may require the optionholders to exercise their Options prior to the Closing Date in conformity with the terms and conditions of the employee option plan against an amount equal to the Consideration minus the exercise price (*uitoefenprijs*) per Option in relation to each and any Option, provided always that the total amount, including tax payable by the Company (if any), to be paid upon cancellation of all Options should not be higher than: (the Consideration minus the average exercise price of the Options so cancelled) times (the number of Options so cancelled).

After settlement of the Offer, the current Airspray employee stock option plan, the share scheme and profit sharing scheme shall be terminated and replaced by an appropriate Rexam arrangement for the employees of Airspray that is broadly comparable to the current Airspray schemes.

See also chapter 11.4 ('Options').

7.14 Financing of the Offer

The Offeror will fully finance the Offer and its settlement out of Rexam's existing cash resources and borrowing facilities.

7.15 Certain arrangements between Airspray and the Offeror

The Offeror and Airspray have entered into arrangements pursuant to which Airspray has agreed to reimburse the Offeror for costs incurred in the preparation of the Offer, up to an amount of EUR 1,500,000, in the event that, under certain specific circumstances, the Offer is not consummated.

Under the same arrangements, the Offeror has agreed to reimburse Airspray for costs incurred in the preparation of the Offer, up to an amount of EUR 1,500,000, in the event that, under specific circumstances the Offer is not consummated.

8 RECOMMENDATION BY THE SUPERVISORY BOARD AND THE MANAGEMENT BOARD ...

The Supervisory Board and the Management Board have duly considered the strategic, financial and social aspects of the Offer and have reached the conclusion that the Offer is in the best interests of Airspray, the Shareholders and other stakeholders in Airspray.

The Supervisory Board and the Management Board are of the opinion that the Offer is reasonable and fair to the Shareholders. In this respect, reference is made to the Fairness Opinion rendered by ING Corporate Finance included in chapter 9 ('Fairness Opinion') of this Offer Memorandum. The Supervisory Board and the Management Board therefore fully support the Offer and unanimously recommend the Offer to the Shareholders for acceptance.

25 April 2006

Supervisory Board*	Management Board
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Mr. C.A.M. Busch	Mr. R.F.Q. Brands
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Mr. V.C. Rensing	Mr. J. van der Schaaff
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- * Mr. J.IJ. van Duyn, a member of the Supervisory Board, has not been involved in any discussions or negotiations regarding the terms and conditions of the Offer on behalf of Airspray since he (indirectly through J.IJ. van Duyn Participaties B.V.) holds a material number of Shares and has signed an irrevocable undertaking to tender all Shares held by him under the Offer.

26-8-2006

9 FAIRNESS OPINION

9.1 Fairness Opinion

To the Supervisory Board and Management Board of Airspray N.V.
Ivoorstraat 9
1812 RE Alkmaar

21 April 2006

Subject: Fairness opinion

Members of the Supervisory Board and Management Board,

We understand that Rexam PLC ("Rexam"), through its bidding vehicle Rexam Plastics Nederland B.V. (the "Offeror"), is considering making a public offer for all outstanding shares of Airspray N.V. ("Airspray" or the "Company"). As is set forth in the terms and conditions of the Offer Document to be dated 25 April 2006 (the "Offer Document"), of which we have seen a draft, Offeror will make an offer of EUR 26.75 per share (excluding proposed dividend for the financial year 2005 of EUR 0.75 per share) in cash for all issued and outstanding ordinary shares with a nominal value of EUR 0.16 per ordinary share in the capital of Airspray ("Share").

ING Corporate Finance, the organisation and trade name used by ING Bank N.V. and certain of its subsidiaries for the conduct of international corporate and investment banking business ("ING Corporate Finance") has been requested by the Supervisory Board and Management Board (the "Boards") of the Company to render an opinion with respect to the fairness, from a financial point of view, of the consideration to be offered in the Offer to the holders of the Shares. ING Corporate Finance has not been requested to opine as to, and the opinion does not in any matter address, the Company's underlying business decision to recommend or otherwise to proceed with the Offer.

In arriving at the opinion, ING Corporate Finance has reviewed and analysed:

- (1) certain publicly available information with respect to the Company, including, the annual reports for the financial years 2003, 2004 and 2005 and such other publicly available information concerning the Company that ING Corporate Finance believes to be relevant to its analysis;
- (2) certain other financial and operating information with respect to the business, operations and prospects of the Company furnished to ING Corporate Finance by the Company;
- (3) a trading history of the Shares and a comparison of that trading history with those of other companies that ING Corporate Finance deemed relevant;
- (4) a comparison of the historical financial results and present financial condition of the Company with those of other companies that ING Corporate Finance deemed relevant;
- (5) a comparison of the financial terms of the Offer with the financial terms of certain other recent transactions that ING Corporate Finance deemed relevant;
- (6) discussions with the Management Board and other senior management of the Company concerning its business, operations, assets, financial condition and prospects;
- (7) the merger protocol between the Company, Rexam and the Offeror;
- (8) a draft of the Offer Document;
- (9) other studies, analysis and investigations that ING Corporate Finance deemed appropriate.

In arriving at the opinion, ING Corporate Finance has assumed and relied upon the accuracy and completeness of the financial and other information used by ING Corporate Finance without assuming any responsibility for independent verification of such information and ING Corporate Finance has further relied upon the assurances of management of the Company that they were not aware of any facts that would make such information inaccurate and misleading. ING Corporate Finance therefore does not accept any responsibility regarding this information.

With respect to the financial projections of the Company, upon advice of the Company, ING Corporate Finance has assumed that such projections have been reasonably prepared on a basis reflecting the best currently available estimates and judgements of the management of the Company and ING Corporate Finance has assumed that the Company will perform substantially in accordance with such forecasts/

projections. ING Corporate Finance does not accept any responsibility with regard to these projections and their assumptions.

ING Corporate Finance has assumed, and it is confirmed by the Management Board of the Company, that:

- (a) all information provided to ING Corporate Finance is accurate and complete;
- (b) no information that would materially impact ING Corporate Finance's view has been withheld;
- (c) up to the date of this letter, no fact or circumstances have occurred that are not known to ING Corporate Finance, or should have been known to ING Corporate Finance given the information provided, that could materially impact ING Corporate Finance's view regarding the fairness of the Offer.

ING Corporate Finance's opinion is based upon market, economic and other conditions as they exist on, and can be evaluated as of, the date of this letter. Developments in foregoing conditions occurring after the date of this letter, and any other information that becomes available after this date, could impact the opinion and the assumptions on which the opinion is based. In that case, ING Corporate Finance is not obliged to renew, review or confirm its opinion.

Based upon and subject to the foregoing, ING Corporate Finance is of the opinion as of the date hereof that, from a financial point of view, the consideration to be offered in the Offer is fair to the holders of the Company's Shares.

This opinion is solely for the use and benefit of the Boards and is rendered to the Boards in connection with its consideration of the Offer. This opinion is not intended to be and does not constitute a recommendation to any shareholder of the Company as to whether to accept the consideration to be offered to the shareholders in connection with the Offer. In addition, ING Corporate Finance has not provided any legal, accounting or tax advice in connection with the Offer, and as such assumes no liability or responsibility in connection therewith.

ING Corporate Finance has acted as financial advisor to Airspray with respect to the Offer and will receive a fee from the Company for its services, a significant portion of which is conditional upon completion of the Offer. From time to time, ING Corporate Finance or other departments within ING Group N.V. and its subsidiaries may have (i) a banking relationship with the Company, Rexam or the Offeror, and (ii) been involved in proprietary or third party trading of Shares or Rexam shares. ING Corporate Finance has established procedures, including Chinese Walls, designed to help ensure the independence of advice.

Third parties cannot rely on part or all of this letter nor can they extract any rights from this letter for any purposes whatsoever. The contents of this letter may not be made public, other than through publication of the complete contents of this letter in the Offer Document in relation to the Offer, for information purposes to the holders of the Shares.

This letter shall be governed by, and construed in accordance with, Dutch law and each party agrees for the benefit of the other that proceedings against it may be brought in the Dutch courts.

Yours faithfully,

ING Bank N.V.

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10 EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF AIRSPRAY

At 10.00 hours CET, on 11 May 2006, the EGM, which will also comprise the AGM, will be convened at at the Golden Tulip Hotel, Arcadialaan 6 in Alkmaar, the Netherlands, during which, among others, the Offer will be explained and discussed in compliance with the provisions of article 9q of the Decree. The information necessary for the Shareholders to have the opportunity to assess the Offer, as set out in article 9q of the Decree, is included in this Offer Memorandum. In addition, *inter alia*, the following proposals shall be put on the agenda for adoption by the General Meeting of Shareholders:

- (i) a report of the Management Board on the state of affairs and on Airspray's annual accounts for the Financial Year 2005;
- (ii) a proposal to adopt the annual accounts for the Financial Year 2005;
- (iii) an explanation of any changes in the reservation and dividend policy;
- (iv) a proposal to grant discharge to the members of the supervisory board of Airspray (which insofar includes J.IJ. Van Duyn) and of the Management Board for the exercise of their respective duties, insofar as the exercise of such duties is reflected in the financial reporting;
- (v) upon proposal of the Stichting Prioriteit Airspray, as approved by the Supervisory Board, a proposal to amend the Articles of Association, subject to the condition precedent that the Offer has been declared unconditional (*gestandgedaan*); in conformity with the draft deed of amendment of the Articles of Association dated 20 April 2006, as prepared by Allen & Overy LLP, in connection with the conversion of the priority share into an ordinary share, the disappearance of the priority share from the Articles of Association and the designation of the management board of Airspray for a period of five years as the corporate body of Airspray authorised to issue shares and to limit or exclude any pre-emption rights;
- (vi) a proposal to authorise each managing director of Airspray and also each civil law notary, deputy civil law notary and notarial assistant of Allen & Overy LLP, each of them severally, to apply to the Dutch Ministry of Justice for the 'statement of no objections' and to have the deed of amendment of the Articles of Association executed;
- (vii) the resignation of Messrs. C.A.M. Busch and J.IJ. van Duyn as members of the supervisory board of Airspray, both with effect as of the Settlement Date and a proposal to grant full and final discharge to them, subject to the condition precedent that the Offer has been declared unconditional (*gestandgedaan*);
- (viii) a proposal to appoint Mr. J.C.E.M. Vissers and Mr. M. Petitjean as members of the supervisory board of Airspray, subject to the condition precedent that the Offer has been declared unconditional (*gestandgedaan*), in which respect Shareholders are informed that, during the period between the date on which the Offer is declared unconditional (*gestandgedaan*) and the termination of the listing of the Company on Euronext Amsterdam, the Company will not comply with the best practice provision III.2.1 of the Corporate Governance Code, in addition to the other deviations from the Corporate Governance Code as explained in Airspray's annual report for the Financial Year 2005;
- (ix) the resignation of Mr. J. van der Schaaff as member of the Management Board with effect as of 1 June 2006, and a proposal to grant full and final discharge to him;
- (x) a proposal to appoint Mr. E. van der Heijden as member of the Management Board, subject to the condition precedent that the Offer has been declared unconditional (*gestandgedaan*); and
- (xi) the repurchase by the Company of the priority share held by Stichting Prioriteit Airspray subject to the condition precedent that the Offer has been declared unconditional (*gestandgedaan*); and
- (xii) a proposal to appoint the accountant in charge for the review of the annual accounts for the financial year 2006.

Notice of the EGM and AGM will be given in accordance with the Articles of Association.

11 INFORMATION REGARDING AIRSPRAY

11.1 General information

Incorporation

Airspray, a public limited liability company (*naamloze vennootschap*), with its statutory seat in Alkmaar, the Netherlands, was incorporated under Dutch law on 15 June 1982.

Registered office

Airspray N.V.
Ivoorstraat 9
1812 RE Alkmaar
The Netherlands

Fax: +31 72 547 0055

Telephone: +31 72 541 4666

Website: www.airspray.net

Airspray is registered with the Commercial Register of the Chamber of Commerce and Industry under number 34087674.

Management Board and supervisory board of Airspray

The Management Board currently consists of two members, it being Mr. R.F.Q. Brands (CEO) and Mr. J. van der Schaaff (CFO). Together with Mr. E. van der Heijden, they form the management team which manages the Company.

Airspray's supervisory board currently consists of three members, it being Mr. V.C. Rensing, Mr. C.A.M. Busch and Mr. J.I.J. van Duyn.

Stichting Prioriteit Airspray and Stichting Medewerkers Airspray

The Stichting Prioriteit Airspray was established on 1 May 1998, with the objective to safeguard the interests of the company, its affiliated companies and all parties and all parties concerned. The Stichting Prioriteit Airspray is the holder of the only priority share of the Company.

The management committee of the Stichting Prioriteit Airspray comprises those members of the Management Board and supervisory board of the Company, appointed by the General Meeting of Shareholders after recommendation from the Stichting Prioriteit, and those Airspray shareholders who hold 7.5% of the shares in the paid up capital of the Company for an uninterrupted period of at least one year (hereinafter referred to as Majority shareholders). At the date of this Offer Memorandum, the management committee of the Stichting Prioriteit Airspray comprises six members, it being: J.I.J. van Duyn Participaties B.V., Mr. C.A.M. Busch and Mr. V.C. Rensing (supervisory board committee members), Beauchamp Beheer B.V. (shareholder committee member) and Mr. R.F.Q. Brands and Mr. J. van der Schaaff (Management Board committee members).

The Stichting Medewerkers Airspray was established on 19 May 1988, with the objective to hold Shares in its own name, but for and for the risk of Airspray's employees. At the date of this Offer Memorandum, the management committee of the Stichting Medewerkers Airspray comprises two members, it being Mr. J. van der Schaaff and Ms. I.M. Henselmans-Olgers.

Personnel

In 2005, Airspray grew from 121 to 147 employees. The growth in staff numbers (21%) is in reasonable proportion to the growth in the number of units sold by the Company. Of the total number of employees, around 10% work part-time, mainly in the Dutch location of the Company.

11.2 Business information

Overview

Airspray is an important producer of high value-added, innovative dispensers. It is the market leader in mechanical instant foam dispensers and sells its products to manufacturers of consumer products who

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include multinationals such as Procter & Gamble, Unilever, Colgate, L'Oréal, Henkel-Schwarzkopf and Johnson & Johnson.

History

Since its foundation on 15 June 1982, Airspray has focused on the development of dispenser concepts, production technologies and international marketing. Since 1984, Airspray has a subsidiary in the U.S., named Airspray International Inc. Airspray has been listed on the Amsterdam Stock Exchange since 28 May 1998. As of 31 January 2003, trading in Airspray ADR's in the U.S. has commenced.

Organisational structure

Airspray conducts its business through Airspray and a number of subsidiaries including:

<u>Name</u>	<u>Percentage of ownership</u>
Airspray Development B.V.	100%
Airspray Engineering B.V.	100%
Airspray International B.V.	100%
Airspray International Inc.	100%

Business overview

Airspray, based in the Netherlands, is the world's leading designer, manufacturer and marketer of innovative dispensers for the cosmetics and personal care sectors. Airspray dispensers are used by more than 575 customers on five continents, including multi-national industry leaders Colgate-Palmolive, The Dial Corporation, Johnson & Johnson, L'Oréal, Unilever, Procter & Gamble and Sara Lee.

Founded in 1983, Airspray produces high-quality, technically advanced dispensers that turn liquid into foam or spray without the use of chemical or gas propellants. The production takes place in fully automated production facilities in its plants in the Netherlands and in the U.S. Airspray has a marketing and sales organisation covering all of the industrialised countries and holds multiple patents on various technologies. In 2005, two new dispenser concepts were introduced by Airspray.

In Airspray's markets, its unique, patented dispenser technologies are important marketing tools that drive customers' market share and revenue expansion. Airspray's state-of-the-art dispenser design help clients to create market demand for new products that combine cutting-edge product delivery with enhanced product performance.

A key partner in new product development, Airspray has a strong commitment to R&D and owns a wide range of internationally patented technologies and has several patents pending.

Airspray outsources production of components for its dispensers and focuses on precision assembly of these components to create the complete dispenser. Airspray's assembly process is fully automated and has 100% in-line computerized quality inspection systems.

Current strategy and business objectives

Airspray's strategy is to realise further organic growth while maintaining a good profit margin level. Airspray's main objective is to continue to develop its key assets. The secondary objectives, which together should help to achieve the main objective, are:

Further expansion of the group of active clients

One of Airspray's secondary objectives is to make available new technologies in its field. Effective access to the market is required for a quick and wide introduction of new technologies and to translate these efforts into results. Over the years, Airspray has built up a very broad and international client portfolio, which includes the most prominent companies in the personal care, cosmetics and household products industry and has enabled Airspray to develop its strong market position. This client portfolio also provides considerable inspiration for further product development activities.

Intensifying the relationship with our clients

Over the past few years, Airspray has focused not only on the expansion of its client portfolio; it has also worked to intensify the relationships with existing clients. Based on the positive reception of Airspray's

dispensers at consumer level, many of its clients have increased the number of consumer products based on the dispensers produced by Airspray. The average sales per client increased by 26% in 2005. The policy of Airspray remains aimed at continuing this trend.

New technologies

Since its stock exchange listing in 1998, Airspray has always presented itself as an innovative enterprise which realises its growth partly through the development of new products. The product range in 2006 consists of more than 25 different dispensers in four product categories. In 2005, Airspray once again developed new dispenser concepts and also once again applied for patents for new technologies. Airspray has a large portfolio of patented technologies which form the basis of its dispensers. Airspray's R&D activities remain very much focused on the active development of new technologies, while it will also remain active in attracting new technologies developed by third parties, for instance through license agreements.

Airspray is a 'business-to-business' oriented enterprise. Its dispensers are a key component of the consumer products for which they are used. Airspray therefore considers itself to be a marketing-focused enterprise specialising in innovative dispenser concepts in the broadest sense of the word. Airspray places the emphasis on the requirements and demands of the consumer. Dispenser concepts play an important role in the marketing of consumer products for personal care and cosmetics. Airspray regards the contacts with its clients as an important source of information and inspiration. Airspray cooperates with many of its clients as partners who provide important market information, which in turn enables Airspray to determine its R&D strategy.

Results from 2005 operations

Financial results

Airspray realised strong growth in sales, volume and profit in 2005. Sales were up 29%, volume rose by 40% and net profit by 29% compared with 2004. The gross margin dropped to 34% (2004: 38%) due to increased raw material costs, the product mix effect and the conscious decision to penetrate in a category in which Airspray was barely active: household products. While the marketing efforts in recent years focused primarily on cosmetics and personal care, in 2005 Airspray also developed activities in the market for dishwashing detergents, based on a completely new concept. Although margins in this market are somewhat lower than the average margins Airspray realises in the personal care and cosmetics industry, it offers strong growth potential. A considerable proportion of the growth in 2005 was realised in this category. In addition, Airspray's dispensers were also introduced in two other market segments in which the Company was barely active: products for pet and baby care. Since successful launches in new categories are often followed by other consumer products manufacturers, these first launches in new categories are of great importance.

Operational costs have developed positively. Both G&A and selling expenses, which together accounted for 16% of turnover in 2004, dropped to 14% of turnover. Operational result was EUR 8.9 million. In 2005, Airspray implemented a new dollar policy to reduce the effect of the dollar on the result, while on the other hand Airspray can benefit from favourable dollar exchange rate fluctuations. Net result was EUR 5.6 million, an increase of 29% compared with 2004. Earnings per Share were up 27% at EUR 1.04 (2004: EUR 0.82).

