

Offer Memorandum  
dated 29 September 2006

Last day of acceptance  
27 October 2006, subject to extension

**Concerning the recommended public offer by**  
**Verosol Holding B.V.**

**KOPIE**

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

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



**Blydenstein-Willink N.V.**

**Blydenstein-Willink N.V.**

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

The information included in this offer memorandum (the **Offer Memorandum**) relates to the firm public offer by Verosol Holding B.V. (the **Offeror**) to all holders of issued and outstanding ordinary shares with a nominal value of EUR 5 each (the **Shares**, holders of such Shares being referred to as **Shareholders**) in the share capital of Blydenstein-Willink N.V. (**Blydenstein-Willink** or the **Company**) to purchase for cash the Shares held by them, on the terms of 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 14.25 per Share, which Consideration includes any dividend which may become payable for the Financial Year 2006. 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 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 2 October 2006 at 9.00 hours CET and, unless extended, will end on 27 October 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 90, paragraph 5 of the

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Decree. As soon as possible after the Acceptance 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*. 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 13 October 2006 at 11.00 hours CET, the EGM will be convened at the Best Western Dish Hotel, Boulevard 1945 2 in (7511 AE) Enschede, the Netherlands, at which time the Offer will be discussed in accordance with article 9q of the Decree.

Certain Shareholders have irrevocably undertaken to sell and transfer to the Offeror the Shares held by them at a price per Share which is below the Consideration and subject to the condition of the Offer having been declared unconditional (*gestandgedaan*), but otherwise under the same terms and conditions as apply to the Offer. None of the aforementioned certain Shareholders has received any relevant information regarding the Offer which is not included in this Offer Memorandum. The number of Shares committed under the Offer equals 67.14% of the Shares outstanding on the date of this Offer Memorandum. See paragraph 7.2 ('Committed Shares').

## **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. However, acceptances of the Offer by Shareholders not resident in the Netherlands will be accepted by the Offeror if such acceptances comply with the acceptance procedure set out in the Offer memorandum. See paragraph 6.2 ('Acceptances by Shareholders'). Persons obtaining the Offer Memorandum are required to take due note and observe all such restrictions and obtain any necessary authorisations, approvals or consents. Neither the Offeror, nor Blydenstein-Willink, 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 Blydenstein-Willink in respect of the Financial Year 2005 (with Financial Year 2004 comparatives) and the consolidated interim condensed information of Blydenstein-Willink in respect of the first half year 2006 (with first half year 2005 comparatives) provided in this Offer Memorandum have been prepared in accordance with IFRS while the financial consolidated financial statements of Blydenstein-Willink in respect of the Financial Year 2004 and the Financial Year 2003 referred to in this Offer Memorandum have been prepared in accordance with Dutch GAAP. Blydenstein-Willink'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 Blydenstein-Willink is incorporated under the laws of the Netherlands. Some or all of the officers and directors of each of the Offeror and Blydenstein-Willink are residents of countries other than the U.S. and all or a substantial proportion of the assets of the Offeror and Blydenstein-Willink 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 Blydenstein-Willink 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 an 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, if tendered in or from Italy whether by use of the Italian interstate or foreign commerce, or any facility of an Italian national securities exchange (including, but without limitation, electronic mail, post, facsimile transmission, telex and telephone). 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.

## 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 9 ('Letter to the Shareholders') Chapter 10 ('Extraordinary General Meeting of Shareholders of Blydenstein-Willink'), Chapter 11 ('Information regarding Blydenstein-Willink') and Chapter 18 ('Financial statements') of this Offer Memorandum, and the corresponding sections in the English and Dutch summary, has been provided solely by Blydenstein-Willink. 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 auditors' report and review report included in Chapter 18 ('Financial Statements') of this Offer Memorandum have been provided by KPMG Accountants N.V. The information included in the other chapters of this Offer Memorandum has been provided by Blydenstein-Willink and the Offeror together.

Blydenstein-Willink 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 Blydenstein-Willink and the Offeror respectively, and jointly for the information provided together and KPMG Accountants N.V. is exclusively responsible for the accuracy and completeness of the auditor's report and review report included in Chapter 18 ('Financial Statements') of this Offer Memorandum. Each of Blydenstein-Willink 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. Blydenstein-Willink confirms that the auditors' report and review report included in Chapter 18 ('Financial Statements') is identical to the auditors' and review 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 Blydenstein-Willink 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 representations are made as to the accuracy and completeness of such forward-looking statements with respect to any date after the date of this

Offer Memorandum. 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 Blydenstein-Willink and/or the Offeror do business, and competitive developments or risks inherent to each of Blydenstein-Willink's and/or the Offeror's business plans. These risks, uncertainties and assumptions may cause the actual results, performance or achievements of Blydenstein-Willink 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.

Blydenstein-Willink 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 Blydenstein-Willink (and without prejudice to the auditors' report and review 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 Blydenstein-Willink or the Offeror, such information or representation should not be relied upon as having been provided, or made by, or on behalf of, Blydenstein-Willink 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 Blydenstein-Willink.

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

This Offer Memorandum is published in 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 the Articles of Association and the annual financial statements (*jaarrekeningen*) of Blydenstein-Willink for the Financial Year 2003, the Financial Year 2004 and the Financial Year 2005, as adopted by the General Meeting of Shareholders, which documents form an integral part of this Offer Memorandum, are available free of charge at the offices of the Company and the Exchange and

Paying Agent, and can be obtained by contacting the Company or the Exchange and Paying Agent (ABN AMRO Bank N.V.) at the addresses below:

**Blydenstein-Willink N.V.**

Attn. the Management Board  
De Kieft 18  
7151 HZ Eibergen  
The Netherlands  
Telephone: +31 545 463 300  
Fax: +31 545 463 309

**ABN AMRO Bank N.V.**

Attn. Servicedesk MF 7020  
Kemelstede 2  
4817 ST Breda  
The Netherlands  
Telephone: +31 76 579 9455  
Fax: +31 76 579 9643

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

### 3 DEFINITIONS

<b>ABN AMRO Participaties</b>	ABN AMRO Participaties B.V., a Dutch private limited liability company ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ) with its statutory seat in Amsterdam, the Netherlands;
<b>Acceptance Closing Date</b>	The Euronext Trading Day on which the Acceptance Period ends, being at 15.00 hours CET on 27 October 2006, unless extended in accordance with article 9o, paragraph 5 of the Decree, in which case the Acceptance Closing Date will be such later time and date;
<b>Acceptance Period</b>	The period during which Shareholders may tender their Shares to the Offeror under the Offer, which period starts on 2 October 2006 at 9.00 hours CET and ends on the Acceptance Closing Date at 15.00 hours CET;
<b>Act</b>	The Dutch Act on the Supervision of the Securities Trade 1995 ( <i>Wet toezicht effectenverkeer 1995</i> ), as amended from time to time;
<b>Admitted Institution</b>	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> );
<b>AFM</b>	The Netherlands Authority for the Financial Markets ( <i>stichting Autoriteit Financiële Markten</i> );
<b>Articles of Association</b>	The articles of association ( <i>statuten</i> ) of Blydenstein-Willink or the Offeror, as the case may be;
<b>Blydenstein-Willink or Company</b>	Blydenstein-Willink N.V., a Dutch public limited liability company ( <i>naamloze vennootschap</i> ) incorporated under Dutch law, with its statutory seat in Enschede, the Netherlands, and/or one or more of its affiliates and group companies, as described in article 2:24b of the Dutch Civil Code;
<b>Boards</b>	The Supervisory Board and the Management Board collectively;
<b>CET</b>	Central European Time;

<b>Commencement Date</b>	The first day of the Acceptance Period;
<b>Committed Shares</b>	The Shares held by major Shareholders as set out in paragraph 7.2 ('Committed Shares');
<b>Consideration</b>	A cash amount of EUR 14.25 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 includes any dividend which may become payable for the Financial Year 2006;
<b>Corporate Governance Code</b>	The Dutch corporate governance code adopted on 9 December 2003, as amended from time to time;
<b>Daily Official List</b>	The Daily Official List ( <i>Officiële Prijscourant</i> ) of Euronext Amsterdam;
<b>Decree</b>	The Dutch Decree on the Supervision of the Securities Trade 1995 ( <i>Besluit toezicht effectenverkeer 1995</i> ), as amended from time to time;
<b>Dutch Civil Code</b>	The Dutch Civil Code ( <i>Burgerlijk Wetboek</i> ), as amended from time to time;
<b>EGM</b>	The extraordinary General Meeting of Shareholders, as referred to in article 9q of the Decree;
<b>EUR</b>	Euro, the legal European currency of the European Monetary Union;
<b>Euronext Amsterdam</b>	Euronext Amsterdam N.V. or Eurolist by Euronext Amsterdam, as the context requires;
<b>Euronext Trading Day</b>	A day on which Euronext Amsterdam is open for trading;
<b>Exchange and Paying Agent</b>	ABN AMRO Bank N.V.;
<b>Financial Year 2003</b>	The financial year of Blydenstein-Willink ended 31 December 2003;
<b>Financial Year 2004</b>	The financial year of Blydenstein-Willink ended 31 December 2004;