In 2005, EUR 3.7 million was invested in the expansion of production capacity, including a new production facility in Alkmaar. Airspray has sufficient room to further expand the production capacity in the Netherlands in the coming years. Airspray further strengthened its balance sheet in 2005. With the exception of the mortgage on the Alkmaar premises, Airspray once again did not have to make use of any kind of credit in 2005. Before the payment of dividend, group equity increased to EUR 33.8 million at year-end 2005. This puts the solvency ratio at 77% at year-end 2005. The return on invested capital was 25% in 2005 (2004: 26%).

Developments in 2005

Airspray saw sales increase in all geographical markets important to the Company. The turnover expressed in euros was divided as follows: 62% from North America, 34% from Europe and 4% from other regions. The number of active clients once again increased and the average turnover per client increased strongly by 26% compared to 2004. A further important development was the launch of various consumer products

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based on Airspray's dispensers in new categories, including foaming dishwashing detergents which were launched on both the American and the European markets under brands such as Dawn, Fairy and Dreft. The market for household products is characterised by high volumes and Airspray is therefore pleased with this new application. Other new applications in which Airspray's dispensers were introduced were baby care products and pet care products. The number of markets in which Airspray is active increases every year, which means the potential total volume also increases every year. The new dispensers added to the range in recent years have been very well received. In the course of 2005, the first shipments were made of the WRT6, a water resistant tabletop T1 version. In 2006, the 2cc Symplicity and a completely new foaming concept will be introduced.

Turnover per segment

In 2005, the hand soap segment proved the most important to Airspray, with a turnover share of 38% (from 30% in 2004). This application has surpassed the skin care segment, accounting for 27% of turnover (from 36% in 2004), which was the most important market for Airspray in the previous year. A further notable development is the reduction in the turnover share of the hair care segment to 15% (from 20% in 2004). The two segments hair care and skin care did grow in absolute terms in 2005. The new household segment is becoming more important as a category and contributed 11% of turnover in 2005. Sun care showed a slight drop to 6% (from 9% in 2004). The segment "other" contributed 3% (from 5% in 2004).

Financial outlook

In 2005, Airspray again strengthened its commercial position. The order portfolio and the clear prospect of new projects leads towards positive expectations for the 2006 financial year. Notwithstanding the exceptional volume growth in 2005, Management Board expects a growth of at least 10% in both volume and net profit for the 2006 financial year.

Dividend

Over the last few years Airspray's dividend policy has been consistent in paying a relative high dividend. This is based on the fact that as a result of an unchanged structure of the balance sheet of Airspray an increase of solvability of Airspray is not necessary. The table below shows dividend per Share paid or proposed to be paid by Airspray to the Shareholders for the Financial Years 2003, 2004 and 2005.

<u>Financial Year</u>	<u>Cash dividend per Share</u>	<u>Pay-out ratio</u>
2003	EUR 0.63	53%
2004	EUR 0.63	77%
2005*	EUR 0.75	72%

* *Dividend proposed by Stichting Prioriteit Airspray*

11.3 Capital and shares

The authorized capital of Airspray amounts to EUR 4 million and consists of 25,000,000 shares with a nominal value of EUR 0.16 each. Of the total authorized capital at the date of this Offer Memorandum 5,468,025 Shares have been issued and fully paid up (2004: 5,287,842) of which one priority share is in the hands of Stichting Prioriteit Airspray.

11.4 Options

Options to Shares are granted to managers and employees at the cost of the Company. The purpose of this Share option scheme is to stimulate involvement in the Company. The options are granted upon the approval of Airspray's supervisory board at a price, for employees, equal to the stock market price at the time of the decision and, for managers, equal to the average closing price of the last five trading days of the closed year. In 1999 and 2000, a separate scheme applied for Airspray's supervisory board. The term of the options is five or seven years. The options granted can basically only be exercised after three years. The Rules on Inside Information of Airspray apply to the option scheme.

On the date of this Offer Memorandum, in aggregate 161,259 unconditional options are outstanding, of which the members of Management Board in aggregate hold 24,956 unconditional options. The members of Airspray's supervisory board do not hold any options.

12. INFORMATION REGARDING THE OFFEROR

12.1 Incorporation

The Offeror, a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*), with its statutory seat in Dongen, the Netherlands, was incorporated under Dutch law on 16 February 2006. The Offeror is a directly wholly owned subsidiary of Rexam European Holdings Ltd, in turn an indirectly wholly owned subsidiary of Rexam.

Rexam has agreed with the Company that it may be held jointly and severally liable for all obligations which the Offeror may incur in respect of the Offer, and Rexam has fully, unconditionally and irrevocably guaranteed to the Company that the Offeror shall punctually perform its obligation to pay to the Shareholders in respect of each tendered Share the Consideration, in accordance and in full compliance with the terms and conditions of the Offer (which does not constitute a third party stipulation vis-à-vis individual Shareholders).

Rexam is a leading global consumer packaging company and the largest beverage can maker in the world. Its vision is to be the leading global consumer packaging company. Rexam is a business partner to many of the world's most famous and successful consumer brands, as well as young, entrepreneurial start-ups, and offers a broad range of packaging services and solutions for different industries, using various materials and technologies. Rexam employs around 22,000 people in more than 20 countries. Rexam has an ongoing turnover of approximately £3.2 billion and is a member of the FTSE 100. Rexam's ordinary shares are listed with the UK Listing Authority and trade on the market for listed securities on the London Stock Exchange under the symbol REX.

12.2 Registered office and Chamber of Commerce

The Offeror is registered with the Commercial Register of the Chamber of Commerce and Industry under number 18082066.

12.3 Management board

The sole managing directors of the Offeror are Mr. J.C.E.M. Vissers and Mr. J. Gorter.

12.4 Capital and shares

The authorised share capital of the Offeror amounts to EUR 18,000, and consists of 180 ordinary shares with a nominal value of EUR 100 each. All the shares of the Offeror will be registered shares. On the date of the publication of the Offer Memorandum, 180 ordinary shares have been issued and fully paid up, all of which are held by the Offeror's sole shareholder Rexam European Holdings Ltd., an indirectly wholly owned subsidiary of Rexam.

At the date of his Offer Memorandum, the Offeror has no interest in the share capital of Airspray.

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13 DECLARATIONS PURSUANT TO THE DECREE

In addition to the other statements set out in this Offer Memorandum, the Offeror, with regard to items (i), (ii), (iii), (iv), (vi), (vii), (viii) and (ix) below, and Airspray's supervisory board (which insofar includes Mr. Van Duyn) and the Management Board with regard to items (i), (iii), (v), (vi), (viii) and (ix) below, hereby declare as follows:

- (i) There have been consultations between the Offeror and Airspray regarding the Offer, which have resulted in agreement regarding the Offer. The financing of the Offer and the conditions in respect of the Offer took place between the Offeror and the Supervisory Board. Discussions regarding the future strategy of Airspray have taken place between the Offeror and the Supervisory Board.
- (ii) With due observance of and without prejudice to the restrictions referred to in chapter 1 ('Restrictions'), the Offer concerns all Shares and applies on an equal basis to all Shares and Shareholders.
- (iii) Apart from their regular compensation, no financial compensation will be made to the resigning members of the supervisory board or to Mr. van der Schaaff upon his resignation.
- (iv) At the date of his Offer Memorandum, the Offeror has no interest in the share capital of Airspray, whether directly or indirectly.
- (v) At the date of his Offer Memorandum, Airspray has no interest in the share capital of the Offeror, whether directly or indirectly.
- (vi) No transactions have taken place or will take place on the basis of concluded agreements with individuals and/or legal persons within the meaning of article 9i, paragraph s and/or t and/or u of the Decree, other than in respect of certain Shareholders as described in chapter 7.2 ('Committed Shares').
- (vii) Save as referred to in chapter 7.2 ('Committed Shares') of this Offer Memorandum, no Shareholders have committed themselves to accept the Offer.
- (viii) The information referred to in article 9p of the Decree, to the extent required, has been provided to the AFM.
- (ix) The AFM, Euronext Amsterdam, Airspray's works council and the Social and Economic Council have been informed about the Offer.

14 TAX ASPECTS OF THE OFFER

14.1 Dutch tax aspects of the Offer

The following summary describes the principal Dutch tax consequences of a disposal of the Shares under the Offer. This summary does not purport to be a comprehensive description of all Dutch tax considerations that may be relevant to a Shareholder in relation to the decision to dispose of the Shares, or in light of its particular circumstances, or to a Shareholder subject to a special tax regime, such as the exempt status of a qualifying pension fund.

This summary is intended for general information purposes only and does not purport to be a comprehensive description of all Dutch tax aspects. Each Shareholder should consult a professional tax advisor with expertise regarding the tax consequences of the holding and disposal of the Shares.

This summary is based on tax legislation, published case law, treaties, rules, policy and similar sources of law in force on the date of this Offer Memorandum, subject to any subsequent amendments with retrospective effect. The term “shareholder/company” means any shareholder other than a private individual.

Dutch residents

A gain arising upon a disposal of the Shares under the Offer is in principle taxable, if the Shareholder is a resident of the Netherlands, or a deemed resident of the Netherlands for Dutch tax purposes (which includes a private individual who has elected to be taxed as a resident of the Netherlands) and:

- a) A private individual:
 - i. Who carries on an enterprise or holds an interest in an enterprise to which the Shares can be attributed.
 - ii. For whom a gain is considered earnings from other activities, which include activities concerning the Shares that go beyond normal active asset management.
 - iii. holding a substantial interest (“**Substantial Interest**”) in Airspray. A holder is generally considered to hold a Substantial Interest in a company if such holder, individually or jointly with his or her partner (a legally defined term), or with certain other related private individuals, directly or indirectly:
 1. is a shareholder of at least 5% of the issued capital or holds 5% or more of a certain class of shares in the company; or
 2. has option rights to acquire shares directly or indirectly up to at least 5% of the issued capital (including conversion rights); or
 3. has profit certificates with respect to at least 5% of the company’s annual profit or at least 5% of the proceeds distributed in the event of liquidation.
- b) A shareholder/company for which benefits derived from the Shares are not exempt under the participation exemption. A shareholding in a Dutch resident company constitutes a qualifying participation for the purpose of the application of the participation exemption if:
 - i. at least 5% in the company’s nominal paid-up capital is held (subject to certain conditions, less than 5% may also qualify), and
 - ii. the shares are not held as stock-in-trade.

Taxable income derived from Shares by a private individual other than those mentioned under (a) above is determined on the basis of a deemed return on income from savings and investments rather than on the basis of income actually received or gains actually realised. The deemed return on income from savings and investments is set at 4% of the average of the individual’s yield basis. Such average is found by reference to the fair market value of certain qualifying assets and liabilities on 1 January and 31 December, divided by two, but only insofar as this average exceeds a certain threshold. The fair market value of the Shares are included as an asset in the yield basis. The deemed return on income from savings and investments will be taxed at a rate of 30%.

Non-Dutch residents

For a Shareholder who neither is a resident of the Netherlands, nor deemed to be a resident of the Netherlands for Dutch tax purposes, a gain derived from a disposal of the Shares under the Offer in principle is not taxable in the Netherlands, unless such Shareholder:

- a) has an enterprise, or holds an interest in an enterprise, which is carried on through a permanent establishment or a permanent representative in the Netherlands to which the Shares can be attributed;
- b) is a private individual:
 - i. holding a Substantial Interest in Airspray; or
 - ii. for who the gain is considered earnings from other activities in the Netherlands, which include activities concerning the Shares that go beyond normal active asset management;
- c) is a shareholder/company that holds a Substantial Interest in Airspray, which is not attributable to an enterprise.

Other taxation

No dividend tax, registration duty, value added tax, import duty, transfer tax, stamp duty or any other similar tax, duty or levy will be payable in the Netherlands in respect of the Offer.

14.2 U.S. federal tax aspects of the Offer

General

To ensure compliance with U.S. treasury regulations, we advise you that any U.S. federal tax discussion in this Offer Memorandum has not been written and is not intended to be used, and cannot be used, by any taxpayer for purposes of avoiding U.S. federal income tax penalties that may be imposed on the taxpayer. Any such tax discussion has been written to support the promotion or marketing of the Offer pursuant to this Offer Memorandum. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax adviser.

The following summary describes certain material U.S. federal income tax consequences to U.S. Holders (as defined below) resulting from the acceptance of the Offer. This summary addresses only U.S. federal income tax considerations of U.S. Holders that hold the Shares as capital assets. It does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to accept the Offer. In particular, this summary does not address tax considerations applicable to U.S. Holders that may be subject to special tax rules including, without limitation, the following: (i) financial institutions; (ii) insurance companies; (iii) dealers or traders in securities or currencies or notional principal contracts; (iv) tax-exempt entities; (v) persons that will hold the Shares as part of a "hedging" or "conversion" transaction or as a position in a "straddle" or as part of a "synthetic security" or other integrated transaction for U.S. federal income tax purposes; (vi) persons that have a "functional currency" other than the U.S. dollar; (vii) persons that own (or are deemed to own) 10% or more (by voting power) of Airspray's share capital; (viii) regulated investment companies; (ix) real estate investment trusts; and (x) partnerships, pass-through entities, or persons who hold any of the Shares through partnerships or other pass-through entities. Further, this summary does not address alternative minimum tax consequences or consequences to holders of an equity interest in a holder of Shares.

This summary is based on the Internal Revenue Code of 1986, as amended (the "**Code**"), U.S. Treasury Regulations and judicial and administrative interpretations thereof, in each case as in effect and available as at the date of this document. All of the foregoing is subject to change, which change could apply retroactively and could affect the tax consequences described below.

Each holder should consult its own tax advisor with respect to the federal, state, local, foreign and other tax consequences to them of accepting the Offer.

For purposes of this summary, a "**U.S. Holder**" is a beneficial owner of Shares that is, for U.S. federal income tax purposes: (a) a citizen or resident of the U.S.; (b) a corporation, or other entity treated as a corporation, created or organised in or under the laws of the U.S. or any state thereof (including the District of Columbia); (c) an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or (d) a trust if (i) a court within the U.S. is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of the substantial

decisions of such trust; or (ii) it has a valid election in effect under the applicable Treasury Regulations to be treated as a U.S. person.

A “Non-U.S. Holder” is a beneficial owner of the Shares that is not a U.S. Holder. If a partnership holds a Share, the consequences to a partner will generally depend upon the status of the partner and upon the activities of the partnership. A partner of a partnership holding Shares should consult its tax advisor.

Acceptance of the Offer

Accepting the Offer will constitute a sale or exchange for U.S. federal income tax purposes. Subject to the discussion below under “*passive foreign investment company considerations*”, a U.S. Holder will generally recognise gain or loss for U.S. federal income tax purposes upon the sale or exchange of Shares in an amount equal to the difference between the U.S. dollar value of the amount realised from such sale or exchange and the U.S. Holder’s adjusted tax basis in such Shares. Any gain or loss recognised on a Share will be a capital gain or loss, and will be a long-term capital gain (taxable at a reduced rate for individuals, trusts or estates) if the Shares are held for more than one year. Any such gain or loss will generally be treated as from sources within the U.S.. The deductibility of capital losses is subject to significant limitations.

A U.S. Holder that receives euros on the sale or other disposition of the Shares will realise an amount equal to the U.S. dollar value of the euros on the date of sale (or, in the case of cash basis and electing accrual basis taxpayers, the U.S. dollar value of the euros on the settlement date). Gain or loss, if any, recognised on the subsequent sale, conversion or disposition of such euros will be ordinary income or loss, and will generally be income or loss from sources within the U.S. for foreign tax credit limitation purposes. However, if such euros are converted into U.S. dollars on the date received by the U.S. Holder, a cash basis or electing accrual U.S. Holder should not recognise any gain or loss on such conversion.

It is unclear whether, for U.S. federal income tax purposes, the dividend which will become payable for the financial year 2005 will be included in amounts realised from the sale or exchange of the Shares pursuant to a U.S. Holder accepting the Offer. U.S. Holders should consult with their own tax advisers with respect to the tax treatment of this dividend.

Subject to the discussion below under “*backup withholding and information reporting*”, a Non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax on any gain realised on the sale or exchange of the Shares unless: (i) that gain is effectively connected with the conduct by that Non-U.S. Holder of a trade or business within the U.S.; (ii) in the case of any gain realised by an individual Non-U.S. Holder, that holder is present in the U.S. for 183 days or more in the taxable year of the sale or exchange and certain other conditions are met; or (iii) the Non-U.S. Holder is subject to tax pursuant to provisions of the Code applicable to certain expatriates.

Passive foreign investment company considerations

It is possible that Airspray has for U.S. federal income tax purposes been a passive foreign investment company (a “PFIC”) in prior taxable years. However, even if Airspray did not constitute a PFIC in any particular year, as this is a factual determination made annually at the end of the taxable year, there can be no assurance that Airspray will be not considered a PFIC for the current taxable year. If Airspray was a PFIC in any year, special, and possibly materially adverse, consequences would (as discussed below) result for U.S. Holders.

The Offeror has not undertaken to determine in any manner Airspray’s PFIC status in any taxable year, and no representations or other assurances are provided herein in that regard.

A corporation organised outside the U.S. generally will be classified as a PFIC for U.S. federal income tax purposes in any taxable year in which either: (i) at least 75% of its gross income is “passive income”; or (ii) on average at least 50% of the gross value of its assets is attributable to assets that produce “passive income” or are held for the production of passive income. Passive income for this purpose generally includes dividends, interest, royalties, rents and gains from commodities and securities transactions. In determining whether it is a PFIC, a foreign corporation is required to take into account a *pro rata* portion of the income and assets of each corporation in which it owns, directly or indirectly, at least a 25% interest.

If Airspray is considered to be a PFIC in any year during which a U.S. Holder owns Shares, the U.S. Holder will be subject to additional taxes on any gain realised from the sale or other disposition of the Shares (whether or not Airspray is currently a PFIC). To compute the tax on any gain, (a) the gain is

allocated ratably over the U.S. Holder's holding period; (b) the amount allocated to the current taxable year and any year before Airspray becomes a PFIC is taxed as ordinary income in the current year; and (c) the amount allocated to other taxable years is taxed at the highest applicable marginal rate in effect for each year, and an interest charge is imposed to recover the deemed benefit from the deferred payment of the tax attributable to each year.

U.S. Holders should consult their own tax advisors as to whether their investment in the Shares should be treated as an investment in PFIC stock, the consequences of an investment in and disposition of shares in a PFIC.

Backup withholding and information reporting

Backup withholding and information reporting requirements may apply to certain payments to U.S. Holders of the proceeds of a sale or exchange of a Share. The Offeror (or its paying agent) may be required to withhold tax from any payment that is subject to backup withholding of such payment if the U.S. Holder fails (i) to furnish the U.S. Holder's taxpayer identification number; (ii) to certify that such U.S. Holder is not subject to backup withholding, or (iii) otherwise to comply with the applicable requirements of the backup withholding rules. Certain U.S. Holders (including, among others, corporations) are not subject to the backup withholding and information reporting requirements. Non-U.S. Holders which hold their Shares through a U.S. broker or agent or through the U.S. office of a non-U.S. broker or agent may be required to comply with applicable certification procedures to establish that they are not U.S. Holders in order to avoid the application of such information reporting requirements and backup withholding. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a U.S. Holder generally may be claimed as a credit against such U.S. Holder's U.S. federal income tax liability provided that the required information is furnished to the U.S. Internal Revenue Service (the "IRS"). Prospective investors should consult their own tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining this exemption.