<b>Financial Year 2005</b>	The financial year of Blydenstein-Willink ended 31 December 2005;
<b>Financial Year 2006</b>	The financial year of Blydenstein-Willink ended 31 December 2006;
<b>General Meeting of Shareholders</b>	The general meeting of Shareholders;
<b>IFRS</b>	International Financial Reporting Standards;
<b>Management Board</b>	The board of managing directors ( <i>raad van bestuur</i> ) of Blydenstein-Willink;
<b>Merger Code</b>	The 2000 Merger Code of the Netherlands Social and Economic Council ( <i>SER-besluit Fusiegedragsregels 2000</i> );
<b>Merger Protocol</b>	The merger protocol between the Offeror, the Company, and ABN AMRO Participaties;
<b>Offer</b>	The firm public offer ( <i>vast openbaar bod</i> ) made by the Offeror on all Shares, as described in this Offer Memorandum;
<b>Offer Conditions</b>	The conditions precedent to declaring the Offer unconditional ( <i>gestanddoen</i> ), as set out in paragraph 6.3 ('Offer Conditions');
<b>Offer Memorandum</b>	This offer document describing the Offer, dated 29 September 2006;
<b>Offeror</b>	Verosol Holding B.V., a Dutch private limited liability company ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ) with its statutory seat in Amsterdam, the Netherlands, and/or one or more of its group companies, as the case may be;
<b>Post Acceptance Period</b>	The period, if any, after the Unconditional Date, during which the Shareholders that have not tendered their Shares under the Offer will be given the opportunity to do so, in the same manner and under the same conditions as set out in the Offer Memorandum;
<b>Settlement Date</b>	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 (*gestandgedaan*);

<b>Share(s)</b>	One or more issued and outstanding ordinary share(s) in the share capital of Blydenstein-Willink with a nominal value of EUR 5 each;
<b>Shareholder(s)</b>	One or more holders of Share(s);
<b>Stichting Preferente Aandelen</b>	Stichting Preferente Aandelen Blydenstein-Willink, a foundation established under Dutch law, with its statutory seat in Enschede, the Netherlands, to which the Company has granted a call option to purchase cumulative preference shares in the share capital of the Company with a nominal value of EUR 5;
<b>Supervisory Board</b>	The board of supervisory directors ( <i>raad van commissarissen</i> ) of Blydenstein-Willink;
<b>Unconditional Date</b>	The day on which the Offer is declared unconditional ( <i>gestandgedaan</i> ) by the Offeror, being no later than 15.00 hours CET on the fifth Euronext Trading Day following the Acceptance Closing Date;
<b>U.S.</b>	United States of America;
<b>WMZ</b>	The Dutch Act on Disclosure of Major Holdings in Listed Companies 1996 ( <i>Wet melding zeggenschap in ter beurze genoteerde vennootschappen 1996</i> ), as amended from time to time, or the Dutch Act on Disclosure of Major Holdings in Listed Companies 1991 ( <i>Wet melding zeggenschap in ter beurze genoteerde vennootschappen 1991</i> ), as the case may be.

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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 14.25 in cash, which Considerations includes any dividend that may become payable for the Financial Year 2006.

The Consideration of EUR 14.25 per Share represents an attractive price to the Shareholders and a:

- (i) 14% premium over Blydenstein-Willink's closing share price of EUR 12.50 on 17 August 2006, the last Euronext Trading Day prior to the first and joint public announcement by ABN AMRO Participaties and Blydenstein-Willink that the expectation was justified that agreement could be reached on the Offer;
- (ii) 29% premium over Blydenstein-Willink's average closing Share price for the last three months prior to and including 17 August 2006;
- (iii) 46% premium over Blydenstein-Willink's average closing Share price for the last twelve months prior to and including 17 August 2006; and
- (iv) a price/earnings multiple of nineteen times the Financial Year 2005 earnings per Share. The Consideration also represents a premium over the price per Share offered to a number of major Shareholders. See paragraph 7.2 ('Committed Shares').
- (v) also, the Consideration represents the highest (stock) price per Share during the past ten years.

In the event that no trading took place on the relevant Euronext Trading Day and thus no Share price was set, the Share price of the previous Euronext Trading Day has been applied. See also paragraph 7.4 ('Substantiation of the Consideration').

### 5.2 Rationale for the Offer

The Company believes that a listing on Euronext Amsterdam prevents it from reaching its full potential. In addition, the liquidity in the Shares has been very limited for many years. This restricts the ability of (potential) Shareholders to engage in transactions in respect of the Shares without causing large movements in the stock price of the Shares. The limited liquidity in the Shares has also been taken into consideration by the major Shareholders who support the Offer. For the sole reason of the aforementioned illiquidity in the Shares, these major Shareholders accept that the

Consideration represents a premium over the price per Share payable to these major Shareholders if the Offer is declared unconditional. Blydenstein-Willink and ABN AMRO Participaties believe that the 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 price per Share on 17 August 2006. See also paragraph 7.5 ('Rationale for the Offer').

### **5.3 Financing of the Offer**

The Offeror will fully finance the Offer and the settlement thereof out of its cash resources and borrowing facilities as available on the Settlement Date.

### **5.4 Recommendation by the Supervisory Board and the Management Board**

In the event that the Offer is declared unconditional (*gestandgedaan*), it is intended that Mr. A.J. Vos, the sole member of the Management Board and certain other key employees of the Company, of which none currently holds any Shares or rights to receive Shares, will accept an equity stake in the Offeror. In view of the intended participation of the aforementioned key employees in the share capital of the Offeror, the Company is represented in connection with the Offer by the Supervisory Board only. The Management Board, i.e. Mr. A.J. Vos, has therefore not been involved in any discussions or negotiations regarding the terms and conditions of the Offer on behalf of Blydenstein-Willink. The Supervisory Board has sought independent advice in order to duly assess the Offer.

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 Blydenstein-Willink, the Shareholders and other stakeholders in Blydenstein-Willink. The Boards therefore fully support the Offer and unanimously recommend the Offer to the Shareholders for acceptance. See chapter 8 ('Recommendation by the Supervisory Board and the Management Board').

Given the Consideration offered by the Offeror and the other terms and conditions of the Offer, the rationale for the Offer (see paragraph 7.5) and the fact that the major Shareholders have committed themselves to sell and transfer the Shares held by each of them at a price below the Consideration, the Supervisory Board has deemed that it is not in the best interest of the Company, the Shareholders and other stakeholders to incur (considerable) costs in order to obtain a fairness opinion.

### **5.5 No Shares nor rights to receive Shares held directly or indirectly by members of the Boards.**

At the date of this Offer Memorandum, no Shares nor rights to receive Shares are held, directly or indirectly, by any member of the Supervisory Board or the Management Board.

## **5.6 Committed Shares**

All major shareholders, being Parcom Ventures B.V., Orange Fund N.V. (a wholly owned subsidiary of Kempen Capital Management N.V.), De Hoge Dennen Holding B.V., Mr. H. Ling and Mr. H. Kühnl have irrevocably committed themselves to sell and transfer the Shares held by each of them, in view of the illiquidity of the Shares (see paragraph 7.5 'Rationale for the Offer') at a price per Share which is below the Consideration and subject to the condition of the Offer having been declared unconditional (*gestandgedaan*), but otherwise under the same terms and conditions as apply to the Offer. None of the aforementioned Shareholders has received any relevant information regarding the Offer that is not included in this Offer Memorandum. The number of Shares committed under the Offer (1,155,625 Shares) have an aggregate nominal value of EUR 5,778,125 and equals 67.14% of the Shares outstanding on the date of 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 paragraph 6.3 ('Offer Conditions'). The Offeror reserves the right to waive such Offer Conditions, provided that the Offer Condition included in paragraph 6.3 (vi) of the Offer Memorandum may in case of a breach of such condition by the Offeror only be waived by Blydenstein-Willink.

### **Acceptance Period**

The Acceptance Period begins on 2 October 2006 at 9.00 hours CET and ends, subject to extension in accordance with article 9o, paragraph 5 of the Decree, on 27 October 2006 at 15.00 hours CET. See paragraph 6.4 ('Acceptance Period'). 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.

Shares tendered on or prior to the Acceptance Closing Date may not be withdrawn, subject to the right of withdrawal of any tender during any extension of the Acceptance Period, in accordance with the provisions of article 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 paragraph 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 paragraph 6.2 ('Acceptance by Shareholders').