U.S. Holders of Shares should properly complete, including furnishing a taxpayer identification number on the Substitute Form W-9 accompanying the acceptance forms sent to holders of Shares with addresses in the U.S.. Any U.S. Holder of Shares which does not provide a correct taxpayer identification number may be subject to a U.S.\$50 penalty imposed by the IRS, and the cash payments that are made to such holder with respect to the tendered Shares may be subject to backup withholding. If you are a U.S. Holder and have not received a Substitute Form W-9, you may obtain one by contacting the Settlement Agent as detailed in the acceptance forms.

IRS disclosure reporting requirements

Recently promulgated U.S. Treasury Regulations (the "Disclosure Regulations") meant to require that the reporting of certain tax shelter transactions ("Reportable Transactions") could be interpreted to cover transactions generally not regarded as tax shelters. Under the Disclosure Regulations, it may be possible that certain transactions with respect to the Shares may be classified as Reportable Transactions, requiring a holder to disclose such transaction, such as a sale, exchange, retirement or other taxable disposition of a Share that results in a loss that exceeds certain thresholds and that other specified conditions are met. Shareholders should consult with their own tax advisors to determine the tax return obligations, if any, in respect of their investment in the Shares and the acceptance of the Offer, including any requirement to file an IRS Form 8886 (Reportable Transaction Disclosure Statement).

15 OTHER INFORMATION

15.1 Available documents

Copies of this Offer Memorandum, the Articles of Association, the Proposed Airspray Articles of Association and the annual financial statements (*jaarrekeningen*) of Airspray for the Financial Year 2003 and the Financial Year 2004, as adopted by the General Meeting of Shareholders, and the Financial Year 2005, to be presented for adoption at the AGM, which documents are incorporated by reference in, and form an integral part of, this Offer Memorandum, are available free of charge at the offices of ING Corporate Finance and the Exchange and Paying Agent, and can be obtained by contacting ING Corporate Finance or the Exchange and Paying Agent at the addresses below:

ING Corporate Finance

ING Corporate Finance
Foppingadreef 7
P.O. Box 1800
1000 BV Amsterdam
The Netherlands

Telephone: +31 20 563 8535
Fax: +31 20 563 8503
Email: cfprospectus@ingcf.com

Exchange and Paying Agent

Fortis Bank (Nederland) N.V.
Attn. Settlements Department
Rokin 55
1012 KK Amsterdam
The Netherlands

Telephone: +31 20 527 2458
Fax: +31 20 527 1963
Email: FBGC.verwisselkantoor@nl.fortis.com

Digital copies of this Offer Memorandum are also available on the website of Euronext Amsterdam: www.euronext.com (Dutch residents only).

15.2 Exchange and Paying Agent

Fortis Bank (Nederland) N.V. is designated as Exchange and Paying Agent with respect to the Offer.

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16 PRESS RELEASES

16.1 Press release—22 February 2006

This is a joint press release issued by Airspray N.V., Rexam PLC and Rexam Plastics Nederland B.V. Not for release, publication or distribution, in whole or in part, in or into Australia, Canada, Italy and Japan. This announcement does not constitute an offer for ordinary shares in Airspray, but is an announcement that the expectation is justified that agreement can be reached on a public offer as set forth in this press release.

REXAM INTENDS TO MAKE A RECOMMENDED CASH OFFER OF EUR 26.75 PER ORDINARY SHARE IN AIRSPRAY

Key Highlights

Rexam Plastics Nederland B.V., an indirectly wholly owned subsidiary of Rexam PLC, intends to make a recommended cash offer of EUR 26.75 per ordinary share in Airspray N.V., excluding the dividend of EUR 0.75 per share that becomes payable for the financial year 2005.

The offer price represents a 21% premium over Airspray's closing share price on 21 February 2006 (corrected for the dividend of EUR 0.75 per share that becomes payable for the financial year 2005) and a 29% premium over Airspray's average closing share price for the last 3 months (corrected for the dividend of EUR 0.75 per share that becomes payable for the financial year 2005).

The Supervisory Board and Management Board of Airspray fully support the intended offer.

A group of large shareholders of Airspray, who collectively own approximately 44% of the issued and outstanding ordinary share capital of Airspray, have irrevocably committed to tender their shares in Airspray under the offer, when made.

Airspray N.V. ("Airspray"), Rexam PLC ("Rexam") and Rexam Plastics Nederland B.V. ("Offeror"), jointly announce that the expectation is justified that agreement can be reached in connection with a recommended public offer by Rexam, through the Offeror ("Offer"), for all issued and outstanding ordinary shares in Airspray ("Airspray Share(s)") at an offer price of EUR 26.75 per Airspray Share ("Offer Price"), excluding the dividend of EUR 0.75 per Airspray Share that becomes payable for the financial year 2005.

The Supervisory Board (excluding Mr. J.IJ. van Duyn) and Management Board of Airspray fully support the intended Offer and will unanimously recommend that Airspray shareholders accept the intended Offer, when made.

Mr. J.IJ. van Duyn, a member of the Supervisory Board of Airspray, has not been, and will not be involved in discussions and the decision making process regarding the Offer on behalf of Airspray since Mr. J.IJ. van Duyn, as major shareholder of Airspray through J.IJ. van Duyn Participaties B.V., has signed an irrevocable undertaking to tender the Airspray Shares held by J.IJ. van Duyn Participaties B.V. under the Offer, when made.

Commenting on the intended Offer, Robert Brands, CEO of Airspray said:

"We believe there is an excellent strategic fit between us and Rexam. We are convinced that Rexam's offer provides a very good opportunity for creating maximum value for all our stakeholders. The Offer Price represents an attractive return for our shareholders. The business has grown rapidly in recent years and Rexam will provide a good platform, enabling us to pursue the next phase in our growth strategy."

Commenting on the intended Offer, Lars Emilson, Rexam's Chief Executive, said:

"Airspray is an innovative, high growth business based on patented technologies and know-how. The acquisition is a further step in the expansion of our Plastic Packaging operations and will broaden our dispensing systems product offering globally. We also see substantial synergies in marketing, purchasing and manufacturing, with longer term potential to develop new pump products and ranges."

Offer Highlights

The intended Offer will be a cash offer for all issued and outstanding Airspray Shares. The Offer Price of EUR 26.75 per Airspray Share represents compelling value to Airspray shareholders and a:

21% premium over Airspray's closing share price of EUR 22.85 on 21 February 2006 (corrected for the dividend of EUR 0.75 per Airspray Share that becomes payable for the financial year 2005), the last trading day prior to this announcement;

29% premium over Airspray's average closing share price for the last 3 months prior to this announcement (corrected for the dividend of EUR 0.75 per Airspray Share that becomes payable for the financial year 2005); and

32% premium over Airspray's average closing share price for the last 12 months prior to this announcement (corrected for the dividend of EUR 0.75 per Airspray Share that becomes payable for the financial year 2005).

The intended Offer Price excludes the dividend of EUR 0.75 per Airspray Share that becomes payable for the financial year 2005.

In 2005, Airspray had sales of EUR 46 million and operating profits of EUR 8.9 million. As at 31 December 2005, Airspray had net operating assets of EUR 34 million and virtually no net borrowings. In the five years to the end of 2005, Airspray has reported revenue growth and operating profit growth at average annual compound rates of 16% and 11% respectively.

Rexam and the Offeror have readily available funds to complete the Offer.

Committed Airspray Shares

Beauchamp Beheer B.V., J.IJ. van Duyn Participaties B.V., Darlin N.V., Delta Lloyd N.V., Orange Fund N.V. and Orange Deelnemingen Fund N.V. support the intended Offer. These large shareholders, who collectively own approximately 44% of the issued and outstanding ordinary share capital of Airspray, have irrevocably committed to tender their Airspray Shares under the Offer, when made.

Rationale for the intended Offer

At the time of the listing in 1998, Airspray benefited from the listing to finance future growth and to gain credibility with its customers, which are mainly large multinational companies in the personal care industry. An acquisition by Rexam would provide a platform for Airspray to accelerate the growth of its business both geographically as well as in relation to a number of further product opportunities through Rexam's customer base, its global presence and production know-how. Rexam is the supplier of choice for many of the world's leading beauty brands and offers manufacturing in Europe, Asia and the Americas. Airspray fits with Rexam's strategy to expand in growth markets and would be complementary to Rexam's dispensing systems operations establishing Rexam as a global leader in dispensing systems for personal care and beauty.

Airspray and Rexam believe that Airspray shareholders will benefit from the Offer in that, when made, it provides an opportunity to sell their Airspray Shares at an attractive premium relative to the current share price.

Future of Airspray

Rexam supports Airspray's current strategy and the intended Offer as such is not expected to adversely affect the existing employment level and employment conditions of Airspray. As part of Rexam, Airspray will have the opportunity to grow and enhance its prospects in its various markets.

It is intended that Airspray will be managed within the Plastic Packaging sector of Rexam which is already active in the area of dispensing technology. Airspray and Rexam plan to retain Airspray's main office and places of business in the Netherlands and the U.S.

After seven years as CFO at Airspray, Mr. Jan van der Schaaff has announced he has accepted a new opportunity. He will remain in his current position until 1 June 2006. The search for a successor will commence shortly. After completion of the Offer and appointment of the successor of Mr. Van der Schaaff, it is envisaged that the Management Board of Airspray consists of Mr. Brands, the successor of Mr. Van der Schaaff and a director to be appointed upon nomination of the Offeror. Furthermore, after

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completion of the Offer, it is envisaged that the Supervisory Board of Airspray shall consist of three members. These members will be Mr. Rensing and two members to be appointed upon nomination of the Offeror. It is intended that Mr. Busch and Mr. Van Duyn resign after completion of the Offer.

Subject to the Offer being declared unconditional, it is intended that, in consultation with Euronext, the listing of Airspray Shares on Eurolist by Euronext Amsterdam will be terminated as soon as possible. Furthermore, also dependent on the number of Airspray Shares obtained by the Offeror as a result of the Offer, the Offeror expects to initiate a squeeze-out procedure as referred to in articles 2:92a or 2:201a of the Dutch Civil Code in order to acquire all Airspray Shares held by minority shareholders or to take such other steps to terminate the listing and/or acquire Airspray Shares that were not tendered under the Offer, including effecting a legal merger (*juridische fusie*).

Conditions precedent to declaring the intended Offer unconditional

A condition precedent to declaring the Offer, when made, unconditional will be that the number of Airspray Shares that are tendered under the Offer, together with the Airspray Shares directly or indirectly held by the Offeror at the closing date of the Offer, represent at least 95 per cent of all Airspray Shares. Other customary conditions for this kind of transaction will apply, such as regulatory clearance. Certain of these conditions may be waived at Rexam's discretion.

Further Process

Airspray, Rexam and the Offeror expect to reach full agreement on the intended Offer over the next few weeks. The offer memorandum containing the terms and conditions of the Offer is currently expected to be made available in the course of April 2006. Following the publication of the offer memorandum, Airspray will convene an extraordinary general meeting of shareholders, to among other matters, discuss the Offer.

the Netherlands Authority for the Financial Markets, Euronext Amsterdam N.V., the Secretary of the Social Economic Council and the competent competition authorities have been or will be informed of the intended Offer and, where relevant, will be requested to provide clearance in respect of the transaction. The Works Council of Airspray has been duly notified and has been asked for advice.

Fortis Bank is acting as financial advisor and Allen & Overy is acting as legal advisor to Rexam. C4C Business Valuation and Analysis is acting as financial advisor to Beauchamp Beheer B.V., J.IJ.van Duyn Participaties N.V. and Darlin N.V. ING Corporate Finance is acting as financial advisor and Loyens & Loeff is acting as legal advisor to Airspray.

This announcement is a public announcement as meant within section 9b paragraph 2 sub a of the Dutch Securities Supervision Decree (*Besluit toezicht effectenverkeer 1995*).

This press release is also published in the Dutch language. In the event of any inconsistency, this English language version will prevail above the Dutch language version.

Please note that a separate announcement is being released simultaneously by Rexam through the London Stock Exchange.

U.S. investors should be aware that the disclosure documents relating to the Offer would be prepared in accordance with Dutch disclosure requirements, format and style, all of which differ from those in the U.S.

This press release is not intended to and does not constitute, or form part of, an offer or an invitation to purchase or subscribe for any securities or a solicitation of an offer to purchase any securities, pursuant to the Offer or otherwise. If the Offer were to occur, the Offer would be made solely by the offer memorandum and the accompanying form of acceptance, which would contain the full terms and conditions of the Offer, including details of how the Offer would be able to be accepted. The offer memorandum and the form of acceptance would be made available to all Airspray shareholders at no charge to them. If the Offer is made, Airspray shareholders are advised to read the offer memorandum and the form of acceptance when these documents are sent to them because they will contain important information.

Were the Offer to occur, its availability to Airspray shareholders not resident in the Netherlands or the U.S. may be affected by the laws of the relevant jurisdiction in which they are resident. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction.

Were the Offer to occur, it would not be made, directly or indirectly, in or into Canada, Australia, Italy or Japan and the Offer would not be capable of acceptance from or within Canada, Australia, Italy or Japan. Accordingly, copies of this press release are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from Canada, Australia or Japan and persons receiving this press release (including custodians, nominees and trustees) must not mail or otherwise distribute or send it in, into or from such jurisdictions.

Note for editors:

For further information please contact:

Airspray N.V.

Robert Brands, CEO telephone: +31 72 5414 666

Rexam PLC

Andrew Mills, Group Communications Director telephone: +44 20 7227 4100

Press conference

Following the release of this announcement, Airspray and Rexam will hold a joint press and analyst meeting on 22 February 2006, starting at 09.30 hours local time, at hotel The Grand in Amsterdam, the Netherlands. A web cast of this meeting will be available on www.airspray.net.

Profile Airspray

Airspray is an important producer of high value-added, innovative dispensers with revenues in 2005 of EUR 46 million. It is the market leader in mechanical instant foam dispensers and sells its products to manufacturers of consumer products who include multinationals such as Procter & Gamble, Unilever, Colgate, L'Oréal, Henkel-Schwarzkopf and Johnson & Johnson. Currently, Airspray employs approximately 140 people. Airspray is a 'technology-driven' enterprise. During its 22 year existence, it has developed expertise in R&D, in bringing innovative dispensing solutions to mass production and in worldwide marketing. Airspray now has several dispenser types that all operate without gas propellants. Airspray has been listed on Euronext Amsterdam since 28 May 1998. For further information, visit Airspray's website at www.airspray.net.

Profile Rexam

Rexam is a leading global consumer packaging company and the largest beverage can maker in the world. Our vision is to be the leading global consumer packaging company. We are business partners to many of the world's most famous and successful consumer brands as well as young, entrepreneurial start-ups. We offer a broad range of packaging services and solutions for different industries, using different materials and technologies. We have some 22,000 people in more than 20 countries. Three things characterise us—leadership in our industry, our commitment to innovation and our passion to deliver exceptional value. Rexam has an ongoing turnover of approximately £3.2 billion and is a member of the FTSE 100. Rexam's ordinary shares are listed with the UK Listing Authority and trade on the market for listed securities on the London Stock Exchange under the symbol REX. For further information, visit Rexam's web site at www.rexam.com.

16.2 Press release—22 March 2006

This is a joint press release issued by Airspray N.V., Rexam PLC and Rexam Plastics Nederland B.V. Not for release, publication or distribution, in whole or in part, in or into Australia, Canada, Italy and Japan. This announcement does not constitute an offer for ordinary shares in Airspray.

REXAM AND AIRSPRAY REACH AGREEMENT ON THE INTENDED OFFER AND GET THE GO-AHEAD FROM THE GERMAN FEDERAL CARTEL OFFICE

With reference to the joint press release dated 22 February 2006, Airspray N.V. ("Airspray"), Rexam PLC ("Rexam") and Rexam Plastics Nederland B.V. ("Offeror") jointly announce that they have subsequently reached agreement in respect of the Offeror's intended recommended public offer ("Offer") for all issued and outstanding ordinary shares in the capital of Airspray ("Airspray Share(s)") at an offer price of EUR 26.75 per Airspray Share ("Offer Price"), which Offer Price excludes the dividend of EUR 0.75 per Airspray Share that becomes payable for the financial year 2005.

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Preparations of the intended Offer are well under way. The Offeror currently expects to make the Offer by making the offer memorandum available in the second half of April 2006.

The Works Council of Airspray has given a positive advice in respect of the intended Offer. The German Federal Cartel Office has granted clearance under the German antitrust laws to the acquisition of sole control of Airspray's business by the Offeror.

This announcement is a public announcement pursuant to articles 9b paragraph 1 and 9 g paragraph 1a of the Dutch Decree on the Supervision of the Securities Trade 1995 (*Besluit toezicht effectenverkeer 1995*).

This press release is also published in the Dutch language. In the event of any inconsistency, this English language version will prevail above the Dutch language version.

United States investors should be aware that the disclosure documents relating to the Offer would be prepared in accordance with Dutch disclosure requirements, format and style, all of which differ from those in the United States.

This press release is not intended to and does not constitute, or form part of, an offer or an invitation to purchase or subscribe for any securities or a solicitation of an offer to purchase any securities, pursuant to the Offer or otherwise. If the Offer were to occur, the Offer would be made solely by the offer memorandum and the accompanying form of acceptance, which would contain the full terms and conditions of the Offer, including details of how the Offer would be able to be accepted. The offer memorandum and the form of acceptance would be made available to all Airspray shareholders at no charge to them. If the Offer is made, Airspray shareholders are advised to read the offer memorandum and the form of acceptance when these documents are sent to them because they will contain important information.

Were the Offer to occur, its availability to Airspray shareholders not resident in the Netherlands or the United States may be affected by the laws of the relevant jurisdiction in which they are resident. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction.

Were the Offer to occur, it would not be made, directly or indirectly, in or into Canada, Australia, Italy or Japan and the Offer would not be capable of acceptance from or within Canada, Australia, Italy or Japan. Accordingly, copies of this press release are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from Canada, Australia, Italy or Japan and persons receiving this press release (including custodians, nominees and trustees) must not mail or otherwise distribute or send it in, into or from such jurisdictions.

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Profile Rexam

Rexam is a leading global consumer packaging company and the largest beverage can maker in the world. Our vision is to be the leading global consumer packaging company. We are business partners to many of the world's most famous and successful consumer brands as well as young, entrepreneurial start-ups. We offer a broad range of packaging services and solutions for different industries, using different materials

and technologies. We have some 22,000 people in more than 20 countries. Three things characterise us—leadership in our industry, our commitment to innovation and our passion to deliver exceptional value. Rexam has an ongoing turnover of approximately £3.2 billion and is a member of the FTSE 100. Rexam's ordinary shares are listed with the UK Listing Authority and trade on the market for listed securities on the London Stock Exchange under the symbol REX. For further information, visit Rexam's web site at www.rexam.com.

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17 NEDERLANDSE SAMENVATTING VAN HET BOD

17.1 Beperkingen

Dit Bod wordt niet gedaan, en de Aandelen zullen niet worden geaccepteerd voor aankoop door, of namens, enige Aandeelhouder, in enige jurisdictie waarin het doen van biedingen of het accepteren daarvan niet in overeenstemming is met de in de betreffende jurisdictie geldende wetgeving omtrent effecten of enig andere wet- en regelgeving of waarvoor enige registratie, goedkeuring of neerlegging bij enige toezichthoudende instantie vereist is, die niet uitdrukkelijk is voorzien in dit Biedingsbericht.

Personen die dit Biedingsbericht ontvangen dienen zorgvuldig kennis te nemen van en te handelen in overeenstemming met zulke restricties en iedere noodzakelijke autorisatie, goedkeuring of instemming te verkrijgen. Rexam, de Bieder, Airspray en hun adviseurs sluiten iedere aansprakelijkheid terzake van overtredingen van voornoemde restricties uit. Enig persoon (inclusief, maar niet beperkt tot bewaarders, gevolmachtigden en beheerders) die dit Biedingsbericht of enig verwant document naar enige jurisdictie buiten Nederland wenst door te sturen of van plan zou zijn dit te doen dient zorgvuldig dit gedeelte te lezen voor enige actie wordt ondernomen. De distributie van dit document naar andere jurisdicties dan de Nederlandse zou beperkt kunnen zijn bij wet en daarom dienen personen die in het bezit van dit document komen zich te laten informeren over deze restricties en tevens deze restricties in acht te nemen. Het niet voldoen aan enige van deze restricties zou een overtreding van de effectenwetgeving in deze jurisdicties kunnen opleveren.

Dit Bod wordt gedaan op de aandelen in het kapitaal van een Nederlandse vennootschap en dit Biedingsbericht is in overeenstemming met Nederlandse openbaarmakingsvereisten, evenals Nederlandse opmaak en stijl, die zou kunnen verschillen van de vereisten in de Verenigde Staten met betrekking tot openbaarmakings vereisten, opmaak en stijl. Het geconsolideerde jaarverslag van Airspray over het Boekjaar 2005 welke is opgenomen in dit Biedingsbericht is in overeenstemming met IFRS opgesteld (de financiële gegevens waarmee deze worden vergeleken zijn afkomstig uit het Boekjaar 2004). De financiële gegevens die ontleend zijn aan de geconsolideerde jaarverslagen van Airspray over het Boekjaar 2004 en het Boekjaar 2003 welke zijn opgenomen in dit Biedingsbericht zijn in overeenstemming met Nederlandse algemeen aanvaarde accounting-beginselen. Airspray's jaarverslagen zouden aldus niet vergelijkbaar zijn met jaarverslagen van bedrijven in de Verenigde Staten of van bedrijven wiens jaarverslagen in overeenstemming met U.S. *generally accepted accounting principles* zijn opgesteld.

Zowel de Bieder als Airspray zijn vennootschappen met rechtspersoonlijkheid naar Nederlands recht. Sommige of alle van de werknemers en directeuren van zowel de Bieder als Airspray zijn ingezetenen van landen buiten de Verenigde Staten en alle of een substantieel deel van activa van de Bieder en Airspray bevinden zich buiten de Verenigde Staten. Als gevolg hiervan, zou het niet mogelijk kunnen zijn voor Aandeelhouders woonachtig in de Verenigde Staten om een procedure te voeren in de Verenigde Staten danwel om een vonnis ten uitvoer te leggen van een rechtbank in de Verenigde Staten toegekend onder de civiele aansprakelijkheids bepalingen van de federale effectenwetgeving van de Verenigde Staten.

Dit Bod, de verspreiding van dit Biedingsbericht, aanverwante materialen en het doen van dit Bod in bepaalde jurisdicties buiten Nederland en de Verenigde Staten, waaronder Canada, Australië, Italië en Japan is wettelijk beperkt. Personen in wier bezit dit Biedingsbericht of aanverwante materialen mochten komen, dienen zich derhalve van de beperkingen op de hoogte te stellen en deze na te leven. Niet-naleving van deze beperkingen kan een schending van effectenwetgeving in dergelijke jurisdicties opleveren. Noch Rexam noch de Bieder noch Airspray noch één van de adviseurs die betrokken zijn bij dit Bod aanvaardt enige verantwoordelijkheid of stelt zich aansprakelijk voor de schending door enig persoon van dergelijke beperkingen.

17.2 Belangrijke informatie

In deze paragraaf 17 wordt een samenvatting gegeven van de belangrijkste elementen uit het Biedingsbericht. Deze Nederlandse samenvatting maakt deel uit van het Biedingsbericht, maar vervangt deze niet. Deze Nederlandse samenvatting is niet volledig en bevat niet alle informatie die voor de Aandeelhouders van belang is om een afgewogen oordeel te kunnen vormen over het Bod. Het bestuderen van deze Nederlandse samenvatting mag derhalve niet worden beschouwd als een alternatief voor het bestuderen van het volledige Biedingsbericht. De Aandeelhouders wordt geadviseerd het volledige Biedingsbericht (inclusief alle documenten die daarin door middel van verwijzing zijn opgenomen) zorgvuldig te bestuderen en zo nodig onafhankelijk advies in te winnen teneinde zich een afgewogen oordeel te kunnen vormen over het Bod en de beschrijving daarvan 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).

Aandeelhouders wordt aangeraden om dit Biedingsbericht zorgvuldig te lezen en indien nodig om onafhankelijk advies te vragen zodat een gemotiveerde beslissing gemaakt kan worden omtrent het Bod en alles wat wordt besproken en beschreven in dit Biedingsbericht.

De informatie in paragraaf 8 ('Recommendation by the Supervisory Board and the Management Board'), paragraaf 10 ('Extraordinary General Meeting of Shareholders of Airspray'), paragraaf 11 ('Information regarding Airspray') en paragraaf 18 ('Financial statements') van dit Biedingsbericht en de overeenstemmende paragrafen in de Engelse en Nederlandse samenvattingen, is uitsluitend verschaft door Airspray. De informatie in paragraaf 1 ('Restrictions'), paragraaf 6 ('Invitation to the Shareholders'), paragraaf 7 ('Explanation and background to the Offer'), paragraaf 11 ('Information regarding the Offeror') en paragraaf 14 ('Tax aspects of the Offer') van dit Biedingsbericht en de overeenstemmende secties in de Engelse en Nederlandse samenvattingen, is uitsluitend verschaft door de Bieder. De informatie in paragraaf 9 ('Fairness Opinion') is verschaft door ING Corporate Finance. Het accountantsrapport in paragraaf 18.17 van dit Biedingsbericht is verschaft door KPMG Accountants N.V. De informatie in de andere paragrafen van dit Biedingsbericht is verschaft door Airspray en de Bieder tezamen.

Airspray en de Bieder zijn uitsluitend verantwoordelijk voor de juistheid en compleetheid van de informatie in dit Biedingsbericht, ieder alleen voor de informatie die door Airspray danwel de Bieder zelfstandig verschaft is, en samen voor informatie die gezamenlijk verschaft is en ING Corporate Finance is uitsluitend verantwoordelijk voor de juistheid en compleetheid van informatie in paragraaf 9 van dit Biedingsbericht en KPMG Accountants N.V. is uitsluitend verantwoordelijk voor de juistheid en compleetheid van informatie in paragraaf 18.17 van dit Biedingsbericht. Airspray en de Bieder bevestigen dat, op de publicatiedatum van dit Biedingsbericht, de bovenstaande informatie, en zoals verschaft in dit Biedingsbericht, naar hun beste weten in materieel opzicht juist en accuraat is, en dat er geen informatie achterwege is gelaten waardoor enige verklaring in dit Biedingsbericht in enig wezenlijk opzicht misleidend zou worden.

ING Corporate Finance bevestigt dat de informatie opgenomen in paragraaf 9 ('Fairness Opinion') identiek is aan de fairness opinion afgegeven door ING Corporate Finance aan de Vennootschap. KPMG Accountants N.V. bevestigt dat de informatie opgenomen in paragraaf 18.17 ('Auditors' Report') identiek is aan het accountantsverslag afgegeven aan de Vennootschap.

De informatie in dit Biedingsbericht geeft de situatie weer op de datum van dit Biedingsbericht. Onder geen beding houdt de verspreiding van dit Biedingsbericht in dat de hierin opgenomen informatie ook na de publicatiedatum van dit Biedingsbericht juist en accuraat is.

Met uitzondering van de Bieder en Airspray (en zonder af te doen aan de fairness opinion van ING Corporate Finance en het accountsverslag van KPMG Accountants N.V. opgenomen in dit Biedingsbericht), is geen enkele persoon bevoegd om wat voor informatie dan ook te verschaffen dan wel mededelingen te doen in verband met het Bod en de informatie in dit Biedingsbericht.

Als dergelijke informatie of mededelingen dan ook door partijen anders dan Airspray of de Bieder wordt aangeboden, dan dient dit niet gezien te worden als verschaft door, of gedaan door, of namens de Bieder en Airspray.

Alle informatie of mededelingen die niet in dit Biedingsbericht zijn opgenomen, dienen niet gezien te worden als verschaft door, of gedaan door, of namens de Bieder en Airspray.

Dit Biedingsbericht en het Bod, en elke aanbidding, aankoop of levering van Aandelen is, en zal worden beheerst door en uitgelegd worden naar Nederlands recht. De Rechtbank Amsterdam en de Nederlandse hoven en Hoge Raad zullen exclusieve jurisdictie hebben om eventuele geschillen die zich zouden kunnen voordoen naar aanleiding van, of in verband met dit Biedingsbericht, het Bod en/of elke aanbidding, aankoop of levering van Aandelen te beslechten. Dienovereenkomstig zullen alle rechtsmaatregelen of gedingen die voortvloeien uit, of samenhangen met dit Biedingsbericht, het Bod en/of elke aanbidding, aankoop of levering van Aandelen uitsluitend aan het oordeel van deze gerechten onderworpen zijn.

26-04-2006

17.3 Definities

Gedefinieerde termen in deze Nederlandse samenvatting zullende navolgende betekenis hebben:

“Aandeelhouder(s)”	Eén of meer houder(s) van (een of meer) Aandelen
“Aande(e)l(en)”	Eén of meer uitgegeven en uitstaande gewone Aandelen in het kapitaal van Airspray, met een nominale waarde van EUR 0,16 elk
“Aanmeldingstermijn”	De periode, gedurende welke de Aandeelhouders hun Aandelen bij de Bieder kunnen aanmelden, beginnend op 26 april 2006 om 9.00 uur (CET) en eindigend op de Sluitingsdatum om 15.00 uur (CET)
“Algemene Vergadering van Aandeelhouders”	algemene vergadering van Aandeelhouders
“Airspray” of de “Vennootschap”	Airspray N.V., een naamloze vennootschap naar Nederlands recht, met statutaire zetel in Alkmaar, en/of één of meer van haar verbonden vennootschappen en haar groepsvennootschappen, als beschreven in artikel 2:24b van het Burgerlijk Wetboek
“Betaaldag”	De datum waarop de Bieder, in overeenstemming met de voorschriften en Voorwaarden van het Bod, de Biedprijs zal betalen aan de Aandeelhouders die op geldige wijze hun Aandelen hebben aangemeld (of op ongeldige wijze, mits de Bieder de aanmelding daarvan desalniettemin heeft aanvaard) en hebben geleverd onder het Bod, uiterlijk op de vijfde Euronext Handelsdag na de Datum van Gestanddoening, onder de voorwaarde dat het Bod gestand wordt gedaan
“Bieder”	Rexam Plastics Nederland B.V., een besloten vennootschap met beperkte aansprakelijkheid naar Nederlands recht, met statutaire zetel in Dongen, en/of één of meer van haar groepsvennootschappen, als beschreven in artikel 2:24b van het Burgerlijk Wetboek
“Biedingsbericht”	Dit biedingsbericht dat het Bod beschrijft, gedateerd op 25 april 2006
“Biedprijs”	Een bedrag in contanten van EUR 26,75 per Aandeel dat op geldige wijze is aangemeld (of op ongeldige wijze, mits de Bieder de aanmelding daarvan desalniettemin heeft aanvaard) en geleverd onder de voorschriften en beperkingen van het Bod, welk bedrag exclusief een dividend van EUR 0,75 per Aandeel is dat over het Boekjaar 2005 betaalbaar zal worden gesteld
“Boekjaar 2005”	Het boekjaar van Airspray eindigend op 31 december 2005
“Bod”	Het vast openbaar bod uitgebracht door de Bieder op alle Aandelen zoals beschreven in dit Biedingsbericht
“Datum van Gestanddoening”	De datum waarop het Bod gestand wordt gedaan, zijnde niet later dan om 15.00 uur (CET) op de vijfde Euronext Handelsdag na de Sluitingsdatum
“Euronext Handelsdag”	Een dag waarop Euronext Amsterdam N.V. open is voor handel
“Exchange and Paying Agent”	Fortis Bank (Nederland) N.V.
“Raad van Bestuur”	De raad van bestuur van Airspray
“Raad van Commissarissen”	De raad van commissarissen van Airspray, met uitzondering van de heer J.I.J. van Duyn
“Sluitingsdatum”	De Euronext Handelsdag waarop de Aanmeldingstermijn eindigt, zijnde om 15.00 uur (CET) op 19 mei 2006, tenzij verlengd overeenkomstig artikel 9o lid 5 van het Besluit toezicht effectenverkeer 1995, in welk geval de Sluitingsdatum een later tijdstip en datum is
“Voorgestelde Airspray Statuten”	De statuten van Airspray, welke voowaardelijk zijn aan gestanddoening van het Bod en aan de Buitengewone Vergadering van Aandeelhouders ter goedkeuring zullen worden voorgelegd, en indien goedgekeurd, op de Betaaldag van kracht zullen worden.
“Voorwaarden”	De opschortende voorwaarden voor het gestand doen van het Bod als opgenomen in paragraaf 6.3 ('Offer Conditions')

17.4 Het Bod

Voor ieder Aandeel aangemeld conform de bepalingen en voorwaarden van het Bod, biedt de Bieder een biedprijs van EUR 26,75 in contanten, exclusief het dividend van EUR 0,75 per Aandeel dat over het Boekjaar 2005 betaalbaar zal worden gesteld.

De Biedprijs van EUR 26,75 per Aandeel vertegenwoordigt een aantrekkelijke prijs voor de Aandeelhouders en:

- een premie van 21% ten opzichte van de slotkoers van EUR 22,85 van een Aandeel op 21 februari 2006, de laatste Euronext Handelsdag voorafgaand aan de eerste en gezamenlijke aankondiging door Rexam en Airspray dat de verwachting gerechtvaardigd was dat overeenstemming over het Bod kan worden bereikt;
- een premie van 29% ten opzichte van de gemiddelde slotkoers van een Aandeel gedurende de laatste 3 maanden voorafgaand aan en inclusief de eerste aankondiging op 21 februari 2006;
- een premie van 28% ten opzichte van de gemiddelde slotkoers van een Aandeel gedurende de laatste 9 maanden voorafgaand aan en inclusief de eerste aankondiging op 21 februari 2006; en
- een premie van 32% ten opzichte van de gemiddelde slotkoers van een Aandeel gedurende de laatste 12 maanden voorafgaand aan en inclusief de eerste aankondiging van 21 februari 2006.

Opgemerkt moet worden dat Airspray's bovengenoemde slotkoersen zijn gecorrigeerd door het aftrekken van het dividend van EUR 0,75 per Aandeel dat over het Boekjaar 2005 betaalbaar zal worden gesteld.

Zie ook paragraaf 7.4 ('Substantiation of the Consideration').

17.5 Achtergrond van het Bod

Ten tijde van de notering in 1998, heeft Airspray geprofiteerd van de notering om toekomstige groei te financieren en geloofwaardigheid bij klanten, die met name grote multinationals in de persoonlijke verzorgingsindustrie zijn, te winnen. Een overname door Rexam creëert de basis voor versnelde groei van Airspray's business, zowel geografisch als op het gebied van een aantal product mogelijkheden door het uitgebreide klantenbestand, de wereldwijde vertegenwoordiging en de productkennis van Rexam. Rexam is de favoriete leverancier van vele vooraanstaande partijen in de persoonlijke verzorging branche en biedt fabricage in Europa, Azië en in Noord- en Zuid- Amerika. Airspray sluit aan bij de strategie van Rexam om in groeiemarkten uit te breiden en is complementair aan de dispenser systeem activiteiten van Rexam. De combinatie creëert een wereldmarktleider op het gebied van dispenser systemen voor persoonlijke verzorging. Airspray en Rexam zijn van mening dat de Aandeelhouders zullen profiteren van het Bod dat, zodra het wordt uitgebracht, een mogelijkheid biedt de Aandelen tegen een aantrekkelijke premie ten opzichte van de beurskoers voor de initiele aankondiging op 22 februari 2006 te verkopen.

Zie ook paragraaf 7.5 ('Rationale for the Offer').

17.6 Financiering van het Bod

De Bieder zal het Bod en zijn afwikkeling volledig financieren uit Rexam's bestaande cash bronnen en leningsfaciliteiten.

17.7 Aanbeveling door de Raad van Commissarissen en de Raad van Bestuur

De Raad van Commissarissen en de Raad van Bestuur hebben grondig de strategische, financiële en sociale aspecten van het Bod tegen elkaar afgewogen en zijn tot de conclusie gekomen dat het Bod redelijk en rechtvaardig en in het belang is van Airspray, de Aandeelhouders en alle overige belanghebbenden van Airspray. Met betrekking hiertoe wordt verwezen naar de 'fairness opinion', zoals opgenomen in paragraaf 9 'Fairness Opinion' van dit Biedingsbericht. Om die reden ondersteunen de Raad van Commissarissen en de Raad van Bestuur het Bod volledig en bevelen het Bod aan de Aandeelhouders unaniem aan ter acceptatie.

Zie ook paragraaf 8 ('Recommendation by the Supervisory Board and the Management Board').

2006-02-22

17.8 Overzicht van Aandelen direct of indirect in het bezit van de leden van de Raad van Bestuur en de Raad van Commissarissen

Op de uitgiftedatum van dit Biedingsbericht zijn, 435.889 Aandelen met een gezamenlijke nominale waarde van EUR 69.742,24, welke 7,97% van het totale uitgegeven en uitstaande aandelenkapitaal van Airspray vertegenwoordigen, direct of indirect in het bezit van de leden van de Raad van Bestuur en de raad van commissarissen van Airspray (met betrekking hiertoe de heer J.IJ. van Duyn inbegrepen). Zie paragraaf 7.2 ('Committed Shares').

17.9 Toegezegde Aandelen

Grootaandeelhouders, te weten Beauchamp Beheer B.V., Darlin N.V., Delta Lloyd Asset Management N.V., Orange Fund N.V. en Orange Deelneming Fund N.V. (beide 100% dochters van Kempen Capital Management N.V.) en J.IJ. van Duyn Participaties B.V., alsmede de leden van de Raad van Bestuur en de Raad van Commissarissen, hebben onherroepelijk toegezegd hun Aandelen onder het Bod aan te bieden onder dezelfde bepalingen en voorwaarden als beschreven in dit Biedingsbericht. Deze toezeggingen van 2.384.463 Aandelen vertegenwoordigen gezamenlijk een nominale waarde van EUR 381.514,08, zijnde 43,61% van de uitstaande Aandelen op de publicatiedatum van dit Biedingsbericht. Geen van de Aandeelhouders die hebben toegezegd hun Aandelen onder het Bod aan te bieden, hebben enige, relevante informatie, die niet in dit Biedingsbericht is opgenomen, ontvangen met betrekking tot het Bod.