The Offeror will determine within five Euronext Trading Days following the Acceptance 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, where appropriate, waived by the Offeror, all in accordance with article 9t, paragraph 4 of the Decree. See paragraph 6.5 ('Declaring the Offer unconditional').

### **Extension**

The Offeror may extend the Acceptance Period past any Acceptance Closing Date, in which case all references in this Offer Memorandum to the 'Acceptance Closing Date' or '15.00 hours CET, on 27 October 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 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 Acceptance Closing Date, in accordance with the provisions of article 9o, paragraph 5 of the Decree. See paragraph 6.6 ('Extension').

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 Acceptance Closing Date may, during the period to which the Acceptance Period has been extended, be withdrawn.

### **Settlement**

In the event that the Offeror announces that the Offer is declared unconditional (*gestandgedaan*), the Shareholders 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*) by them. See paragraph 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 Amsterdam, the Netherlands, and was incorporated under Dutch law on 15 August 2006. The Offeror is an indirectly wholly owned subsidiary of ABN AMRO Holding N.V.

ABN AMRO Participaties 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 Blydenstein-Willink'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 paragraph 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 Blydenstein-Willink 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 or 2:201a 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 ABN AMRO Participaties (or a company affiliated with ABN AMRO Participaties), or a liquidation or sale of all or substantially all of the assets of Blydenstein-Willink or any combination of the aforementioned. Finally, the Offeror and Blydenstein-Willink reserve the right to have the Offeror contribute assets to Blydenstein-Willink against the issuance of Shares, while at the same time pre-emptive rights (*voorkeursrechten*) of other Shareholders shall be excluded, all in accordance with Dutch law and the Articles of Association in force at that time.

The Offeror will consider effecting a legal merger (*juridische fusie*), as specified in articles 2:309 and 2:334 of the Dutch Civil Code, between Blydenstein-Willink 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 ABN AMRO Participaties), with Blydenstein-Willink being the disappearing entity and the Offeror, or a group company of the Offeror, being the surviving entity, respectively.

Furthermore, the Offeror and Blydenstein-Willink reserve the right to have the Offeror contribute assets to Blydenstein-Willink against the issuance of shares in the capital of Blydenstein-Willink, 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 Blydenstein-Willink, directly or indirectly, following a transfer of those assets to a subsidiary of Blydenstein-Willink 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 Blydenstein-Willink will be converted into a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*). Simultaneously with a conversion of Blydenstein-Willink into a private limited liability company, the majority shareholder of Blydenstein-Willink 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 Blydenstein-Willink 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 Blydenstein-Willink.

### **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 Blydenstein-Willink 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 Blydenstein-Willink, 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 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 paragraph 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 Blydenstein-Willink 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 Blydenstein-Willink, 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 Blydenstein-Willink 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 Blydenstein-Willink 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 change significantly Blydenstein-Willink's dividend policy should the Offer be declared unconditional (*gestandgedaan*). The Shareholders should be aware that Blydenstein-Willink may not pay (cash) 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 paragraph 7.11 ('Organisational and social consequences').

#### **5.13 Composition of the Boards**

It is envisaged that, from the Settlement Date onwards, the Management Board will continue to consist of one member, being Mr. A.J. Vos, the current CEO of the Company.

The present members of the Supervisory Board will only resign as member of the Supervisory Board if and when the Shares are no longer listed on Euronext Amsterdam.

#### **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*.

#### **5.15 Envisaged timetable**

<i>Expected Date and Time (CET)</i>	<i>Event</i>
08.00 hours, 29 September 2006	Publication of advertisement announcing the availability of the Offer Memorandum and the commencement of the Offer, in accordance with article 9o, paragraph 2 of the Decree
09.00 hours, 2 October 2006	Commencement Date, first day of the Acceptance Period
11.00 hours, 13 October 2006	EGM at which meeting the Offer, among other matters, will be discussed in accordance with the provisions of article 9q, paragraph 1 of the Decree
15.00 hours, 27 October 2006, subject to extension	<i>Acceptance Closing Date</i> Deadline for Shareholders wishing to tender Shares
No later than five Euronext Trading Days after the Acceptance Closing Date	<i>Unconditional Date</i> The date on which the Offeror shall publicly announce whether the Offer is declared unconditional

(gestandgedaan), being no later than five Euronext Trading Days after the Acceptance Closing Date, in accordance with article 9t, paragraph 4 of the Decree

No later than five Euronext Trading Days after the Unconditional Date

*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 and delivered under the terms and conditions of the Offer, the Offeror offers the Consideration of EUR 14.25 in cash, which Consideration includes any dividend that may become payable for the Financial Year 2006.

### **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 Acceptance 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 the Exchange and Paying Agent (*ABN AMRO Bank N.V., attn. Agency Services/Exchange Agency MF 2020, P.O. Box 3200, 4800 DE Breda, the Netherlands, Fax: +31 76 579 9620*) and only in writing. In tendering Shares, the Admitted Institutions are required to declare that (i) they have tendered 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 transfer these Shares to the Offeror on or prior to 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 Acceptance Closing Date no transfer of such Shares may be effected (other than to the Exchange and Paying Agent on or prior to the Acceptance 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 Acceptance Closing Date in respect of all of the Shares tendered, against payment by the Exchange and Paying Agent 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 Acceptance 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 Acceptance Closing Date may not be withdrawn, subject to the right of withdrawal of any tendered Shares during any extension of the Acceptance Period in accordance with the provisions of article 90, 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 Acceptance Closing Date, the Shares tendered under the Offer, together with (i) the Shares, directly or indirectly held by the Offeror for its own account at the Acceptance Closing Date and (ii) the Committed Shares, represent at least 95% of the Company's issued and outstanding share capital as at the Acceptance Closing Date;
- (ii) on or prior to the Acceptance Closing Date, the Stichting Preferente Aandelen has not terminated, revoked or amended its agreement with the Offeror dated 17 August 2006 in which the Stichting Preferente Aandelen committed itself to support the Offer by (i) waiving any right of the Stichting Preferente Aandelen to exercise its call option to purchase cumulative preference shares in the share capital of the Company in connection with the Offer, and by (ii) agreeing, subject to the Offer having been declared unconditional (*gestandgedaan*) and the Offer having been settled (*betaling en levering*), to the termination of the call option of the

Stichting Preferente Aandelen to purchase cumulative preference shares in the share capital of the Company;

- (iii) on or prior to the Acceptance 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 or ABN AMRO Participaties at the Commencement Date and could not have been derived from information disclosed by the Company to the Offeror or ABN AMRO Participaties, 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*);
- (iv) on or prior to the Acceptance 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;
- (v) between the Commencement Date and the Acceptance Closing Date, the Company has not committed itself 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 have paid out any dividend, capital repayment or any other distribution, whether or not in the form of shares;
- (vi) prior to the Acceptance Closing Date, neither the Offeror, ABN AMRO Participaties, the Company, nor the Boards, nor any member of the Boards has 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 a breach by the Company and/or either of the Boards and/or any of the members of the Boards, it cannot in all reasonableness be expected from the Offeror to declare the Offer unconditional (*gestanddoening*) or, in case of a breach by the Offeror and/or ABN AMRO Participaties, it cannot in all reasonableness be expected that the Company and the Boards continue to support and co-operate in the Offer;
- (vii) on or prior to the Acceptance Closing Date:
  - (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
- (viii) on or prior to the Acceptance 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 sub clauses (i) through (v) and sub clause (vii) 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 Blydenstein-Willink, to waive such Offer Conditions. The Offer Condition in sub clause (vi) serves for the benefit of both Blydenstein-Willink and the Offeror and may only be waived (either in whole or in part) by the Offeror upon a breach of such condition by Blydenstein-Willink and/or the Boards and/or the members of the Boards, and by Blydenstein-Willink upon a breach of such condition by the Offeror. The Offer Condition in sub clause (viii) cannot be waived.

#### **6.4 Acceptance Period**

The Acceptance Period begins on 2 October 2006 at 9.00 hours CET and ends, subject to extension in accordance with article 9o, paragraph 5 of the Decree, on 27 October 2006 at 15.00 hours CET.

If one or more of the Offer Conditions set out in paragraph 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 paragraph 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.

#### **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 paragraph 6.2 ('Acceptance by Shareholders'). The waiver of the Offer Condition included in paragraph 6.3 (vi) of the Offer Memorandum may in case of a breach of such condition by the Offeror only be waived by Blydenstein-Willink.

The Offeror will determine within five Euronext Trading Days following the Acceptance 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, where appropriate, 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 Acceptance Closing Date, in which case all references in this Offer Memorandum to the 'Acceptance Closing Date' or '15.00 hours, CET, on 27 October 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 the third Euronext Trading Day following the relevant Acceptance 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 Acceptance 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 inclusive of any dividend which may become payable for the Financial Year 2006.