Zie ook paragraaf 7.2 ('Committed Shares').

17.10 Voorwaarden, aanmeldingstermijn, gestanddoening, verlenging en afwikkeling

Voorwaarden

Het Bod wordt gedaan onder voorbehoud van vervulling van de Voorwaarden beschreven in paragraaf 6.3 ('Offer Conditions'). De Bieder behoudt zich het recht voor om afstand te doen van deze Voorwaarden, met dien verstande dat van de Voorwaarde opgenomen in paragraaf 6.3 (viii) van het Biedingsbericht slechts door Airspray afstand kan worden gedaan in geval van inbreuk door de Bieder.

Aanmeldingstermijn

De Aanmeldingstermijn begint op 26 april 2006 om 9.00 uur (CET) en eindigt, behoudens verlenging zoals bedoeld in artikel 9o, lid 5 van het Besluit toezicht effectenverkeer 1995 op 19 mei 2006 om 15.00 (CET). Zie ook paragraaf 6.4 ('Acceptance Period').

Aandelen aangemeld op of voor de Sluitingsdatum mogen niet worden ingetrokken, behoudens het recht tot intrekking gedurende enige verlenging van de Aanmeldingstermijn zoals bedoeld in artikel 9o, lid 5 van het Besluit toezicht effectenverkeer 1995.

In het geval aan één of meer van de Voorwaarden niet wordt voldaan, mag de Bieder de Aanmeldingstermijn verlengen tot aan alle Voorwaarden is voldaan of, waar toegestaan, van de Voorwaarden is afgezien. Gedurende een verlenging van de Aanmeldingstermijn blijven alle aangemelde en niet ingetrokken Aandelen onderworpen aan het Bod, behoudens het recht van elke Aandeelhouder om de Aandelen die hij reeds heeft aangemeld in te trekken, conform de voorwaarden van het Bod en het bepaalde in artikel 9o lid 5 van het Besluit toezicht effectenverkeer 1995. Zie ook paragraaf 6.6 ('Extension').

Gestanddoening

Indien aan alle Voorwaarden is voldaan of, waar toegestaan, daarvan is afgezien, zal de Bieder alle Aandelen accepteren die rechtsgeldig zijn aangemeld (of op ongeldige wijze, mits de Bieder de aanmelding daarvan desalniettemin heeft aanvaard) en niet eerder zijn ingetrokken, conform de bepalingen van het Bod en in overeenstemming met de procedures beschreven in paragraaf 6.2 ('Acceptance by Shareholders').

De Bieder zal binnen vijf Euronext Handelsdagen na de Sluitingsdatum, welke datum de Datum van Gestanddoening is, vaststellen of aan de Voorwaarden is voldaan of dat de Bieder afstand doet van één of meer Voorwaarden en zal aankondigen of (i) het Bod gestand is gedaan, (ii) er nog onzekerheid is of aan alle Voorwaarden is voldaan, of (iii) dat het Bod is beëindigd doordat niet aan de Voorwaarden is voldaan en daarvan geen afstand is gedaan door de Bieder, in overeenstemming met artikel 9t lid 4 van het Besluit toezicht effectenverkeer 1995. Zie ook paragraaf 6.5 ('Declaring the Offer unconditional').

Verlenging

De Bieder mag het Bod verlengen na de Sluitingsdatum, in welk geval alle verwijzingen in dit Biedingsbericht naar de "Sluitingsdatum" of "15.00 uur (CET), op 19 mei 2006", tenzij de context anders vereist, verplaatst zullen worden naar de laatste datum en tijd tot wanneer het Bod verlengd is. De bank of aandelenhandelaar van de Aandeelhouders zet mogelijk een eerdere eindtijd voor berichtgeving door de Aandeelhouders om de bank of aandelenhandelaar van de Aandeelhouders de mogelijkheid te geven de acceptaties tijdig door te geven aan de Exchange and Paying Agent.

Indien de Aanmeldingstermijn verlengd wordt, zodanig dat de verplichting zoals bedoeld in artikel 9t van het Besluit toezicht effectenverkeer 1995 om aan te kondigen of het Bod gestand gedaan wordt, is uitgesteld, zal een openbare aankondiging daarvan gedaan moeten worden niet later dan de derde Euronext Handelsdag volgend op de relevante Sluitingsdatum, in overeenstemming met het bepaalde in artikel 9o lid 5 van het Besluit toezicht effectenverkeer 1995. Zie ook paragraaf 6.6 ('Extension').

Afwikkeling

In het geval dat de Bieder aankondigt dat het Bod gestand is gedaan, zullen de Aandeelhouders binnen vijf Euronext Handelsdagen na de Datum van Gestanddoening de Biedprijs ontvangen voor ieder Aandeel dat rechtsgeldig is aangemeld (of op ongeldige wijze, mits de Bieder de aanmelding daarvan desalniettemin heeft aanvaard) en geleverd is. Zie ook paragraaf 6.7 ('Settlement').

17.11 De Bieder

Rexam Plastics Nederland B.V. is een besloten vennootschap met beperkte aansprakelijkheid naar Nederlands recht, met statutaire zetel in Dongen, opgericht op 16 februari 2006. De Bieder is een indirecte 100% dochteronderneming van Rexam, een openbare vennootschap met beperkte aansprakelijkheid (*public limited liability company*) opgericht naar het recht van Engeland en Wales, met statutaire zetel in Londen, het Verenigd Koninkrijk.

Rexam heeft met de Vennootschap afgesproken dat zij hoofdelijk aansprakelijk is voor alle verplichtingen van de Bieder uit hoofde van het Bod, en Rexam heeft volledig, onvoorwaardelijk en onherroepelijk gegarandeerd aan de Vennootschap dat de Bieder tijdig zal voldoen aan haar verplichtingen jegens de Aandeelhouders met betrekking tot betaling van de Biedprijs voor elk aangemeld Aandeel, in overeenstemming met en volledig conform de bepalingen en voorwaarden van het Bod (welke niet een derdenbeding ten behoeve van individuele aandeelhouders inhoudt).

Zie ook paragraaf 12 ('Information regarding the Offeror').

17.12 Liquiditeit en einde beursnotering

De aankoop van Aandelen door de Bieder conform het Bod zal onder andere het aantal Aandeelhouders verminderen, alsmede het aantal Aandelen dat anders openbaar verhandeld zou worden. Dit zou de liquiditeit en de marktwaarde van de resterende Aandelen die niet aangemeld zijn, negatief kunnen beïnvloeden.

Mocht het Bod gestand gedaan worden, dan is de Bieder van plan om Airspray's beursnotering zo spoedig mogelijk te beëindigen. Dit zou de liquiditeit van de nog niet aangemelde Aandelen verder negatief beïnvloeden. Daarnaast is het mogelijk dat de Bieder één of meerdere van de procedures initieert zoals hieronder beschreven in paragraaf 7.8 ('Future legal structure'), waaronder procedures die zouden leiden tot beëindiging van de notering van de Aandelen (inclusief niet aangemelde Aandelen).

17.13 Juridische structuur van Airspray na het Bod

De Bieder behoudt zich het recht voor om alle wettelijk toegestane mogelijkheden te benutten om 100% van de Aandelen te verkrijgen. Hiertoe zal de Bieder afhankelijk van onder andere het aantal Aandelen dat de Bieder verkrijgt als gevolg van het Bod de volgende onuitputtelijke opties in aanmerking nemen: het starten van een uitkoopprocedure overeenkomstig artikel 2:92a van het Burgerlijk Wetboek, een juridische fusie in overeenstemming met de artikelen 2:309 en 2:334 van het Burgerlijk Wetboek, een splitsing overeenkomstig artikel 2:334a e.v. van het Burgerlijk Wetboek, een grensoverschrijdende fusie, indien wettelijk toegestaan een conversie van Aandelen in aandelen in het kapitaal van Rexam (of een vennootschap welke aangesloten is bij Rexam) of een liquidatie of verkoop van alle of vrijwel alle activa van Airspray of een combinatie van het voorgenoemde.

De Bieder overweegt voorts het tot stand brengen van een juridische fusie, in overeenstemming met 2:309 en 2:334 van het Burgerlijk Wetboek, tussen Airspray en de Bieder of een groepsvennootschap van de Bieder (in geval van een zogenaamde driehoeksfusie als gevolg waarvan de aandeelhouders van de verdwijnende entiteit aandeelhouder zouden worden van een groepsvennootschap van de overblijvende vennootschap, welke mede Rexam omvat) met Airspray als verdwijnende entiteit en de Bieder, of een groepsvennootschap van de Bieder respectievelijk, als overblijvende entiteit. Daarbij behouden de Bieder en Airspray zich het recht voor dat de Bieder haar activa inbrengt in Airspray tegen uitgifte van aandelen in het vermogen van Airspray, terwijl tegelijkertijd het voorkeursrecht van andere Aandeelhouders kan worden uitgesloten, of dat alle of vrijwel alle activa van Airspray worden verkocht, direct of indirect volgend op een overdracht van die activa aan een dochtervennootschap van Airspray, al dan niet gevolgd door een uitkering van de opbrengsten aan de Aandeelhouders, in overeenstemming met de Nederlandse wetgeving en met de alsdan van kracht zijnde statuten van Airspray.

Op enig moment nadat het Bod gestand is gedaan, zou besloten kunnen worden dat Airspray wordt omgezet in een besloten vennootschap met beperkte aansprakelijkheid. Tegelijkertijd met een omzetting van Airspray in een besloten vennootschap met beperkte aansprakelijkheid zou de grootaandeelhouder van Airspray verdere aanpassingen in de statuten van Airspray kunnen doorvoeren, zoals de afschaffing van de raad van commissarissen van Airspray.

Uitkoopprocedure

In het geval dat de Bieder 95% of meer van Airspray's uitstaande aandelenkapitaal heeft verkregen na de Betaaldag, zou de Bieder zo snel mogelijk een uitkoopprocedure kunnen starten met als doel de resterende Aandelen die niet zijn aangemeld en niet in bezit van de Bieder of Airspray zijn, te bemachtigen.

Juridische Fusie

In het geval dat de Bieder het Bod gestand heeft gedaan en niet 95% of meer van Airspray's uitstaande aandelenkapitaal heeft verkregen na de Betaaldag, zodat het niet toegestaan is om een uitkoopprocedure te starten, zoals bedoeld in artikel 2:92a van het Burgerlijk Wetboek, zou de Bieder kort daarna, afhankelijk van goedkeuring van de raad van commissarissen van Airspray, door middel van een besluit van de Algemene Vergadering van Aandeelhouders, genomen bij absolute meerderheid, kunnen besluiten tot een juridische fusie tussen de Bieder of een 100% groepsvennootschap van de Bieder en Airspray, waarbij Airspray de verdwijnende entiteit is. In het geval de juridische fusie is voltrokken zullen de Aandeelhouders die niet hun Aandelen onder het Bod hebben aangemeld, aandeelhouders worden van de overblijvende entiteit, tezamen met de bestaande aandeelhouders van de overblijvende entiteit, danwel (ingeval van een driehoeksfusie) aandeelhouders van de groepsvennootschap. (Hierna, indien wordt verwezen naar de "overblijvende entiteit" zal dit mede geacht worden te omvatten het scenario waarbij een groepsvennootschap van de Bieder aandelen uitgeeft aan de Aandeelhouders in geval van een driehoeksfusie). Als, na het voltooien van een juridische fusie, de grootaandeelhouder van de overblijvende entiteit meer dan 95% van het kapitaal van de overblijvende entiteit houdt, dan kan een dergelijke grootaandeelhouder een uitkoopprocedure starten overeenkomstig artikel 2:92a van het Burgerlijk Wetboek met betrekking tot de aandelen in de overblijvende entiteit die de grootaandeelhouder niet houdt.

De goedkeuring van de raad van commissarissen van Airspray met betrekking tot de juridische fusie zal een instemmende stem vereisen van het onafhankelijke lid van de raad van commissarissen van Airspray waaraan wordt gerefereerd in paragraaf 7.12 ('Future composition of the Boards') als dit wordt beslist op of na de Sluitingsdatum. Het onafhankelijke lid van de raad van commissarissen van Airspray mag verzoeken dat additionele onafhankelijke financiële of juridische experts worden aangesteld om de raad van commissarissen van Airspray te adviseren over de redelijkheid van de voorgestelde ruilverhouding van de aandelen in de overblijvende entiteit met inachtneming van economische en andere rechten die met de aandelen in de overblijvende entiteit zijn verbonden die te ontvangen zijn door de minderheidsaandeelhouders in vergelijking met economische en andere rechten die verbonden zijn met de Aandelen welke door hen worden gehouden onmiddellijk voorafgaand aan de datum waarop de juridische fusie tot stand komt.

De gewone aandelen die van rechtswege worden toegekend door de overblijvende entiteit onder de juridische fusie aan de Aandeelhouders die hun Aandelen niet hebben gemeld onder het Bod, zullen dezelfde economische en financiële rechten hebben als de gewone aandelen die zullen worden gehouden

door de grootaandeelhouder, maar kunnen ook een separate klasse aandelen vertegenwoordigen. Daarnaast is het mogelijk dat de Aandeelhouders die hun Aandelen niet onder het Bod hebben aangemeld, van rechtswege conform de juridische fusie, preferente aandelen of een andere klasse aandelen met een lage nominale waarde in het kapitaal van de overblijvende entiteit zullen ontvangen ter compensatie voor het verschil tussen de waarde van de Aandelen vóór de juridische fusie, gebaseerd op de Biedprijs, en de waarde van hun gewone aandelen na de juridische fusie. Een Aandeelhouder die geen aandelen in de overblijvende entiteit zal ontvangen voor zijn Aandelen als gevolg van de ruilverhouding, zal een compensatie in contanten ontvangen, overeenkomstig artikel 2:325 van het Burgerlijk Wetboek. Dergelijke contante compensaties zullen tezamen niet meer dan één tiende van de nominale waarde van de uitgegeven aandelen als een gevolg van de juridische fusie vertegenwoordigen.

Als gevolg van het feit dat de overblijvende entiteit een niet-genoteerde besloten vennootschap zal zijn, zullen statutaire bepalingen die toepasbaar zijn op de governance van publieke of beursgenoteerde ondernemingen niet van toepassing zijn op de overblijvende entiteit en de rechten van minderheidsaandeelhouders in de overblijvende entiteit zullen beperkt zijn tot het wettelijke minimum. Echter, afhankelijk van de statuten, zal de overblijvende entiteit eventueel vrijwillig een raad van commissarissen aanstellen, die zal bestaan uit dezelfde personen die zitting hebben in de toekomstige raad van commissarissen van Airspray waaraan wordt gerefereerd in paragraaf 7.12 ('Future composition of the Boards').

De statuten van de overblijvende entiteit zullen bepalen dat zijn algemene vergadering van aandeelhouders bij absolute meerderheid kan besluiten (op voorstel van de raad van bestuur) tot afschaffing van iedere separate klasse aandelen, indien dit geëigend is. Het ligt in de lijn der verwachting dat na een juridische fusie, de huidige uiteindelijke aandeelhouders van de Bieder de meerderheid van de stemmen in de algemene vergadering van aandeelhouders van de overblijvende entiteit zouden hebben, en daarom in staat zullen zijn om de afschaffing van dergelijke separate klassen (preferente) aandelen door te voeren. Afschaffing van deze aandelen zal plaatsvinden overeenkomstig artikel 2:208 van het Burgerlijk Wetboek.

Het voornemen is dat gedurende een periode van zes maanden nadat de juridische fusie tot stand is gebracht, de Aandeelhouders die aandeelhouder zijn geworden in de overblijvende entiteit als het gevolg van de juridische fusie het recht zullen hebben om hun gewone aandelen en preferente aandelen of andere als gevolg van de juridische fusie toegewezen klasse aandelen te verkopen en te leveren aan de grootaandeelhouder van de overblijvende entiteit, waarbij de grootaandeelhouder van de overblijvende entiteit zich verplicht om deze aandelen binnen dezelfde periode van zes maanden te kopen indien deze aandeelhouders zouden besluiten over te gaan tot verkoop. De prijs voor die aandelen zal, gedurende deze beperkte periode, zodanig vastgesteld worden dat de waarde van de gewone aandelen uitgegeven aan een dergelijke Aandeelhouder identiek zal zijn aan de Biedprijs. Aandeelhouders die gedurende die zes maanden verzoeken om een onafhankelijke waardering van hun aandelen zullen het recht behouden hun aandelen in de overblijvende entiteit aan te bieden conform de op dat moment van toepassing zijnde statuten van de overblijvende entiteit, maar zullen het recht verliezen om van de grootaandeelhouder van de overblijvende entiteit te eisen om die aandelen te kopen.

In het geval van een juridische fusie zal een onafhankelijke accountant worden aangewezen om de voorgestelde juridische fusie te onderzoeken en om verklaren dat in zijn optiek de voorgestelde ruilverhouding voor de Aandelen redelijk is. Een dergelijke accountant zal worden aangewezen door de raad van commissarissen van Airspray.

Andere mogelijke maatregelen

Ten slotte behoudt de Bieder zich het recht voor om voorstellen aan de Aandeelhouders voor te leggen teneinde de bedrijfsstructuur en de kapitaalstructuur van Airspray aan te passen en/of teneinde een optimale financiële of andere structuur te bereiken, waaronder aanpassingen van de statuten van Airspray, een liquidatie, een splitsing overeenkomstig artikel 2:334a van het Burgerlijk Wetboek of, zoals hierboven reeds beschreven, een verkoop van alle of vrijwel alle activa van Airspray, al dan niet gevolgd door een uitkering van opbrengsten aan de Aandeelhouders, in overeenstemming met de Nederlandse wetgeving en de statuten van Airspray. Een dergelijke uitkering zou kunnen plaatsvinden in de vorm van een uitkering van reserves, een interim dividend, een dividend, of, in geval de Vennootschap ook wordt geliquideerd, een liquidatie uitkering. Voorts zouden de 'corporate governance' regels die van toepassing zijn op Airspray op de publicatiedatum van dit Biedingsbericht gewijzigd kunnen worden in verband met (de consequenties van) het Bod. Dit zou gedaan worden om de bedrijfsstructuur van Airspray in lijn te brengen met de

nieuwe holding en financieringsstructuur van de groep, die van kracht zullen worden zodra het Bod is gestand gedaan.

Zie ook paragraaf 7.8 ('Future legal structure').

17.14 Dividendbeleid

De Bieder verwacht Airspray's dividendbeleid ingrijpend te wijzigen indien het Bod gestand wordt gedaan. De Aandeelhouders dienen zich ervan bewust zijn dat Airspray in de toekomst mogelijk geen dividend zal uitbetalen aan haar Aandeelhouders.

17.15 Organisatorische en maatschappelijke consequenties

Het Bod als zodanig heeft naar verwachting geen negatieve consequenties voor de werkgelegenheid.

Zie ook paragraaf 7.11 ('Organisational and social consequences').