## **6.9 Commission**

Admitted Institutions shall receive from the Exchange and Paying Agent on behalf of the Offeror a commission in the amount of EUR 0.071 in respect of each Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*), up to a maximum of EUR 10,000 per Shareholder tender. The commission must be claimed from the Offeror through the Exchange and Paying Agent within 30 days of the Unconditional Date. No costs will be charged to the Shareholders by the Offeror or Blydenstein-Willink 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*.

## **7 EXPLANATION AND BACKGROUND TO THE OFFER**

### **7.1 Introduction**

On 18 August 2006, ABN AMRO Participaties and Blydenstein-Willink 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 15 September 2006, the Offeror, ABN AMRO Participaties and Blydenstein-Willink jointly announced that the works council of Blydenstein-Willink had given a positive advice in respect of the intended Offer and 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 by the end of September 2006. The intended acquisition has been subject to notification under the merger control regimes in Germany and Italy. On 15 September 2006 the German Federal Cartel Office (*Bundeskartellamt*) granted clearance under the German antitrust laws of the acquisition sole control of Blydenstein-Willink's business by the Offeror. The clearance decision of the Italian Competition Authority is expected within a month.

ABN AMRO Participaties 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).

In the event that the Offer is declared unconditional (*gestandgedaan*), it is intended that Mr. A.J. Vos, the sole member of the Management Board and certain other key employees of the Company, of which none currently holds any Shares or rights to receive Shares, will accept an equity stake in the Offeror. In view of the intended participation of the aforementioned key employees in the share capital of the Offeror, the Company is represented in connection with the Offer by the Supervisory Board only. The Management Board, i.e. Mr. A.J. Vos, has therefore not been involved in any discussions or negotiations regarding the terms and conditions of the Offer on behalf of Blydenstein-Willink. The Supervisory Board has sought independent advice in order to duly assess the Offer.

### **7.2 Committed Shares**

Parcom Ventures B.V., Orange Fund N.V. (a wholly owned subsidiary of Kempen Capital Management N.V.), De Hoge Dennen Holding B.V., Mr. H. Ling and Mr. H. Kühnl have irrevocably committed themselves to sell and transfer the Shares held by each of them, in view of the illiquidity of the Shares (See paragraph 7.5 'Rationale for the Offer') at a price per Share which is below the Consideration and subject to the condition of the Offer having been declared unconditional (*gestandgedaan*), but otherwise under the same terms and conditions as apply to the Offer. None of the aforementioned Shareholders has received any relevant information regarding the Offer which is not included in this Offer Memorandum.

The number of the Committed Shares under the Offer (1,155,625 Shares) have an aggregate nominal value of EUR 5,778,125 and equals 67.14% of the Shares outstanding on the date of this Offer Memorandum. A detailed breakdown of these commitments as at 18 August 2006 is set out in the table below:

<b>Shareholder</b>	<b>Number of Shares</b>	<b>Percentage of total Shares</b>
Parcom Ventures B.V.	626,000	36.37%
Orange Fund N.V.	168,239	9.77%
De Hoge Dennen Holding B.V.	85,213	4.95%
Mr. H. Ling	169,855	9.87%
Mr. H. Kühnl	106,318	6.18%
<b>TOTAL</b>	<b>1,155,625</b>	<b>67.14%</b>

Based on notices received by the AFM pursuant to article 2 of the WMZ and the information provided by Blydenstein-Willink, the following Shareholders with an interest in excess of 5% or more are known to Blydenstein-Willink:

<b>Shareholder</b>	<b>Percentage of Shares outstanding</b>	<b>Most recent notification pursuant to WMZ</b>
Parcom Ventures B.V.	-	-
Orange Fund N.V.	12.92%	15 January 1997
De Hoge Dennen Holding B.V.	-	-
Mr. H. Ling	5.53%	29 November 2005
Mr. H. Kühnl	10.50%	29 March 1998

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

### **7.3 No Shares nor rights to receive Shares held directly or indirectly by members of the Boards**

At the date of this Offer Memorandum, no Shares nor rights to receive Shares are held, directly or indirectly, by any member of the Supervisory Board or the Management Board.

### **7.4 Substantiation of the Consideration**

The Offeror and Blydenstein-Willink 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:

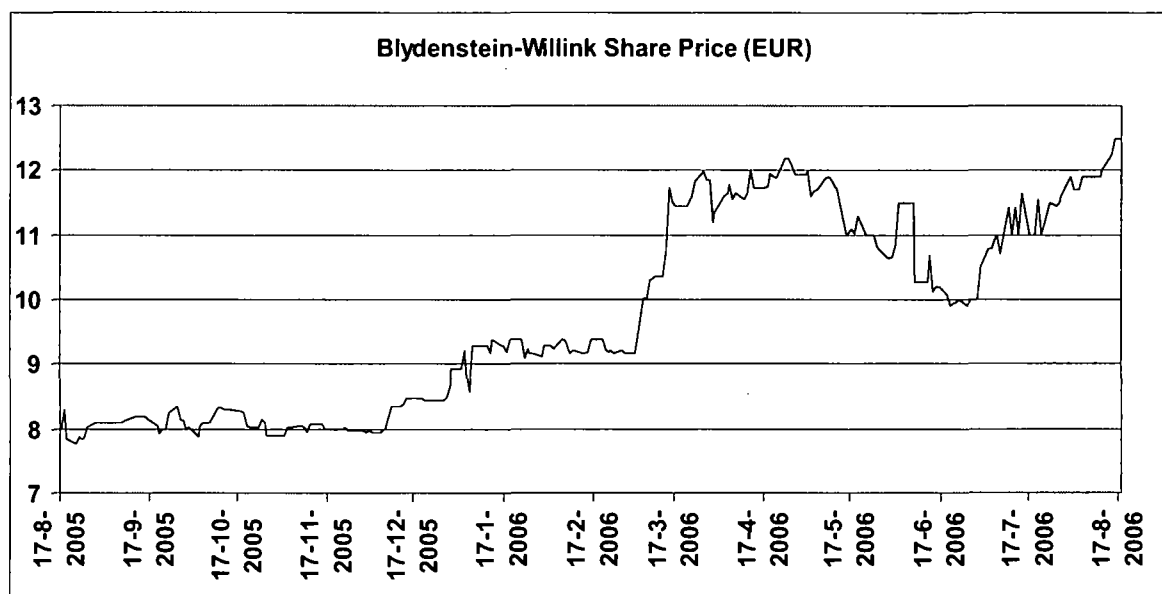
- (i) the historical share price performance of Blydenstein-Willink, also compared with the share price performances of other publicly traded companies active in the same sector and market segments as Blydenstein-Willink;
- (ii) the historical developments and the Offeror's view on potential future developments concerning the profitability of Blydenstein-Willink (as further set out in paragraph 11.2 ('Business Information'));
- (iii) an analysis of trading multiples based on financial terms, to the extent available, or other publicly traded companies active in approximately the same sector and market segments as Blydenstein-Willink and other comparable acquisition transactions respectively; and
- (iv) 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 14.25 per Share in cash, inclusive of any dividend which may become payable for the Financial Year 2006.

A Consideration of EUR 14.25 per Share inclusive of any dividend which may become payable for the Financial Year 2006 represents an attractive price to the Shareholders and a:

- (a) 14% premium over Blydenstein-Willink's closing Share price of EUR 12.50 on 17 August 2006, the last Euronext Trading Day prior to the first and joint public announcement by ABN AMRO Participaties and Blydenstein-Willink that the expectation was justified that agreement could be reached on the Offer;
- (b) 29% premium over Blydenstein-Willink's average closing Share price for the last three months prior to and including 17 August 2006;
- (c) 46% premium over Blydenstein-Willink's average closing Share price for the last twelve months prior to and including 17 August 2006;
- (d) a price/earnings multiple of nineteen times the Financial Year 2005 earnings per Share. The Consideration also represents a premium over the price per Share offered to a number of major Shareholders. See paragraph 7.2 ('Committed Shares'); and
- (e) also, the Consideration represents the highest (stock) price per Share during the past ten years.

The Share price performance (closing Share price) during the year prior to the initial joint public announcement regarding the Offer on 18 August 2006 is set out below.



In the event that no trading took place on the relevant Euronext Trading Day and thus no Share price was set, the Share price of the previous Euronext Trading Day has been applied.

#### **7.5 Rationale for the Offer**

The Company believes that a listing on Euronext Amsterdam exchange prevents it from reaching its full potential:

- (a) Due to the relatively low market capitalisation of approximately EUR 21.5 million (based on the Company's closing share price of EUR 12.50 on 17 August 2006) and the associated limited liquidity in the Shares, the Shares are not covered by equity analysts. This hinders the Company from raising equity capital when acquisitions or other material investments would require the Company to do so.
- (b) The listing entails administrative and financial costs that are significant relative to the size and profitability of the Company.
- (c) Decisions that only provide benefits on the long run are taken less easily as a result of the listing of the Shares on Euronext Amsterdam.

In addition, the liquidity in the Shares has been very limited for many years. This restricts that ability of (potential) Shareholders to engage in transactions in the Shares without causing large movements in the stock price of the Shares. The limited liquidity in the Shares has also been taken into consideration by the relevant holders of the Committed Shares who support the Offer. For the sole reason of the aforementioned illiquidity in the Shares, these holders of Committed Shares accept that the Consideration represents a premium over the price per Share payable to these major Shareholders if the Offer is declared unconditional.

The Company and the Offeror believe that the envisaged Offer provides the following advantages:

- (i) ABN AMRO Participaties and the Offeror support the strategy of the Company;
- (ii) ABN AMRO Participaties and the Offeror have the expertise and financial means to support the further growth of the Company; and
- (iii) the Offeror offers the Shareholders an opportunity to sell their Shares with a premium (as described above) despite the limited liquidity of the Shares in recent years.

## **7.6 Future strategy**

The Company and the Offeror believe that the completion of the Offer will result in considerable financial and administrative cost savings, prevention of administrative efforts and improved access to equity capital and funding in general, allowing the Company easier and faster growth. The Offeror subscribes to and intends to actively support, the strategy of the Company as described in its annual report regarding the Financial Year 2005 to grow revenue and profitability, be it through autonomous growth or through selected acquisitions.

Should the Offer be declared unconditional (*gestandgedaan*), the Offeror intends to continue the business activities of Blydenstein-Willink under the name and aegis of 'Verosol Holding'.

The Offeror is committed 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 intends to retain the Company's business in Australia.

## **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 and market value of the remaining Shares not tendered.

Should the Offer be declared unconditional (*gestandgedaan*), the Offeror intends to procure that Blydenstein-Willink'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 paragraph 7.8 ('Future legal structure'), including procedures which might 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 or 2:201a 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 ABN AMRO Participaties (or a company affiliated with ABN AMRO Participaties), or a liquidation or sale of all or substantially all of the assets of Blydenstein-Willink or any combination of the aforementioned. Finally, the Offeror and Blydenstein-Willink reserve the right to have the Offeror contribute assets to Blydenstein-Willink against the issuance of Shares, while at the same time pre-emptive rights (*voorkeursrechten*) of other Shareholders shall be excluded, all in accordance with Dutch law and the Articles of Association in force at that time.

The Offeror will consider effecting a legal merger (*juridische fusie*), as specified in articles 2:309 and 2:334 of the Dutch Civil Code, between Blydenstein-Willink 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 ABN AMRO Participaties), with Blydenstein-Willink being the disappearing entity and the Offeror, or a group company of the Offeror, being the surviving entity, respectively.

Furthermore, the Offeror and Blydenstein-Willink reserve the right to have the Offeror contribute assets to Blydenstein-Willink against the issuance of shares in the capital of Blydenstein-Willink, 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 Blydenstein-Willink, directly or indirectly, following a transfer of those assets to a subsidiary of Blydenstein-Willink 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 Blydenstein-Willink will be converted into a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*). Simultaneously with a conversion of Blydenstein-Willink into a private limited liability company, the majority shareholder of Blydenstein-Willink 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 Blydenstein-Willink following the Settlement Date, the Offeror might, as soon as possible, initiate such squeeze-out procedure as referred to in article 2:92a or 2:201a of the Dutch Civil Code, in order to acquire the remaining Shares not tendered and not held by the Offeror or Blydenstein-Willink.

#### **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 Blydenstein-Willink following the Settlement Date, such that it is not possible to initiate the squeeze-out procedure in accordance with article 2:92a or 2:201a 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 Blydenstein-Willink, 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 or 2:201a of the Dutch Civil Code in relation to any shares in the surviving entity not held by such majority shareholder.

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 paragraph 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 Blydenstein-Willink 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 Blydenstein-Willink, 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 Blydenstein-Willink 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 Blydenstein-Willink with the group's new holding and financing structure that will materialise once the Offer has been declared unconditional (*gestandgedaan*).

## **7.9 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 Blydenstein-Willink, the Offeror will probably propose to amend the Articles of Association after the Offer has been declared unconditional. This will include, *inter alia*, the disappearance of the cumulative preference shares from the Articles of Association, the replacement of the statutory obligation by a voluntary obligation to install a Supervisory Board and the designation of the Management Board for a period of five years as the corporate body of Blydenstein-Willink authorised to issue shares and to limit or exclude any pre-emption rights.

## **7.10 Future dividend policy**

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

## **7.11 Organisational and social consequences**

The Offeror has 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. Also, the Offeror has 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 expects that

the existing level of employment and employment conditions within the business of the Company will be continued for at least a period of one year following completion of the Offer.

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

The Company has requested the advice of its works council about the Offer. The works council of the Company rendered its positive advice in this respect on 14 September 2006.

#### **7.12 Future composition of the Boards**

It is envisaged that, from the Settlement Date onwards, the Management Board will continue to consist of one member, being Mr. A.J. Vos, the current CEO of the Company.

The present members of the Supervisory Board will only resign as member of the Supervisory Board if and when the Shares are no longer listed on Euronext Amsterdam.

#### **7.13 Financing of the Offer**

The Offeror will fully finance the Offer and the settlement thereof out of its cash resources and borrowing facilities as available on the Settlement Date.

#### **7.14 Certain arrangements between Blydenstein-Willink and the Offeror**

The Offeror and Blydenstein-Willink have entered into arrangements pursuant to which Blydenstein-Willink has agreed to reimburse the Offeror for costs incurred in the preparation of the Offer, up to a maximum amount of EUR 250,000, in the event that, under certain specific circumstances, the Offer is not consummated.

Under the same arrangements, the Offeror has agreed to reimburse Blydenstein-Willink for costs incurred in the preparation of the Offer, up to a maximum amount of EUR 250,000, in the event that, under specific circumstances the Offer is not consummated.

The specific circumstances referred to above, are in respect of the reimbursement by Blydenstein-Willink to the Offeror:

- (a) any of (the members of each of) the Supervisory Board directly or indirectly solicits or initiates any third party to make any offer for the Shares as indicated in the Merger Protocol and the Offeror has thereupon terminated the Merger Protocol in accordance with its terms; or
- (b) the Merger Protocol is terminated because certain pre-offer conditions as indicated in the Merger Protocol were not satisfied or waived by the party entitled to waive;
- (c) the Supervisory Board has withdrawn, substantially modified or substantially amended its recommendation as the Offer in breach of the Merger Protocol and the Offer is not declared unconditional (*gestanddoen*) by the Offeror.

The specific circumstances referred to above are in respect of the reimbursement by the Offeror to Blydenstein-Willink: the Merger Protocol is terminated as indicated in the Merger Protocol because certain pre-offer and offer conditions were not satisfied or waived by the party entitled to waive.

## **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 has reached the conclusion that the Offer is reasonable and fair and in the best interests of Blydenstein-Willink, the Shareholders and other stakeholders in Blydenstein-Willink.

In the event that the Offer is declared unconditional (*gestandgedaan*), it is intended that Mr. A.J. Vos, the sole member of the Management Board, and certain other key employees of the Company, of which none holds any Shares or rights to receive Shares, will accept an equity stake in the Offeror. In view of the intended participation of the aforementioned key employees in the share capital of the Offeror, the Company is represented in connection with the Offer by the Supervisory Board only. The Management Board, i.e. Mr. A.J. Vos, has therefore not been involved in any discussions or negotiations regarding the terms and conditions of the Offer on behalf of Blydenstein-Willink. The Supervisory Board has sought independent advice in order to duly assess the Offer.

The Supervisory Board and the Management Board are of the opinion that the Offer is reasonable and fair to the Shareholders. The Supervisory Board and the Management Board therefore fully support the Offer and unanimously recommend the Offer to the Shareholders for acceptance.

Given the Consideration offered by the Offeror, the rationale for the Offer (see paragraph 7.5) and the fact that the holders of the Committed Shares have committed themselves to sell and transfer the Shares held by each of them at a price below the Consideration, the Supervisory Board has deemed that it is not in the best interest of the Company to incur considerable costs in order to obtain a fairness opinion.

29 September 2006

### **Supervisory Board**

Mr. R.A.A. Oliemans

Mr. J. Plageman

Mr. H.G.B. Spenkelink

### **Management Board**

Mr. A.J. Vos

## 9 LETTER TO THE SHAREHOLDERS

Dear Shareholder,

The EGM to be held on 13 October 2006 is an important event for Blydenstein-Willink N.V. and its Shareholders. During this meeting you will be informed about the Offer made by the Offeror to the Shareholders.