17.16 Samenstelling van de Raad van Bestuur en raad van commissarissen van Airspray

Na de Sluitingsdatum is het voornemen dat de Raad van Bestuur van Airspray zal bestaan uit de heer R.F.Q. Brands, huidig CEO van Airspray, de heer E. van der Heijden, huidig lid van het management team en de heer J. van der Schaaff, huidig CFO van Airspray. De heer J. van der Schaaff zal terugtreden per 1 juni 2006 en zal bij zijn terugtreden geen vergoeding ontvangen. De opvolger van de heer J. van der Schaaff zal, wanneer dit schikt, benoemd worden conform het bepaalde in de Voorgestelde Airspray Statuten.

Voorts, bestaat het voornemen dat de raad van commissarissen van Airspray na de Betaaldag zal bestaan uit drie leden. Deze leden betreffen de heer V.C. Rensing, huidig lid van de Raad van Commissarissen (die onafhankelijk is zoals bedoeld in de Code Tabaksblat), de heer J.C.E.M. Vissers, huidig lid van de raad van bestuur van de Bieder, en de heer M. Petitjean, een werknemer binnen de Rexam groepsvennootschappen. Het voornemen bestaat dat de heer C.A.M. Busch en de heer J.IJ. van Duyn zullen aftreden met ingang van de Betaaldag, onder de voorwaarde dat het Bod gestand wordt gedaan. Beide aftredende leden zullen bij hun terugtreden geen vergoeding ontvangen.

Zie ook paragraaf 7.12 ('Future composition of the Boards') en paragraaf 10 ('Extraordinary General Meeting of Shareholders of Airspray').

17.17 Aankondigingen

Elke aankondiging welke verplicht gemaakt moet worden met betrekking tot het Bod zal worden gepubliceerd in de Officiële Prijscourant en in (ten minste) Het Financieele Dagblad en De Telegraaf.

17.18 Voorgenomen tijdsplanning

Verwachte tijd (CET) en datum

Gebeurtenis

25 april 2006

Publicatie van de aankondiging dat het Biedingsbericht beschikbaar is en de aanvang van de Aanmeldingstermijn voor het Bod, als bedoeld in artikel 9o lid 2 van het Besluit toezicht effectenverkeer 1995

09.00 uur, 26 april 2006

De datum waarop het Bod wordt gedaan, zijnde de eerste dag van de Aanmeldingstermijn

08.00 uur, 11 mei 2006

Trading update Airspray

10.00 uur, 11 mei 2006

Buitengewone en gewone Algemene Vergadering van Aandeelhouders, tijdens welke vergadering onder andere het Bod zal worden besproken, in overeenstemming met artikel 9q lid 1 van het Besluit toezicht effectenverkeer 1995

12 mei 2006

Publicatie van de aankondiging dat EUR 0,75 per Aandeel aan dividend over het Boekjaar 2005 betaalbaar zal worden gesteld

15 mei 2006

Ex-dividend datum van de Aandelen

16 mei 2006

Datum waarop het dividend over het Boekjaar 2005 van EUR 0,75 per Aandeel uitgekeerd zal worden

15.00 uur, 19 mei 2006,
behoudens verlenging

Sluitingsdatum

de Euronext Handelsdag waarop de Aanmeldingstermijn eindigt

Niet later dan vijf Euronext
Handelsdagen na de
Sluitingsdatum

Datum van Gestanddoening

De datum waarop de Bieder openbaar zal aankondigen of het Bod gestand wordt gedaan, zijnde niet later dan 15.00 uur CET op de vijfde Euronext Handelsdag na de Sluitingsdatum, in overeenstemming met artikel 9t lid 4 van het Besluit toezicht effectenverkeer 1995

Niet later dan vijf Euronext
Handelsdagen na de
Datum van Gestanddoening

Betaaldag

De dag waarop, in overeenstemming met de bepalingen en voorwaarden van het Bod, de Bieder de Biedprijs zal betalen aan de Aandeelhouders die rechtsgeldig (of op ongeldige wijze, mits de Bieder de aanmelding daarvan desalniettemin heeft aanvaard) hun Aandelen hebben aangemeld en geleverd ten tijde van het Bod, zijnde niet later dan de vijfde Euronext Handelsdag na de Datum van Gestanddoening, onder voorwaarde van gestanddoening van het Bod

26-05-2006

18 FINANCIAL STATEMENTS

18.1 Consolidated balance sheet as at 31 December 2005 and 2004 (based on IFRS)

(EUR thousand)

	Ref	2005	2004
Assets			
Property, plant and equipment	1	19,723	17,512
Intangible assets	2	3,313	2,565
Deferred tax assets	3	182	194
Total non-current assets		23,218	20,271
Inventories	4	5,517	4,052
Income tax receivables		1,133	505
Trade and other receivables	5	11,771	9,809
Cash and cash equivalents	6	2,026	1,449
Total current assets		20,447	15,815
Total assets		43,665	36,086
Equity			
Issued capital		871	846
Share premium		11,140	8,670
Reserves		(832)	(2,102)
Retained earnings		22,582	20,049
Total equity	7	33,761	27,463
Liabilities			
Interest-bearing loans and borrowings	9	2,230	2,308
Deferred tax liabilities		1,415	933
Total non-current liabilities		3,645	3,241
Trade and other payables	11	5,821	5,136
Income tax payable		353	246
Taxes and social security contributions		85	—
Total current liabilities		6,259	5,382
Total liabilities		9,904	8,623
Total equity and liabilities		43,665	36,086

18.2 Consolidated income statement for the Financial Year 2005 and the Financial Year 2004. (based on IFRS)

(EUR thousand)

	Ref	2005	2004
Net turnover	14	45,968	35,641
Cost of sales		(30,568)	(22,020)
Gross margin		15,400	13,621
Selling and distribution costs	(679)	(637)	
General administrative expenses	(5,870)	(5,234)	
Total operating expenses		(6,549)	(5,871)
Net operating profit		8,851	7,750
Financial income	150	150	
Financial expenses	(747)	(1,234)	
Net financing costs	16	(597)	(1,084)
Profit before tax		8,254	6,666
Tax	3	(2,686)	(2,340)
Net profit		5,568	4,326
Ordinary earnings per Share	8	1.04	0.82
Diluted earnings per Share	8	1.00	0.78

18.3 Consolidated statement of changes in equity 2005 (based on IFRS)

(EUR thousand)

	2005	2004
Equity as at 1 January	27,463	27,307
Net profit for the financial year	5,568	4,326
Currency differences participating interests	1,270	(928)
First time adoption IAS 39 Derivatives	159	—
Total result for the financial year	6,997	3,398
Dividend	(3,339)	(3,331)
Share issue	2,495	—
Share based payments	145	89
Equity as at 31 December	33,761	27,463

Under IFRS, share based payments have to be recorded directly in net equity.

In 2005, it transpired that a tax scheme to stimulate investments had erroneously not been taken into account in the figures of the US subsidiary since 2002. The adjustment in the income statement for 2004 is EUR 29,000 negative and the adjustment in shareholders' equity as at 1 January 2004 is EUR 184,000 negative. Shareholders' equity as at 1 January 2005 was adjusted by EUR 213,000 negative.

2005-2006

18.4 Consolidated statement of cash flows for the Financial Year 2005 and the Financial Year 2004

(EUR thousand)

	<u>2005</u>	<u>2004</u>
Cash flow from operating activities		
Profit for the financial year	8,851	7,750
Adjustments for:		
Depreciation	1,802	1,508
Amortisation	186	151
Interest income and expenses	24	(151)
Share-based payments	145	89
First-time adoption of IAS 39	159	—
Tax on profits	(2,192)	(1,907)
	<u>124</u>	<u>(310)</u>
Operating result before changes in working capital and liabilities	8,975	7,440
Increase in trade and other receivables	(2,590)	(892)
Increase in inventories	(1,465)	(842)
Increase in trade and other payables	877	1,711
Foreign currency translation losses in the result	(621)	(933)
Foreign currency translation losses in equity	983	(764)
Cash flow from operating activities	<u>6,159</u>	<u>5,720</u>
Cash flow from investing activities		
Proceeds from the sale of property, plant and equipment	1	3
Acquisition of property, plant and equipment	(3,727)	(3,558)
Development expenditure	(934)	(844)
	<u>(4,660)</u>	<u>(4,399)</u>
Cash flow from financing activities		
Proceeds from the issue of Shares	2,495	—
Repayment of borrowings	(78)	(58)
Dividend paid	(3,339)	(3,331)
Net cash flow from financing activities	<u>(922)</u>	<u>(3,389)</u>
Net change in cash and cash equivalents	<u>577</u>	<u>(2,068)</u>
Cash and cash equivalents as at 1 January	<u>1,449</u>	<u>3,517</u>
Cash and cash equivalents as at 31 December	<u>2,026</u>	<u>1,449</u>

18.5 Explanatory notes to the consolidated financial statements for the Financial Year 2005 (based on IFRS)

Principle accounting policies

Airspray is established in Alkmaar, the Netherlands. The consolidated financial statements of the Company for the 2005 financial statements comprise the Company and its subsidiaries (together referred to as the “Group”).

The activities of Airspray and its subsidiaries comprise the development and production of technologically high-quality propellant-free dispensing mechanisms.

The financial statements were authorized for issue by the management on 31 March 2006.

The provisions of Section 402 Book 2 of The Netherlands Civil Code were applied for the preparation of the company income statement.

a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and its interpretations adopted by the International Accounting Standards Board (IASB), as endorsed by the EU. These are the Group's first IFRS consolidated financial statements. IFRS 1 was applied for the preparation of these financial statements.

An explanation of how the transition to IFRSs has affected the reported financial position, financial performance and cash flows of the Group is provided in 'Transition to IFRSs'.

b) Policies applied to the financial statements

The financial statements are presented in euros, rounded to the nearest thousand. The policies applied for the measurement of assets and liabilities are based on historical cost, except that the financial instruments are stated at their fair value.

The preparation of the financial statements in accordance with IFRSs requires the management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities and of income and expenses. The estimates and related assumptions are based on experiences from the past and various other factors that are considered reasonable under the circumstances. The results of these form the basis for the judgement about the book value of assets and liabilities that are not readily apparent from other sources. The actual results may differ from these estimates.

The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognised in the period in which the estimate is revised if the revision only has consequences for the period in question, or in the period of revision and future periods if the revision has consequences for both the reporting and future periods.

The Company's management believes that there are as discussed in note 19 estimates with a significant risk of material adjustment in the following year.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and in preparing the opening IFRS balance sheet as at 1 January 2004 for the purposes of transition to IFRSs.

The entities that belong to the Group have consistently applied the accounting policies with the exception of IAS 32/39 which are applied from the first of January 2005.

c) Consolidation principles

Subsidiaries

Subsidiaries are those entities controlled by the Company. Control is defined as where the Company directly or indirectly has the power to determine the financial and operational policy of an entity so as to obtain benefits from the entity's activities. The financial statements of the subsidiaries are included in the consolidated financial statements as from the date on which control is exercised up to the moment when this is no longer the case.

Elimination of transactions on consolidation

Intra-group balances and any unrealised gains and losses on transactions within the Group or income and expenses from similar transactions were eliminated in the preparation of the consolidated financial statements.

d) Foreign Currencies

Foreign currency transactions

Transactions denominated in foreign currency are translated into euros at the applicable exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into euros at the applicable exchange rate as at balance sheet date. Translation gains and losses are taken to the income statement. Non-monetary assets and liabilities denominated in foreign currency and which can be measured on the basis of historical cost are translated at the applicable exchange rate on the transaction

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date. Non-monetary assets and liabilities in foreign currency that can be stated at fair value are translated into euros at the applicable exchange rates at the dates on which the fair value was determined.

The exchange rate applied at year-end 2005 is EUR/USD 1.180 (2004: EUR/USD 1.362). The average rate for 2005 was EUR/USD 1.245 (2004: EUR/USD 1.243).

Financial statements of foreign operations

The assets and liabilities of foreign operations are translated into euros at the applicable exchange rate as at balance sheet date. Income and expenses of foreign operations are translated into euros at the approximate exchange rate on the transaction date. Translation gains and losses are taken directly to a separate component of equity.

Net investment in foreign operations

Gains and losses resulting from the translation of the net investment in foreign operations are taken to the reserve for translation differences, a separate component of equity.

e) Derivative financial instruments

As part of ordinary business operations, Airspray uses financial instruments, including receivables, payables and interest-bearing loans and borrowings. Through the use of these financial instruments, Airspray faces interest rate, credit and liquidity risks, among other things. In addition, Airspray faces currency risks because of its export operations to its subsidiary in the United States of America.

Financial instruments, such as currency options, forward exchange contracts and interest rate swaps, are used to hedge interest rate, currency and liquidity risks. In accordance with treasury policy, these contracts are never used for speculative purposes.

Upon initial recognition, financial instruments are stated at fair value and after initial recognition, at fair value. If derivatives are not eligible for hedge accounting, the results are taken directly to the income statement.

No use was made in 2005 of cash-flow hedge accounting; translation gains and losses on currency derivatives are taken directly to the income statement.

Note 12, Financial instruments, provides an explanation of the aforementioned risks, as well as the existing contracts as at balance sheet date.

f) Changes in accounting estimates

In 2005 and 2004, the estimated economic life of capitalised development costs was changed to that of the lifecycle of the product. In addition, the estimates for the expected economic life of the plant and moulds were refined. The effect of the changed economic life on the result for 2005 is EUR 267,000 positive (2004: EUR 365,000 positive).

g) Property, plant and equipment

Owned assets

Property, plant and equipment are stated at cost, less accumulated depreciation (see below) and impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of the indirect production overheads.

When property, plant and equipment consist of parts that have different useful lives, these parts are accounted for as separate items of property, plant and equipment.

Subsequent expenditure

The Group recognises the cost of replacing part of property, plant and equipment in the book value of that asset when these costs are incurred, if it is probable that the future economic benefit of the asset in question will accrue to the Group, and if the cost of the asset can be determined reliably. All other costs are charged to the income statement when they are incurred.

Depreciation

Depreciation is charged to the income statement according to the straight-line method based on the estimated useful life of each part of an item of property, plant and equipment. Land is not depreciated.

The estimated useful life is as follows:

Buildings	33 years
Plant and machinery	10 - 20 years
Other plant and equipment	3 - 12.5 years

The residual value, depreciation method and estimate useful life is assessed every year.

h) Intangible assets

Research and development

Expenditure on research activities, which are performed with the aim of acquiring new technical knowledge and understanding, is charged to the income statement when it is incurred.

Expenditure on development activities, in which research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially viable and the Group has sufficient resources to complete development. The capitalised expenses comprise cost of materials, direct labour costs and a reasonable share of the indirect costs. Other development costs are charged to the income statement when they are incurred. Capitalised development expenses are measured at cost less grants received, accumulated amortisation and impairment losses.

Other intangible assets

Other intangible assets acquired by the Group are measured at cost less accumulated amortisation and impairment losses.

Subsequent expenditure

Subsequent expenditures are only capitalised when it increases the future economic benefits contained in the particular asset to which they relate. All other expenses are charged to the income statement when they are incurred.

Amortisation

Amortisation is on a straight-line basis taking into account the duration of patents and licences included under these assets. The capitalised development costs are amortised on a straight line basis over the estimated lifecycle of the products that are manufactured with the technology. Amortisation costs are charged to the result. The estimated useful life is as follows:

Patents and licenses	20 years
Capitalised development costs	5 - 15 years

i) Inventories

Inventories are stated at cost price or lower net realisable value. Net realisable value is the estimated selling price in the context of normal business operations, less the estimated cost of completion and the selling costs. The cost of other inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

j) Trade and other receivables

Trade and other accounts receivable are stated at amortised cost, less impairment losses (see accounting policies).

k) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

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l) Impairment

The book value of the Group's assets, excluding the deferred tax assets and inventories (see policy), is re-assessed as at the balance sheet date every year to ascertain whether there are indications of impairment. In the event of any indication of impairment, an estimate is made of the recoverable amount of the asset in question.

There were no impairments in 2005 and 2004.

m) Dividend

Dividends are stated as a liability in the period in which they are declared.

n) Interest-bearing loans

When first drawn, interest-bearing loans are stated at fair value, less attributable transaction costs. Thereafter, interest-bearing loans are stated at amortised cost, with any difference between cost and the amount to be repaid under the effective interest rate method being recognised in the income statement over the term of the loans.

o) Employee benefits

Defined-contribution schemes

Commitments in connection with contributions to defined-contribution pension schemes are charged to the income statement when the contributions fall due.

Equity-based benefits

The share option scheme enables the Group's employees to acquire Shares in the Company upon approval by the Supervisory Board. The fair value of the options awarded is recognised as a staff cost, with a corresponding entry in shareholders' equity. The fair value is determined as at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is calculated using the binomial model, with account being taken of the terms under which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest.

Option rights and equity participation

Option rights

Options to ordinary Shares are granted to managers and employees at the cost of the Company. The purpose of this share option scheme is to stimulate involvement in the Company. The options are granted upon the approval of the Supervisory Board at a price, for employees, equal to the stock market price at the time of the decision and, for managers, equal to the average closing price of the last five trading days of the closed year. In 1999 and 2000, a separate scheme applied for the Management Board. The term of the options is five or seven years. The options granted can basically only be exercised after three years. The Rules on Inside Information of Airspray N.V. apply to the option scheme.

Equity participation

Staff has also been offered equity participation, which is granted upon the approval of the Supervisory Board at a price equal to the stock market price at the time of the decision. The term of the equity participation is five years. The Shares can only be traded three years after having been issued.

The Rules on Inside Information of Airspray N.V. apply to both the share option scheme and the equity participation scheme.

p) Trade and other payables

Trade debts and other payables are stated at cost.

q) Revenue

Goods sold and services rendered

Proceeds from the sale of goods are recognised in the income statement when the major risks and benefits of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

r) Government grants

Grants that compensate the Group for the costs of an asset are deducted from amounts capitalised.

s) Expenses

Lease payments under operating lease

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

Net financing costs

The net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, interest receivable on funds invested, foreign currency gains and losses, and gains and losses on hedging instruments that are recognised in the income statement (see accounting policies).

Interest income is recognised in the income statement as it accrues, using the effective interest rate method.

t) Income tax

Income tax on the profit or loss for the financial year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Tax due on profits for the financial year and losses carried forward and back is the tax expected to be paid on taxable profit for the financial year, calculated at the tax rates applicable at balance sheet date, or which have already been materially agreed as at balance sheet date, and adjustments to tax due for prior years.

The provision for deferred tax liabilities is formed in accordance with the balance sheet liability method, with a provision being formed for temporary differences between the book value of assets and liabilities for financial reporting purposes and the book value of the items for tax purposes. The level of the provision for deferred tax liabilities is based on the method according to which the book value of the assets and liabilities is expected to be realised or settled, using the tax rates prevailing at balance sheet date, or which have already been materially agreed as at balance sheet date.

Deferred tax assets are only recognised insofar as it is likely that taxable profits will be available in the future to be used towards realising the asset item. The amount of the deferred tax asset is reduced if it is no longer likely that the corresponding tax benefit will be realised.

Additional income tax arising from dividend payments is recognised at the same time as the liability to pay the related dividend.

u) Segmented information

Segmented information is mentioned under number 14 of the notes to the consolidated financial statement.

v) Earnings per Share

The explanation of earnings per Share is mentioned in note 8 of the notes to the consolidated financial statement.