On 18 August 2006, it was announced that the expectation was justified that an agreement regarding the Offer could be reached between the Company and the Offeror, a company wholly owned by ABN AMRO Participaties B.V. In the event that the Offer is declared unconditional, it is intended that certain key employees of the Company, including the sole member of the Management Board (collectively the **Management Team**) of which none currently holds any Shares or rights to receive Shares, accept an equity stake in the Offeror.

With this letter, we would like to take the opportunity to address the background of this proposed transaction. As you will see, the Supervisory Board and the Management Board have given this transaction, as well as the process to date, careful consideration. Due to the (ultimate) participation of the Management Team in the Offeror, the Company has been represented exclusively by the Supervisory Board in connection with the Offer and its preparations. The Company, being represented by the Supervisory Board, has sought independent legal advice in order to duly assess the Offer (see below 'Process overview'). The Supervisory Board has taken into account that, during our decision-making process, a majority of Shareholders, representing more than 67.14% of the Shares (which majority includes all major Shareholders owning 5% or more), expressed their intention to accept the Offer and, in view of the limited liquidity of the Shares, agreed to accept a price per Share which is below the consideration pursuant to the Offer (the **Committed Shareholders**). We have reached the conclusion that the Offer is in the best interests of the Company and its stakeholders, including its Shareholders. We support the Offer and unanimously recommend the Offer to the Shareholders for acceptance. The details of the Offer are set out in Chapter 6 of this Offer Memorandum ('Invitation to the Shareholders').

### Background

The Supervisory Board believes that the listing of the Company on Euronext Amsterdam prevents it from reaching its full potential. In addition, the liquidity in the Shares has been very limited for many years. This restricts the ability of (potential) Shareholders to engage in transactions in the Shares without causing large movements in the stock price of the Shares. The limited liquidity in the Shares has also been taken into consideration by the Committed Shareholders who support the Offer. For the sole reason of the aforementioned limited liquidity in the Shares, these Committed Shareholders accept that the Consideration represents a premium over the price per Share payable to the Committed Shareholders if the Offer is declared unconditional (*gestandgedaan*). The Supervisory Board believes that the Shareholders will benefit from the Offer in that, it will provide them with an opportunity to sell their Shares at an attractive premium relative to the price per Share on 17 August 2006.

The Supervisory Board therefore believes that the completion of the Offer will result in considerable financial and administrative cost savings, prevention of administrative efforts and improved access to

equity capital and funding in general, allowing the Company an easier and faster growth. The Offeror subscribes to and intends to actively support, the strategy of the Company as described in its annual report 2005 to grow revenue and profitability, be it through autonomous growth or through selected acquisitions.

The Supervisory Board and Management Board ultimately came to the conclusion that the interests of the Shareholders and other stakeholders of the Company would be served best by means of taking the Company private and de-listing the Shares.

The Supervisory Board believes that the taking private of the Offer by means of a public offer by the Offeror and the subsequent de-listing, on balance, would have significant advantages. Firstly, taking the Company private and the subsequent de-listing would offer all Shareholders an immediate share premium. Secondly, it could give the Company access to additional financial resources, which would allow it to pursue a strategy of growth through, inter alia, (international) expansion.

#### **Process overview**

In order to keep the roles and responsibilities of the Supervisory Board and Management Board separate, it was decided at the outset that the Supervisory Board would represent the Company in the discussions regarding the Offer. The Company retained Allen & Overy LLP as its independent legal adviser.

On 18 August 2006, the Company, the Offeror and ABN AMRO Participaties B.V. jointly announced that the expectation was justified that an agreement could be reached that could result in an offer for all Shares for a price of EUR 14.25 (cum dividend) per Share, with the exception of the Committed Shareholders who, in view of the limited liquidity of the Shares, agreed to accept a consideration per Share (cum dividend) which is below EUR 14.25.

#### **Further considerations regarding the Offer**

The Offer will have a number of advantages for the Company, its Shareholders, employees, customers and other stakeholders:

- (i) The Offeror supports the overall strategy of the Company;
- (ii) The Offeror, together with the Management Team, comprises of individuals who contribute their expertise to the business of the Company and who can provide significant support and expertise to help the Company realise its strategy; and
- (iii) The Offer provides the current Shareholders (including the Committed Shareholders) the opportunity to sell their interest in the Company, and in case of the minority Shareholders at an attractive premium, which allows them to realise immediate value in cash for their Shares.

The Company will continue its operations under the name and aegis of 'Verosol Holding'. The Offer is not expected to cause any adverse changes in the existing employments and employment conditions within the business of the Company.

Positive advice has been obtained from the works council of the Company in accordance with the Works Council Act (*Wet op de ondernemingsraden*). The secretariat of the Social Economic Council (*Sociaal-Economische Raad*) has been informed of the Offer and the Company has otherwise acted in accordance with the Merger Code.

#### **Recommendation**

The Supervisory Board and the Management Board unanimously recommend the Offer to the Shareholders for acceptance. See Chapter 8 of the Offer Memorandum ('Recommendation by the Supervisory Board and the Management Board').

#### **Actions to be taken**

If you hold Shares through an Admitted Institution and wish to accept the Offer, you are requested to make your acceptance known via your bank or stockbroker as soon as possible and, in any event, by no later than 15:00 hours, Amsterdam time on 27 October 2006. The procedure for acceptance of the Offer is set out in Chapter 6 of the Offer Memorandum ('Invitation to the Shareholders').

29 September 2006

#### **Supervisory Board**

Mr. R.A.A. Oliemans

Mr. J. Plageman

Mr. H.G.B. Spenkelink

## **10 EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF BLYDENSTEIN- WILLINK**

At 11.00 hours CET, on 13 October 2006, the EGM will be convened at the Best Western Dish Hotel, Boulevard 1945 2 in (7511 AE) Enschede, the Netherlands, during which 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.

Notice of the EGM has been given in accordance with the Articles of Association.

## **11 INFORMATION REGARDING BLYDENSTEIN-WILLINK**

### **11.1 General information**

#### **Incorporation**

Blydenstein-Willink, a public limited liability company (*naamloze vennootschap*), with its statutory seat in Enschede, the Netherlands, was incorporated under Dutch law on 3 March 1937.

#### **Registered office**

Blydenstein-Willink N.V.  
De Kieft 18  
7151 HZ Eibergen  
The Netherlands

Telephone: +31 545 463 300

Fax: +31 545 463 309

Website: [www.blydenstein.nl](http://www.blydenstein.nl)

Blydenstein-Willink is registered with the Commercial Register of the Chamber of Commerce and Industry under number 06000385.

#### **Management Board and Supervisory Board**

The Management Board currently consists of one member, it being Mr. A.J. Vos.

The Supervisory Board currently consists of three members, it being Mr. R.A.A. Oliemans, Mr. J. Plageman and Mr. H.G.B. Spengelink.

#### **Stichting Preferente Aandelen Blydenstein-Willink**

The Stichting Preferente Aandelen was established on 25 April 1986, with the objective to safeguard the interests of the company and its affiliates.

#### **Personnel**

In 2005, Blydenstein-Willink grew from 195 to 217 employees. The growth in staff numbers is in reasonable proportion to the growth in sales by the Company.

### **11.2 Business information**

#### **Overview**

Blydenstein-Willink is a group of companies operating under the Verosol brand name. The company designs, produces and sells interior sun control systems.

Verosol is the specialist in tailor-made solutions, when heat and light control are essential. Its products stand out for their combination of modern styles and the very favourable reflection and transmission values of the unique metallised Verosol fabric. The product range includes pleated blinds, vertical blinds and roller blinds. They are suitable for virtually all conceivable window shapes.

## History

Blydenstein-Willink, founded in 1801, has been listed on Euronext Amsterdam since 1953. In May 2006 the acquisition of assembly company Verosol Ibérica, previously an independent licensee of Verosol, was completed.

## Organisational structure

Blydenstein-Willink conducts its business through a number of subsidiaries including:

<u>Name</u>	<u>Location</u>	<u>Percentage of ownership</u>
BW Nederland B.V.	Eibergen	100%
BW Australia Pty. Ltd.	Sydney	100%
Verosol Fabrics B.V.	Eibergen	100%
Verosol Nederland B.V.	Enschede	100%
Verosol Australia Pty. Ltd.	Sydney	100%

## Business overview

Blydenstein-Willink consists of four operating companies. Verosol Fabrics in Eibergen produces metallised fabrics and components and supplies it as semi-manufactured product to Verosol Netherlands in Enschede, Verosol Australia in Sydney, Verosol Ibérica in Madrid and to licensees and distributors in more than 50 countries all over the world.

Verosol Netherlands, Verosol Australia and Verosol Ibérica sell and distribute a comprehensive range of tailor-made premium sun control products, both for the commercial and the residential market in their region. Verosol also owns sales activities in Asia (Verosol Hong Kong) and in Mexico, where the establishment of a legal entity is currently in progress.

## Current strategy and business objectives

The Company's strategy for the coming years is focused on increasing the sales of Verosol branded products for both the commercial markets and the residential markets in Europe, Australia and Asia. Targeted investments in innovative sun control products and substantial expansion of the marketing and sales power of the company are expected to drive growth in sales and profit in the years ahead.

## Strategy Verosol

In 2004 and 2005 the strategy of Verosol has been reformulated. The strategic starting points consist of the following main elements:

*A better utilization of the existing production facilities*, especially in Eibergen. The key to achieve this is to improve the marketing and sales strength of the Verosol brand. The utilization of the production facilities is currently such that no products will be developed that cannot be launched in the market under the Verosol brand. Loan metallization for other players in the solar protection market will no longer be stimulated and will be terminated longer term.

*Optimizing innovation power*, to launch interesting new products and products varieties to the market under the Verosol brand. The lay-out of the modern factory in Eibergen – the only factory in the world

specifically designed to metallise high quality textile – offers the possibility to rapidly scale up ideas from the laboratory to actual production.

In 2005 a number of new products has been launched. The expectation is that this will also be the case in 2006.

*Strengthening of the distribution of the Verosol branded product in Europe and Australia.* In Europe and Australia Verosol has good possibilities to systematically develop the market via own fabrication companies. Of the two markets served (commercial and residential market) the commercial market offers the fastest growth opportunities. This market will be the primary target, certainly when entering new markets. Capital investments and expenses for marketing and sales will continue to be high, in order to reach more architects, project developers and other specifiers and make the Verosol brand and proposition known to them.

*Developing the Asian market for metallised fabric to establish the Verosol brand in the developing markets of Asia.* This should pave the way, from a current modest base, for growth in the long term in this promising region. 2005 has seen the start of the formation of a small network of dedicated licensees to create a basis for further growth and development in 2006.

*Improving service performance.* A premium product like Verosol needs the support of a premium service performance. Verosol has made a considerable improvement in this field lately and continues to strive to be among the top players in the industry in the field of supply reliability, speed of supply and service. The service performance will be closely monitored on the basis of the results of periodical customer satisfaction surveys.

*Efficient operational management.* Verosol works step by step towards ever more efficient operations, in which decreasing of the costs per unit produced and efficient use of raw materials are important targets.

## **Results from 2005 operations**

### **Financial results**

Blydenstein-Willink increased net profit by 33% to EUR 1.3 million in the Financial Year 2005, compared to EUR 1.0 million in the Financial Year 2004. Net sales were up 13% to EUR 26.3 million.

Operating profit in the Financial Year 2005 amounted to EUR 1.8 million, compared to EUR 1.4 million in the Financial Year 2004. This represents an increase of approximately 29%. Net sales amounted to EUR 26.3 million, representing an increase of 13% as compared to the Financial Year 2004. This increase was fully realised by autonomous growth. Net profit per Share amounted to EUR 0.75 (Financial Year 2004: EUR 0.58); a 29% increase. For the Financial Year 2006, Blydenstein-Willink expects further growth of sales and profit.

### **Financial outlook**

Barring unforeseen circumstances, the Management Board expects Verosol to achieve improved net sales and profit in the Financial Year 2006. Based on healthy autonomous development and a normal

growth of economic activities the Management Board expects also to achieve further growth in sales and profit throughout the coming three years. The return on net invested capital should be at least 15%.

**Dividend**

The General Meeting of Shareholders accepted the proposal to pay a dividend of EUR 0.37 per Share, to be taken as cash or in stock. In May of 2006 this dividend has been paid out to Shareholders.

<u>Financial Year</u>	<u>Cash dividend per Share</u>	<u>Pay-out ratio</u>
2005	EUR 0.37	49%
2004	EUR 0.28	49%

**11.3 Capital and shares**

The authorised share capital of Blydenstein-Willink amounts to EUR 25,000,000 and consists of 12,500,000 Shares and 12,500,000 cumulative preference shares with a nominal value of EUR 5 each. On the date of the publication of this Offer Memorandum, 1,721,418 Shares are outstanding.

At the date of this Offer Memorandum, the Offeror has no interest in the share capital of Blydenstein-Willink.

**11.4 Options**

No options giving rights to subscribe for Shares or other securities in the capital of Blydenstein-Willink are outstanding.

## **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 Amsterdam, the Netherlands, was incorporated under Dutch law on 15 August 2006. The Offeror is an indirectly wholly owned subsidiary of ABN AMRO Bank N.V.

ABN AMRO Participaties 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).

ABN AMRO Participaties is part of ABN AMRO Capital, the global private equity business unit of ABN AMRO Holding N.V. ABN AMRO Capital has activities in seven countries and has funds under management of approximately EUR 2.7 billion. ABN AMRO Participaties invests in mid-market companies in the Netherlands via minority and majority stakes, most often together with management of these companies.

### **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 33188427.

### **12.3 Management board**

The sole managing director of the Offeror is ABN AMRO Participaties. The executive board of ABN AMRO Participaties consist of Mr. B. Kramer as managing director and Mr. B. Mol as executive director.

### **12.4 Capital and shares**

The authorised share capital of the Offeror amounts to EUR 90,000 and consists of 90,000 ordinary shares with a nominal value of EUR 1 each. All the shares of the Offeror will be registered shares. On the date of the publication of the Offer Memorandum, 18,000 ordinary shares have been issued and fully paid up, all of which are held by the Offeror's sole shareholder ABN AMRO Participaties.

At the date of this Offer Memorandum, the Offeror has no interest in the share capital of Blydenstein-Willink.

### 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 the members of the Supervisory Board 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 Blydenstein-Willink regarding the Offer, which have resulted in agreement regarding the Offer. Discussions regarding the conditions in respect of the Offer, the financing of the Offer and the future strategy of Blydenstein-Willink 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 (e.g. any compensation upon retiring in the meaning of article 9i (p) of the Decree) will be made to the retiring members of the Supervisory Board upon their retirement (it should be noted however, that the present members of the Supervisory Board will only resign if and when the Shares are no longer listed on Euronext Amsterdam, see paragraph 7.12 ('Future composition of the Boards')).
- (iv) At the date of this Offer Memorandum, the Offeror has no interest in the share capital of Blydenstein-Willink, whether directly or indirectly.
- (v) At the date of this Offer Memorandum, Blydenstein-Willink 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 paragraph 7.2 ('Committed Shares').
- (vii) Save as referred to in paragraph 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, Blydenstein-Willink'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.

### 14.2 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 (*resultaat uit overige werkzaamheden*), which include activities concerning the Shares that go beyond regular asset management.
  - (iii) holding a substantial interest (the **Substantial Interest**) in Blydenstein-Willink. An individual is generally considered to hold a Substantial Interest in a company if such individual, 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 Dutch participation exemption. A shareholding in a Dutch resident company constitutes a qualifying participation for the purpose of the application of the Dutch participation exemption if:

- (i) It represents at least 5% of the company's nominal paid-up capital (subject to certain conditions, less than 5% may also qualify), and
- (ii) the shares are not held as stock-in-trade.

If a private individual does not fall within the scope of the sources of taxable income mentioned under (A) (i)-(ii)-(iii) above, the taxable income 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 private individual's yield basis. Such average is equal to the average fair market value of certain qualifying assets and liabilities between 1 January and 31 December, and 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 is taxed at a rate of 30%.

#### **14.3 Non-Dutch residents**

For a Shareholder/private individual 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 is in principle 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 Blydenstein-Willink; or
  - (ii) for who the gain is considered earnings from other activities in the Netherlands, which include activities concerning the Shares that go beyond regular asset management;
- c) is a company that holds a Substantial Interest in Blydenstein-Willink, which is not attributable to an enterprise at the level of the company.

#### **14.4 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.

## **15 OTHER INFORMATION**

### **15.1 Available documents**

Copies of this Offer Memorandum, the Articles of Association, the Proposed Articles of Association and the annual financial statements (*jaarrekeningen*) of Blydenstein-Willink for the Financial Year 2003, the Financial Year 2004 and the Financial Year 2005, as adopted by the General Meeting of Shareholders, which documents are incorporated by reference in, and form an integral part of, this Offer Memorandum, are available free of charge at Blydenstein-Willink's website: [www.blydenstein.nl](http://www.blydenstein.nl) (Dutch residents only) and at the offices of Blydenstein-Willink and the Exchange and Paying Agent, and can be obtained by contacting Blydenstein-Willink or the Exchange and Paying Agent at the addresses below:

#### **Blydenstein-Willink N.V.**

Attn. the Management  
De Kieft 18  
7151 HZ Eibergen  
The Netherlands  
Telephone: +31 545 463 300  
Fax: +31 545 463 309

#### **ABN AMRO Bank N.V.**

Attn. Servicedesk MF 7020  
Kemelstede 2  
4817 ST Breda  
The Netherlands  
Telephone: +31 76 579 9455  
Fax: +31 76 579 9643

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

### **15.2 Exchange and Paying Agent**

ABN AMRO Bank N.V. is designated as Exchange and Paying Agent with respect to the Offer.