2006-2007

18.6 Notes to the consolidated financial statements for the Financial Year 2005 (based on IFRS)

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(1) Property, plant and equipment

	Land and building	Plant and machinery	Other property, plant and equipment	Under construction	Total
Cost					
Balance as at 1 January 2004	4,320	17,577	119	1,106	23,122
Investments	4	59	202	3,293	3,558
Divestments	—	—	(3)	—	(3)
Reclassification	—	(9,753)	9,753	—	—
Commissioned	—	1,267	1,554	(2,821)	—
Translation differences	(28)	(125)	(108)	—	(261)
Balance as at 31 December 2004	4,296	9,025	11,517	1,578	26,416
Balance as at 1 January 2005	4,296	9,025	11,517	1,578	26,416
Investments	90	—	310	3,327	3,727
Divestments	—	—	(8)	—	(8)
Commissioned	—	1,427	2,528	(3,955)	—
Translation differences	53	225	202	—	480
Balance as at 31 December 2005	4,439	10,677	14,549	950	30,615
Depreciation					
Balance as at 1 January 2004	424	7,048	21	—	7,493
Depreciation in financial year	143	365	1,000	—	1,508
Reclassification	—	(4,467)	4,467	—	—
Translation differences	(11)	(23)	(63)	—	(97)
Balance as at 31 December 2004	556	2,923	5,425	—	8,904
Balance as at 1 January 2005	556	2,923	5,425	—	8,904
Depreciation in financial year	147	508	1,147	—	1,802
Divestments	—	—	(7)	—	(7)
Translation differences	22	47	124	—	193
Balance as at 31 December 2005	725	3,478	6,689	—	10,892
Book value					
As at 1 January 2004	3,896	10,529	98	1,106	15,629
As at 31 December 2004	3,740	6,102	6,092	1,578	17,512
As at 1 January 2005	3,740	6,102	6,092	1,578	17,512
As at 31 December 2005	3,714	7,199	7,860	950	19,723

Right of mortgage, EUR 3 million, on the land and building has been furnished for the banks (2004: EUR 3 million).

'Other property, plant and equipment' includes a book value for moulds of EUR 6,989,000 (2004: EUR 5,167,000).

2004-2005

(2) Intangible assets

	Development costs	Patents	Licences	Total
Cost				
Balance as at 1 January 2004	1,650	482	87	2,219
Investments	674	72	98	844
Balance as at 31 December 2004	2,324	554	185	3,063
Balance as at 1 January 2005	2,324	554	185	3,063
Investments	818	89	27	934
Balance as at 31 December 2005	3,142	643	212	3,997
Amortisation				
Balance as at 1 January 2004	219	128	—	347
Amortisation in financial year	119	31	1	151
Balance as at 31 December 2004	338	159	1	498
Balance as at 1 January 2005	338	159	1	498
Amortisation in financial year	140	36	10	186
Balance as at 31 December 2005	478	195	11	684
Book value				
As at 1 January 2004	1,431	354	87	1,872
As at 31 December 2004	1,986	395	184	2,565
As at 1 January 2005	1,986	395	184	2,565
As at 31 December 2005	2,664	448	201	3,313

Amortisation

Amortisation is included in general administrative expenses in the income statement.

(3) Deferred tax assets and liabilities

Deferred tax assets and liabilities stated in the balance sheet

Deferred tax assets and liabilities can be allocated as follows:

	Assets 2005	Assets 2004	Liabilities 2005	Liabilities 2004	Difference 2005	Difference 2004
Property, plant and equipment	—	—	619	449	619	449
Intangible assets	—	—	817	663	817	663
Inventories	—	—	15	16	15	16
Interest-bearing loans and other borrowings	(36)	(71)	—	—	(36)	(71)
Other items	—	(124)	—	—	—	(124)
Value for tax purposes of recognised losses carried forward	(182)	(194)	—	—	(182)	(194)
Tax (asset)/liability	(218)	(389)	1,451	1,128	1,233	739
Setoff of tax assets and liabilities	36	195	(36)	(195)	—	—
Net tax (asset)/liability	(182)	(194)	1,415	933	1,233	739

Changes in temporary differences during the Financial Year 2004 and the Financial Year 2005

	Balance 1 January 2004	Included in result	Included in equity	Balance 31 December 2004
Property, plant and equipment	309	(21)	161	449
Intangible assets	531	132	—	663
Interest-bearing loans and other borrowings	(130)	59	—	(71)
Employee benefits	—	(28)	—	(28)
Other items	(155)	75	—	(80)
Value for tax purposes of losses carried forward	(249)	55	—	(194)
	<u>306</u>	<u>272</u>	<u>161</u>	<u>739</u>

	Balance 1 January 2005	Included in result	Included in equity	Balance 31 December 2005
Property, plant and equipment	449	145	25	619
Intangible assets	663	154	—	817
Interest-bearing loans and other borrowings	(71)	35	—	(36)
Employee benefits	(28)	28	—	—
Other items	(80)	95	—	15
Value for tax purposes of losses carried forward	(194)	12	—	(182)
	<u>739</u>	<u>469</u>	<u>25</u>	<u>1,233</u>

Income tax expense

Recognised in the income statement

(EUR thousand)	2005	2004
<u>Current tax expense</u>		
Current year	2,390	2,090
Adjustments for prior years	(173)	(22)
	<u>2,217</u>	<u>2,068</u>
<u>Deferred tax expense</u>		
Origination and reversal of timing differences	469	272
	<u>469</u>	<u>272</u>
Total income tax expense in income statement	<u>2,686</u>	<u>2,340</u>

Reconciliation of effective tax rate

(EUR thousand)	2005	2005	2004	2004
Profit before tax		8,254		6,666
Income tax using the domestic corporation tax rate	31.5%	2,600	34.5%	2,300
Effect of tax rates in foreign jurisdictions (rates increased)	2.7%	222	1.5%	101
Non-deductible expenses and other	0.4%	37	(0.6%)	(39)
Over provided in prior years	(2.1%)	(173)	(0.3%)	(22)
	<u>32.5%</u>	<u>2,686</u>	<u>35.1%</u>	<u>2,340</u>

(4) Inventories

	2005	2004
Raw materials and consumables	2,113	1,306
Semi-finished products	2,067	1,906
Finished product	1,337	840
	<u>5,517</u>	<u>4,052</u>

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The raw materials and consumables inventories increased in 2005 as a result of the extension of the range and the increase in the production capacity in the United States.

(5) Trade and other receivables

	2005	2004
Trade accounts receivable	10,002	7,353
Other receivables	1,263	2,066
Derivatives	153	290
Other tax receivables	353	100
	<u>11,771</u>	<u>9,809</u>

Trade receivables are presented after deduction of impairment losses. During the year under review, an impairment loss of EUR 151,000 (2004: EUR 184,000) was recognised in connection with the likely bankruptcy of a number of clients.

(6) Cash and cash equivalents

	2005	2004
Bank balances	2,024	1,448
Cash and cash equivalents	2	1
	<u>2,026</u>	<u>1,449</u>

(7) Equity

Consolidated statement of changes in equity

	Issued and paid-up capital	Share premium	Reserve for translation differences	Retained earnings	Total
Balance as at 1 January 2004	846	8,670	(1,174)	18,965	27,307
Net result for the year	—	—	—	4,326	4,326
Translation differences	—	—	(928)	—	(928)
Share-based payments	—	—	—	89	89
Dividend 2003	—	—	—	(3,331)	(3,331)
Balance as at 31 December 2004	846	8,670	(2,102)	20,049	27,463
First-time adoption of IAS 39 Derivatives	—	—	—	159	159
Balance as at 1 January 2005	846	8,670	(2,102)	20,208	27,622
Share issue	25	2,470	—	—	2,495
Net result for the year	—	—	—	5,568	5,568
Translation differences	—	—	1,270	—	1,270
Share-based payments	—	—	—	145	145
Dividend 2004	—	—	—	(3,339)	(3,339)
Balance as at 31 December 2005	871	11,140	(832)	22,582	33,761

The amount stated under Share premium can be distributed free of tax.

The holders of ordinary Shares are entitled to dividend payments as declared from time to time and are entitled to one vote per Share at meetings of the Company.

Reserve for translation differences

The reserve for translation differences comprises all the differences on foreign currencies from translating the financial statements of foreign operations that form an integral part of the Company's operations.

Dividend

Article 29 of the Articles of Association of Airspray is decisive for the appropriation of profit. The proposal for profit appropriation is as follows (EUR × 1,000):

	2005	2004
Result after tax	5,568	4,326
Proposed dividend	(4,081)	(3,339)
	<u>1,487</u>	<u>987</u>

Share capital and share premium

Shares	Ordinary Shares		Preference shares	
	2005	2004	2005	2004
Issued as at 1 January	5,287,842	5,287,842	1	1
Issued against cash payments	153,825	—	—	—
Issued as at 31 December—fully paid up	<u>5,441,667</u>	<u>5,287,842</u>	<u>1</u>	<u>1</u>

The authorised capital consists of 25,000,000 Shares with a nominal value of EUR 0.16 each, of which one priority share is in the hands of 'Stichting Prioriteit Airspray'. Of the total authorised capital at year-end 2005, 5,441,667 Shares have been issued and fully paid up (2004: 5,287,842).

(8) Earnings per Share

Earnings per Share

Earnings per Share are calculated as follows:

Net profit according to the income statement divided by the weighted average number of issued Shares during the financial year. The calculation of the earnings per Share for 2004 and 2005 can be specified as follows:

	2005	2004
Net profit (EUR thousand)	5,568	4,326
Weighted average number of issued Shares	5,361,974	5,287,842
Earnings per Share	<u>1.04</u>	<u>0.82</u>

The average number of issued Shares were calculated as follows:

Number of issued Shares as at 1 January	5,287,842	5,287,842
Exercise of share options	74,132	—
	<u>5,361,974</u>	<u>5,287,842</u>

The exercise of the options is included in the calculation of the average number of outstanding shares on a time-weighted basis. Once the options have been exercised the shares are immediately eligible for dividend. The exercise of options is settled in cash.

Diluted earnings per Share

The calculation of the diluted earnings per Share can be specified as follows:

	2005	2004
Net profit (EUR thousand)	5,568	4,326
Weighted average number of issued Shares	5,361,974	5,287,842
Weighted average number of 'free' Shares to furnish in respect of options	190,555	289,557
	<u>5,552,529</u>	<u>5,577,399</u>
Diluted earnings per Share	<u>1.00</u>	<u>0.78</u>

(9) Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings. For more information about the Group's exposure to interest rate and foreign currency risk, see note 12, Financial instruments.

	2005	2004
Non-current liability	<u>2,230</u>	<u>2,308</u>
	<u>2,230</u>	<u>2,308</u>
	2005	2004
Current liability	<u>78</u>	<u>78</u>
	<u>78</u>	<u>78</u>

The residual term of the loan is 11 years at a fixed interest rate of 5.4% until the end of 2006. The interest will be set at market rate in 2007. The residual debt will then be EUR 2.1 million. The annual repayment obligation amounts to EUR 78,000 and is stated under current liabilities. The premises serve as security for the mortgage loan.

(10) Employees benefits

Explanation of shareholding and options rights are mentioned in note (o) employee benefits, of the explanatory notes to the consolidated financial statements.

In accordance with the transitional provisions contained in IFRS 1 and IFRS 2, the recognition and measurement principles in IFRS 2 have not been applied to the share option schemes that were implemented before 7 November 2002, involving schemes from 1999, 2000, 2001 and 2002.

Method to use

The Group used a binomial model, for the valuation of options at hand.

Input parameters

Volatility

The historical volatility of the share returns of Airspray is calculated on different grant dates and over different periods. Based on the results, an expected volatility of 29% for 2003 and 2004, and an expected volatility of 27% for 2005 were used.

Dividend yield

The dividend yield is expected to be 3.0% for the coming years. This is equal to the current dividend yield.

Risk-free rate

The risk-free rate is based on Dutch Government Bonds with a time to maturity that corresponds with the expected life of the option.

Unconditional options granted to R.F.Q. Brands

Options	Number granted	Number exercised	Number issued	Exercise price in EUR	Expected volatility in %	Term of option	Expected dividend in %	Risk-free interest rate
1999*	25,000	25,000	—	15.28				
2000*	20,000	20,000	—	17.05				
2001*	19,396	19,396	—	15.69				
2002**	19,396	19,378	18	16.73				
2003**	9,698	—	9,698	14.69	29	1,2	3	3.1
	<u>93,490</u>	<u>83,774</u>	<u>9,716</u>					

Unconditional options granted to J. van der Schaaff

Options	Number granted	Number exercised	Number issued	Exercise price in EUR	Expected volatility in %	Term of option	Expected dividend in %	Risk-free interest rate
1999*	10,000	10,000	—	18.55				
2000*	10,000	10,000	—	16.38				
2001**	19,396	19,396	—	15.69				
2002**	19,396	13,854	5,542	16.73				
2003**	9,698	—	9,698	14.69	29	1,2	3	3.1
	68,490	53,250	15,240					

Unconditional options granted to employees

Options	Number granted	Number exercised	Number lapsed	Number issued	Exercise price in EUR	Expected volatility in %	Term of option	Expected dividend in %	Risk-free interest rate
Before/in 2001**	80,167	31,398	—	48,769	16.96	—	—	—	—
2002**	26,650	5,362	1,190	20,098	13.91	—	—	—	—
2003**	28,250	—	900	27,350	14.50	29	3	3	3.4
Subtotal	135,067	36,760	2,090	96,217					
2005**	53,996	—	—	53,996	18.87	27	3	3	3
	189,063	36,760	2,090	150,213					

* term of the options is seven years

** term of the options is five years

Conditional options were granted to the Board of Management as mentioned in the report of the Supervisory Board.

Personnel costs

	2005	2004
Share options granted in 2005/2004	145	89
Total expenses recognised as personnel costs	145	89

(11) Trade and other payables

	2005	2004
Trade payables	4,391	3,488
Accrued expenses	1,430	1,648
	5,821	5,136

(12) Financial instruments

Exposure to interest rate, currency, credit and liquidity risks arises in the normal course of the Group's business. Derivative financial instruments are used to hedge exposure to fluctuations in foreign currency rates and interest rates.

Interest rate contracts

An interest rate swap (IRS) has been concluded to protect the fair value of the mortgage loan with the fixed mortgage interest rate of 5.4% partly swapped, with a fixed interest rate of 3.72% being received and the three-month Euribor being paid. The IRS is valid until 1 April 2007 and has a fair value of approximately EUR 30,000 (2004:—).

Currency risk

Airspray has concluded USD currency derivatives to control the exposure to currency risk from export activities thus mitigating the currency risk of 90% of the expected future sales transactions until the end of December 2006. After initial recognition of financial instruments at cost, they are measured at fair value. If derivatives are not eligible for hedge accounting, the results are taken directly to the financial income or expenses item in the income statement. No use was made in 2005 of cash-flow hedge accounting; exchange gains and losses on currency derivatives are taken directly to the income statement.

The total outstanding Put USD / Call EUR and forward exchange transactions as at balance sheet date is some USD 16.5 million. The market value of the options as at 31 December 2005 was approximately EUR 153,000.

The terms of contract of the derivatives outstanding on 31 December 2004 were:

- Bought Average Rate Put Option of USD 6 million, of which on 1 March 2005 the difference in the exercise price of EUR/USD 1.25 and the average price of the USD in the period 1 April 2004 until 1 March 2005 was settled. The market value of the ARO on 31 December 2004 was approximately EUR 58,000.
- Bought Average Rate Put Option of USD 8 million, of which on 1 June 2005 the difference in the exercise price of EUR/USD 1.35 and the average price of the USD in the period 1 January 2005 until 1 June 2005 was settled. The market value of the ARO on 31 December 2004 was approximately EUR 122,000. A Bought Average Rate Put Option results in a positive value in case during the contract the average USD rate weakens in comparison to the exercise price of the ARO.
- Six European Forward Adjusters (EFA) for an amount of EUR 1 million with exercise dates in January 2005 through June 2005, at a strike price of EUR/USD 1.35, a trigger of EUR/USD 1.25 and a fallback rate of EUR/USD 1.30 each. The European Forward Adjuster obliges the holder to sell the underlying securities in case on the exercise date the EUR/USD difference is less than or equal to EUR/USD 1.25 at the fallback rate of EUR/USD 1.30. If on the exercise date the exchange rate is determined at a rate between EUR/USD 1.35 and EUR/USD 1.25, the EFA can be sold at the prevailing exchange rate. If on the exercise date the exchange rate is higher than EUR/USD 1.35, the underlying security can be sold at the strike price. The market value of the European Forward Adjusters was approx. EUR 103,000 on 31 December 2004.
- A currency Swap for an amount of USD 12 million with an exercise date per January 4, 2005.
- Bought Put Option for an amount of USD 5 million with an expiry date of 1 July 2005 at an exercise rate of EUR/USD 1.33. The market value of this option was approx. EUR 166,000 on 31 December 2004.

An option is the right to buy or sell the underlying security at the exercise price on a date determined in advance.

The premium charged for the financial instruments by the financial institution is debited to the result pro rata over the term of the instrument.

Credit risk

Airspray has procedures and lines of conduct to limit the size of the credit risk with each client. These procedures and spreading over the number of clients limit the risk associated with the concentration of credit. Depending on the size of the order and/or the region, a Letter of Credit is used. Derivatives are exclusively concluded with credit institutions with at least an AA rating.

Liquidity risk

In April 2004, the credit facility of EUR 2 million was replaced with a credit facility of EUR 7.5 million. The interest rate for this facility for an indefinite time is one-month Euribor plus 0.9%. This facility was not taken up.

Effective interest rate and breakdown according to interest review date

The table below illustrates the effective interest rate for interest-bearing financial assets and liabilities as at balance sheet date and the interest review periods.

	Effective interest rate	0-6 months	6-12 months	1-2 years	2-5 years	>5 years	Total
Mortgage/repayment obligation	3.9	2,308	—	—	—	—	2,308
Cash and cash equivalents	1.6	2,026	—	—	—	—	2,026
	<u>2.8</u>	<u>4,334</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>4,334</u>

Assets and liabilities recognised in the balance sheet

Changes in the fair value of forward exchange contracts that economically hedge monetary assets and liabilities in foreign currency and for which no hedge accounting is applied are recognised in the income statement. Both the changes in fair value of the forward contracts and the foreign exchange gains and losses relating to the monetary items are recognised under Net financing costs (see note 18). The fair value of forward exchange contracts used as economic hedges of monetary assets and liabilities in foreign currencies as at 31 December 2005 was EUR 153,000 (1 January 2005: EUR 449,000) see reconciliation of financial instrument upon adoption of IAS 39 on 1 January 2005 and is recognised derivatives within trade and other receivables.

Sensitivity analyses

In managing interest rate and currency risks, the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. Over the long term, however, permanent changes in foreign currency and interest rates will have an impact on consolidated earnings.

The calculation of the sensitivity of an interest rate rise of 1% in January 2005, with the composition of the balance sheet and the IRS remaining unchanged, has virtually no effect on the interest charges for 2005.

A general increase of one percentage point in the value of the euro in relation to other currencies has virtually no effect on the value of the derivatives.

Fair value

The fair value and the carrying value in the balance sheet of the financial instruments and secured loans are as follows:

	Carrying value 2005	Fair value 2005	Carrying value 2004	Fair value 2004
Trade and other receivables	11,771	11,771	9,809	9,809
Cash and cash equivalents	2,026	2,026	1,449	1,449
Secured loans	2,230	2,230	2,308	2,308
Trade and other payables	5,821	5,821	5,136	5,136
	<u>21,848</u>	<u>21,848</u>	<u>18,702</u>	<u>18,702</u>

Estimate of the fair value

Below we summarise the major methods and assumptions used in estimating the fair values of financial instruments included in the table.

Derivatives

Forward exchange contracts are marked to market. Bank quotes are used for interest rate swaps.

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Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market-related rate for a similar instrument as at balance sheet date. Where other pricing models are used, data inputs are based on market-related data as at balance sheet date.

Interest-bearing loans and borrowings

The fair value is calculated based on the discounted expected future principal and interest payments.

Trade and other receivables / trade and other payables

For receivables / payables falling due within one year, the notional amount is deemed to reflect the fair value. All other receivables / payables are discounted to determine their fair value.

Interest rates used for determining fair value

The entity uses the government yield curve as at 31 December 2005 and 2004 plus an adequate constant credit spread to discount financial instruments. The interest rate used for 2005 and 2004 amounts to 5.2 - 6.4%.

(13) Operating leases

The Group leases three cars under an operating lease scheme. The lease agreements usually have a term of four years.

The operating lease rentals are payable as follows (EUR thousand).

	<u>2005</u>	<u>2004</u>
< 1 year	18	29
1-4 years	15	32
	<u>33</u>	<u>61</u>

During the Financial Year 2005, an expense of EUR 29,000 was recognised in the income statement in respect of operating leases (2004: EUR 23,000).

(14) Segment information

The information is geographically represented. Segmentation under IAS 14 was not applied because management is of the opinion that the activities in the United States form an integral part of the operations in the Netherlands.

Airspray sells its dispensers in a premium specialty dispenser market, with sales mostly falling under personal care. The personal care market includes a number of categories that share the same market dynamics.

<u>Net turnover (EUR millions)</u>	<u>2005</u>	<u>2004</u>
Net turnover according to geographic segment is as follows:		
U.S.	28.5	22.3
Europe	15.4	11.8
Asia	1.8	1.1
Other	0.3	0.4
	<u>46.0</u>	<u>35.6</u>

(15) Personnel costs

	<u>2005</u>	<u>2004</u>
Salaries	5,459	4,580
Social security charges	889	728
Pension charges	270	232
Share-option settled transactions	145	89
	<u>6,763</u>	<u>5,629</u>

Presented as follows:	<u>2005</u>	<u>2004</u>
Cost of sales	<u>3,057</u>	<u>2,440</u>
General administrative expenses	<u>3,706</u>	<u>3,189</u>
	<u>6,763</u>	<u>5,629</u>

Remuneration of directors and Airspray's supervisory board

Remuneration of the directors in 2005 can be outlined as follows:

	Regularly paid remuneration	Remuneration paid in the long term (pension)	Performance-related remuneration	Total
R.F.Q. Brands	261	10	168	439
J. van der Schaaff	<u>129</u>	<u>11</u>	<u>40</u>	<u>180</u>
	<u>390</u>	<u>21</u>	<u>208</u>	<u>619</u>
Airspray's supervisory board	<u>58</u>	<u>—</u>	<u>—</u>	<u>58</u>

The remuneration of the chair of Airspray's supervisory board amounted to EUR 22,000 (2004: EUR 17,500). The other supervisory board members of Airspray received remuneration of EUR 18,000 (2004: EUR 15,000).

The remuneration of the directors in 2004 was:

	Regularly paid remuneration	Remuneration paid in the long term (pension)	Performance-related remuneration	Total
R.F.Q. Brands	240	9	90	339
J. van der Schaaff	<u>126</u>	<u>11</u>	<u>16</u>	<u>153</u>
	<u>366</u>	<u>20</u>	<u>106</u>	<u>492</u>
Airspray's supervisory board	<u>48</u>	<u>—</u>	<u>—</u>	<u>48</u>

(16) Net financing costs

	<u>2005</u>	<u>2004</u>
Interest income	<u>150</u>	<u>150</u>
Financial income	<u>150</u>	<u>150</u>
Interest expenses	126	301
Currency gains and losses and changes in the value of derivatives	<u>621</u>	<u>933</u>
Financing expenses	<u>747</u>	<u>1,234</u>
Net financing costs	<u>597</u>	<u>1,084</u>

(17) Off-balance sheet commitments

Capital expenditure commitments

During the Financial Year 2005, the Group entered into a contract to purchase property, plant and equipment for EUR 280,000 (2004: zero). These commitments are expected to be settled in the following financial year.

Purchase commitments

An agreement has been concluded with one of the spare part suppliers committing the Group to purchase a minimum volume of spare parts every year. The value of this minimum purchase agreement depends on the type of products to be purchased.

Rental commitments

The Group's rental commitments are EUR 2,975,000 (2004: EUR 365,000) of which EUR 488,000 (2004: EUR 240,000) falls due within one year. The increase is the result of new tenancy agreements concluded in both the Netherlands and the U.S. The obligations > 5 years amount to EUR 0.6 million (2004:—).

Bank guarantee

The Company has issued a bank guarantee of EUR 67,000 to the lessor of the property made available (2004:—).

Share schemes

Airspray has undertaken to buy the Airspray shares purchased by its personnel at the end of the term of the loans taken out to finance the purchase at 90% of the purchase price. Should the Share price be below 90% at the end of the term, then this might result in a loss for Airspray. As at 31 December 2005 and 2004 this possible loss is nil.

(18) Post-balance sheet events

Bid Rexam PLC

On 22 February 2006 it was announced that,

- Rexam Plastics Nederland B.V., an indirect wholly-owned subsidiary of Rexam PLC, intends to make a recommended cash offer of EUR 26.75 per ordinary Share in Airspray, excluding the dividend of EUR 0.75 per share that becomes payable for the Financial Year 2005.
- The offer price represents a 21% premium over Airspray's closing share price on 21 February 2006 (corrected for the dividend of EUR 0.75 per share that becomes payable for the Financial Year 2005) and a 29% premium over Airspray's average closing Share price for the last three months (corrected for the dividend of EUR 0.75 per Share that becomes payable for the Financial Year 2005).

SBS/DEB

As already pointed out earlier, Airspray is involved in a lawsuit in the Netherlands filed by SBS/DEB. In March 2005, SBS/DEB sued Airspray, claiming infringement of their patent. According to Airspray, there was no infringement, arguing that the patent of SBS/DEB was null and void.

On Wednesday 22 February 2006, the court reached a verdict. The Court in The Hague nullified the SBS/DEB patent EP 0703831 b1 granted for the Netherlands. SBS/DEB can appeal to the appropriate court.

It is unknown whether this verdict also has consequences for the case of SBS/DEB versus Gojo, which has been going on in the U.S. since mid-2003. Gojo is an important player in the market for commercial soaps in the U.S., and has launched a wall-mounted dispenser that uses an Airspray foam pump. In this case, SBS/DEB also claims infringement of its patent. It is unknown when the US court will reach a verdict.

In 2004, Airspray instituted opposition proceedings with the European Patent Agency concerning another of SBS/DEB's patents. No verdict has been issued yet in this case.

(19) Estimates and judgements by the management

Management discussed with the Supervisory Board the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates.

Key sources of estimate uncertainties

The measurement of the property, plant and equipment and the intangible assets is based on the expected useful life of these assets. This useful life varies between five and 20 years. Since Airspray has grown strongly in recent years, there is still not sufficient material for comparison available in order to support the accuracy of the applied useful life expectations. The applied life expectations are based on the equipment that produces the first product of Airspray, the dry-spray pump, and that is still operational.

Critical accounting judgements by the management in applying the Group's accounting policies

In the management's opinion, there are no critical judgements in the application of the Group's accounting policies.

(20) Group entities

The Netherlands

Airspray N.V., Alkmaar

Airspray Development B.V., Alkmaar

Airspray Engineering B.V., Alkmaar

Airspray International B.V., Alkmaar

U.S.

Airspray International Inc., Pompano Beach, Florida

18.7 Transition to IFRSs

As stated in note (a), these are the Group's first consolidated financial statements prepared in accordance with IFRSs as adopted in the EU.

The accounting principles described were applied to the preparation of the consolidated financial statements for 2005, the annual figures for 2004 presented in these financial statements for comparison, and to the preparation of the IFRS opening balance as at 1 January 2004 (the date on which the Group adopted IFRSs), with exception of IAS 32/39 which are applied as from 1 January 2005.

In preparing its IFRS opening balance sheet, the Group adjusted amounts reported in previous financial statements prepared in accordance with its old accounting policies under Dutch GAAP (previous GAAP). An explanation of how the transition from the previous GAAP to IFRSs has affected the Group's financial position, financial performance and cash flows is set out in the following tables and the corresponding notes.

Changes in accounting policies due to adoption of IFRSs

Airspray has adjusted its accounting policies as described below in connection with its transition to IFRS.

Intangible assets, Property, plant and equipment

According to IAS 16 and 38, the costs made to develop, install and assemble the production equipment are to be increased with directly attributable costs.

Financial assets

In accordance with IAS 39, all loans are valued at amortised cost.

Other

In prior years, bonuses were recognised consistently after final approval on a cash basis. Under IFRSs, the best estimate is made for the expected expenses.

Share-based payments

In accordance with Dutch GAAP, the Company recognised expenses related to share options as charge to shareholders' equity when the related payments were incurred.

In accordance with IFRS 2, Airspray's share option plans qualify as so-called cash-settled plans. As a consequence, the Company has to charge the fair value of the share options against income (first spread over the vesting period and later over the remaining life of the options) and recognise a related liability in the balance sheet. This liability amounted to EUR 145,000 (2004: EUR 89,000) as at 31 December 2005. The fair value was calculated using the binomial options valuation model. The charge to income over the relevant option vesting periods is adjusted to reflect the actual and expected levels of vesting.

2005-2006

18.8 Consolidated balance sheet as at 1 January 2004 (based on IFRS and DUTCH GAAP)

(EUR thousand)

	Dutch GAAP 1 January 2004	Difference	IFRS 1 January 2004	Dutch GAAP 31 December 2004	Difference	IFRS 31 December 2004
Assets						
Tangible fixed assets	15,452	177	15,629	17,269	243	17,512
Intangible fixed assets	1,610	262	1,872	2,192	373	2,565
Deferred tax assets	249	—	249	194	—	194
Financial fixed assets	2,322	(2,322)	—	1,629	(1,629)	—
Total non-current assets	19,633	(1,883)	17,750	21,284	(1,013)	20,271
Inventories	3,210	—	3,210	4,052	—	4,052
Taxes and social security contributions .	114	—	114	605	(100)	505
Trade and other receivables	7,362	1,946	9,308	8,305	1,504	9,809
Cash and cash equivalents	3,517	—	3,517	1,449	—	1,449
Total current assets	14,203	1,946	16,149	14,411	1,404	15,815
Total assets	33,836	63	33,899	35,695	391	36,086
	Dutch GAAP 1 January 2004	Difference	IFRS 1 January 2004	Dutch GAAP 31 December 2004	Difference	IFRS 31 December 2004
Liabilities						
Shareholders' equity	27,369	(62)	27,307	27,300	163	27,463
Interest-bearing loans	2,366	—	2,366	2,308	—	2,308
Provisions	587	(32)	555	771	162	933
Total non-current liabilities	2,953	(32)	2,921	3,079	162	3,241
Trade and other payables	2,966	157	3,123	3,488	1,648	5,136
Taxes and social security contributions .	548	—	548	1,828	(1,582)	246
Total current liabilities	3,514	157	3,671	5,316	66	5,382
Total equity and liabilities	33,836	63	33,899	35,695	391	36,086

The financial fixed assets under Dutch GAAP have been reclassified under Trade and other receivables.

18.9 Reconciliation of shareholders' equity as at 1 January 2004

(EUR thousand)

Dutch GAAP shareholders' equity as at 31 December 2003	27,553
Tax effect U.S.	(184)
Shareholders' equity as at 31 December 2003	27,369
Intangible fixed assets	262
Tangible fixed assets	177
Financial fixed assets	(376)
Other	(157)
Tax	32
IFRS shareholders' equity as at 1 January 2004	27,307

18.10 Consolidated profit and loss account for the Financial Year 2004 (based on IFRS and Dutch GAAP)

(EUR thousand)

	Dutch GAAP	Difference	IFRS
Net sales	34,467	1,174	35,641
Cost of sales	(21,760)	(260)	(22,020)
Gross margin	12,707	914	13,621
Selling expenses	(637)	—	(637)
General and administrative expenses	(5,312)	78	(5,234)
	(5,949)	78	(5,871)
Operational result	6,758	992	7,750
Financial income/expenses	(301)	(783)	(1,084)
Result before tax	6,457	209	6,666
Tax	(2,267)	(73)	(2,340)
Net profit	<u>4,190</u>	<u>136</u>	<u>4,326</u>

18.11 Reconciliation of net profit for the Financial Year 2004

(EUR thousand)

Dutch GAAP net profit	4,190
Intangible fixed assets	111
Tangible fixed assets	66
Financial fixed assets	150
Other	(29)
Share-based payments	(89)
Tax	(73)
<u>IFRS net profit</u>	<u>4,326</u>

18.12 Reconciliation of shareholders' equity as at 31 December 2004

(EUR thousand)

Dutch GAAP shareholders' equity as at 31 December 2004	27,513
Tax effect U.S.	(213)
<u>Corrected shareholders' equity as at 31 December 2004</u>	<u>27,300</u>
Intangible fixed assets	373
Tangible fixed assets	243
Financial fixed assets	(226)
Other	(186)
Tax	(41)
<u>IFRS shareholders' equity as at 31 December 2004</u>	<u>27,463</u>

The aforementioned adjustments have resulted in the following increase or decrease (–) in the deferred tax liability at a tax rate of 35%:

	1 January 2004	31 December 2004
Intangible fixed assets	92	131
Tangible fixed assets	62	85
Financial fixed assets	(131)	(78)
Personnel costs	—	(66)
Shareholders' equity	<u>(55)</u>	<u>(31)</u>
	<u>(32)</u>	<u>41</u>

18.13 Reconciliation of financial instruments upon adoption of IAS 39 on 1 January 2005

(EUR thousand)

	Dutch GAAP	Effect of transition to IFRS	IFRS
Derivatives at fair value	290	159	449

Notes to the reconciliation of financial instruments upon adoption of IAS 39 on 1 January 2005

Airspray has opted for the transition provision of IFRS 1 to apply these standards as from 1 January 2005. In accordance with Dutch GAAP, the Group recognised derivatives at cost less amortisation. On the basis of IFRSs, derivatives must be stated at fair value.

This leads to an increase in Derivatives at fair value by EUR 159,000. Due to the small amount the equity per 1 January 2005 is corrected without inclusion of the deferred tax effect.

18.14 Consolidated balance sheet as at 31 December 2004 and 2003 (based on Dutch GAAP)

(EUR thousand) before profit appropriation

	2004	2003(1)
Assets		
Fixed assets		
Intangible fixed assets	2,192	1,610
Tangible fixed assets	17,269	15,452
Financial fixed assets:		
—Deferred tax asset	194	249
—Other receivables	1,629	2,322
	<u>1,823</u>	<u>2,571</u>
Total fixed assets	21,284	19,633
Current Assets		
Inventories	4,052	3,210
Receivables		
Trade receivables	7,353	6,340
Taxes and social security contributions	605	114
Other receivables and prepayments	952	1,022
	<u>8,910</u>	<u>7,476</u>
Cash at bank and in hand	1,449	3,517
Total current assets	<u>14,411</u>	<u>14,203</u>
Total assets	<u>35,695</u>	<u>33,836</u>
Liabilities		
Group equity	27,514	27,553
Provisions		
Deferred tax liabilities	557	403
Long-term debt		
Debt to credit institutions	2,308	2,366
Current liabilities		
Trade payables	3,488	2,185
Taxes and social security contributions	369	548
Accrued expense and other payables	1,459	781
	<u>5,316</u>	<u>3,514</u>
Total liabilities	<u>35,695</u>	<u>33,836</u>

(1) Adjusted for comparison purposes

18.15 Consolidated profit and loss account for the Financial Year 2004 and Financial Year 2003, (based on Dutch GAAP)

(EUR thousand)

	2004	2003
Net turnover	34,467	36,027
Cost of sales	(21,760)	(20,058)
Gross margin	12,707	15,969
Selling expense	(637)	(689)
General and administrative expenses	(5,312)	(5,636)
Total expense	(5,949)	(6,325)
Net operating profit	6,758	9,644
Interest expenses and similar costs	(348)	(207)
Interest income and similar income	47	53
Profit before tax	6,457	9,490
Tax	(2,238)	(3,281)
Net profit	4,219	6,209

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18.16 Consolidated cash flow statement for the Financial Year 2004 and Financial Year 2003 (based on Dutch GAAP)

(EUR thousand)

	2004	2003(1)
Cash flow from operating activities		
Net operating profit	6,758	9,644
Depreciations	<u>1,620</u>	<u>1,888</u>
	8,378	11,532
Movements in working capital:		
Trade debtors	(1,013)	(456)
Inventories	(842)	(388)
Trade creditors	1,303	323
Other receivables and liabilities	<u>76</u>	<u>79</u>
	(476)	(442)
Cash flow from operating activities	7,902	11,090
Interest expenses and similar costs	(348)	(207)
Interest income and similar income	47	53
Taxes paid	(2,238)	(3,281)
Profit from disposal of fixed assets	<u>—</u>	<u>12</u>
	(2,539)	(3,423)
Cash flow from operating activities	5,363	7,667
Cash flow from investing activities		
Investments in intangible fixed assets	(713)	(659)
Investments in tangible fixed assets	(3,472)	(2,909)
Disposals of tangible fixed assets	3	5
Movements in financial fixed assets	<u>748</u>	<u>(158)</u>
Cash flow from investing activities	(3,434)	(3,721)
Cash flow from financing activities		
Increase in group equity through share issue	—	90
Dividend paid	(3,331)	(2,640)
Redemption of long-term liabilities	(58)	(78)
Changes in provisions	<u>154</u>	<u>265</u>
Cash flow from financing activities	(3,235)	(2,363)
Net cash flow	(1,306)	1,583
Exchange rate and translation differences	(762)	(913)
Movements in cash at bank and in hand	<u>(2,068)</u>	<u>670</u>

(1) Adjusted for comparison purposes

18.17 Auditors' report

In our opinion, the financial data for the Financial Year 2005, the Financial Year 2004 and the Financial Year 2003, as included in this Offer Memorandum, are consistent, in all material respects, with the financial statements from which they have been derived. We issued unqualified auditors' reports on these financial statements on 31 March 2006 and 31 March 2005. Ernst & Young Accountants issued an unqualified opinion on the financial statements 2003 on 19 February 2004. These auditors' reports are included in the financial statements for the years referred to, which form an integral part of this offer document.

For a better understanding of the Company's financial position and results and of the scope of our audit, the aforementioned consolidated financial information should be read in conjunction with the financial statements from which it has been derived and the auditors' reports thereon.

Amstelveen, 21 April 2006

KPMG Accountants N.V.

J.M.A. Eskes RA

26-APR-2006

19 ADVISERS

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