## 16 PRESS RELEASES

### 16.1 Press release – 18 August 2006

This is a joint press release issued by Blydenstein-Willink N.V. and ABN AMRO Participaties B.V. Not for release, publication or distribution, in whole or in part, in or into the United States of America, Australia, Canada, Italy and Japan. This announcement does not constitute an offer for ordinary shares in Blydenstein-Willink N.V. 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.

Amsterdam and Eibergen, 18 August 2006

#### **ABN AMRO Participaties intends to make a recommended cum dividend cash offer of EUR 14.25 per ordinary share in Blydenstein-Willink**

##### **Key Highlights**

Sunlight Holding B.V. (the **Offeror**), a wholly owned subsidiary of ABN AMRO Participaties B.V. (**ABN AMRO Participaties**), intends to make a recommended cum dividend cash offer of EUR 14.25 (the **Offer Price**) per ordinary share (the **Share(s)**) in the capital of Blydenstein-Willink N.V. (the **Company**).

The Offer Price represents a 14 % premium over the Company's closing share price on 17 August 2006, a 29 % premium over the Company's average closing share price for the last 3 months, a 46% premium over the Company's average closing share price for the last 12 months and a price/earnings multiple of 19 times 2005 earnings per Share.

The Supervisory Board of the Company (the **Supervisory Board**) and the management board of the Company (the **Management Board**) will fully support the intended offer (the **Offer**), if and when made.

Large Shareholders of the Company in aggregate owning approximately 67 % of the issued and outstanding Shares have irrevocably committed to sell and transfer their Shares to the Offeror at a price below the Offer Price (the reason therefore is set out under 'Rationale for the Offer') if and when the Offer, when made, is declared unconditional (*gestanddoening*).

The premia mentioned above have been determined by applying the most recent previous stock exchange price for every day that due to no trading transaction no price was set.

The Company and the Offeror jointly announce that the expectation is justified that agreement can be reached in connection with a recommended public offer by the Offeror for all issued and outstanding ordinary shares in the capital of the Company at a cash offer price of EUR 14.25 per Share (cum dividend).

In the event that the Offer, when made, is declared unconditional, it is intended that certain key employees of the Company (the **Management Team**) of which none holds any Shares or rights to receive Shares accept an equity stake in the Offeror. In view of the intended participation of the Management Team in the Offeror, the Company is represented in connection with the Offer by the Supervisory Board only. The Supervisory Board has sought independent advice in order to duly assess the Offer. The Supervisory Board came to the conclusion that the Offer, when made, is in the best interest of the Company and all of its stakeholders, including the holders of Shares. The Supervisory Board and the Management Board have the intention to support the Offer and to unanimously recommend that holders of Shares accept the Offer, when made.

### **Offer Highlights**

The Offer will be a cash offer for all issued and outstanding Shares. The Offer Price of EUR 14.25 per Share (cum dividend) represents compelling value to holders of Shares and a:

- 14 % premium over the Company's closing share price of EUR 12.50 (cum dividend) on 17 August 2006, the last trading day prior to this announcement;
- 29 % premium over the Company's average closing share price for the last 3 months prior to this announcement;
- 46 % premium over the Company's average closing share price for the last 12 months prior to this announcement;
- 83 % premium over the Company's average closing share price for the last 24 months prior to this announcement; and
- a price/earnings multiple of 19 times 2005 earnings per Share.

The Offer Price also represents a premium over the price per Share offered to the larger shareholders (also see 'Committed Shares' and 'Rationale for the Offer'). The Offer Price represents the highest stock price per Share during the last ten years.

The Offer Price includes the dividend over the financial year 2006.

In 2005 the Company had sales of EUR 26.3 million and operating profits (EBIT) of EUR 1.8 million. As of 31 December 2005, the Company had net operating assets of EUR 14.1 million and net borrowings of EUR 2.4 million. Reference is also made to the 2006 semi-annual financial figures of the Company published today.

The Offeror has sufficient funds available to complete the Offer.

### **Committed Shares**

All holders of large amounts of Shares, namely Parcom Ventures B.V., Orange Fund N.V., De Hoge Dennen Beheer B.V. and Messrs. H. Ling and H. Kühnl, support the Offer. These large shareholders in aggregate owning approximately 67 % of the issued and outstanding ordinary share capital of the Company, have irrevocably committed to sell their Shares to the Offeror at a price below the Offer Price (the reason therefore is set out under 'Rationale for the Offer'), if and when the Offer, when made, is declared unconditional. None of the aforementioned holders of Shares have received any

relevant information regarding the Offer which is not included in today's press releases of the Company.

### **Rationale for the Offer**

The Company believes that a listing on the stock exchange prevents it from reaching its full potential:

- Due to the relatively low market capitalisation of approximately EUR 21.5 million (based on the Company's closing share price of EUR 12.50 on 17 August 2006) and the associated limited liquidity in the Shares, the Shares are not covered by equity analysts. This hinders the Company from raising equity capital when acquisitions or other material investments would require the Company to do so.
- The listing entails administrative and financial costs that are significant relative to the size and profitability of the Company.
- Decisions that only provide benefits on the long run are taken less easily as a result of the listing of the Shares on Euronext Amsterdam N.V.

In addition, the liquidity in the Shares has been very limited for many years. This restricts the ability of (potential) shareholders to engage in transactions in the Shares without causing large movements in the stock price of the Shares. The limited liquidity in the Shares has also been taken into consideration by holders of Shares that each own more than 5% of the Shares and that support the Offer. For the sole reason of the aforementioned illiquidity in the Shares, these large shareholders accept that the Offer Price represents a premium over the price per Share that these large shareholders will receive if the Offer, when made, is declared unconditional.

The Company and ABN AMRO Participaties believe that the envisaged Offer provides the following advantages:

- ABN AMRO Participaties supports the strategy of the Company;
- ABN AMRO Participaties has the expertise and financial means to support the further growth of the Company; and
- The Offer, when made, offers the current shareholders an opportunity to sell their shares with a premium (as described above) despite the limited liquidity of the shares in recent years.

### **Future of the Company**

The Offeror supports the Company's current strategy and the Offer as such is not expected to adversely affect the existing employment level and employment conditions of the Company.

It is intended that the Company will be managed by the present Management Team. The Offeror and the Company plan to retain the Company's main office and places of business in the Netherlands.

After completion of the Offer, it is envisaged that the Management Board continues to consist of the present managing director and CEO Mr. A.J. Vos. It is further envisaged that the Supervisory Board shall continue to consist of its present three members who shall each resign from their function as supervisory director of the Company upon effectuation of the de-listing of the Company.

Subject to the Offer being declared unconditional, it is intended that, in consultation with Euronext, the listing of Shares on Euronext will be terminated as soon as possible. Furthermore, also dependent on

the number of 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 Shares held by minority shareholders or to take such other steps to terminate the listing and/or acquire Shares that were not tendered under the Offer, including without limitation, effecting a legal merger (*juridische fusie*).

#### **Conditions precedent to declaring the Offer unconditional**

A condition precedent to declaring the Offer, when made, unconditional will be that the number of Shares that are tendered under the Offer, together with Shares directly or indirectly held by the Offeror at the Closing Date of the Offer, represent at least 95 % of all Shares. Other customary conditions for this kind of transaction will apply and shall be included in the offer memorandum. Certain of these conditions may be waived at the Offeror's discretion.

#### **Further Process**

The Company and the Offeror expect to reach full agreement on the 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 September 2006 (**Offer Memorandum**). Following the publication of the Offer Memorandum, the Company will convene an extraordinary general meeting of shareholders, to among other matters, discuss the Offer.

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

Loyens & Loeff N.V. is acting as legal adviser to the Offeror. Allen & Overy LLP is acting as legal adviser to the Company.

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.

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 holders of Shares at no charge to them. If the Offer is made, holders of Shares 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 holders of Shares not resident in the Netherlands 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 the United States of America, Canada, Australia, Italy or Japan and the Offer would not be capable of acceptance from or within the United States of America, 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 the United States of America, 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. However, acceptances of the Offer by holders of Shares not resident in the Netherlands will be accepted by the Offeror, if such acceptances comply with the acceptance procedure set out in the Offer Memorandum.

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**Note for editors:**

For further information please contact:

Blydenstein-Willink N.V.

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ABN AMRO Press Relations

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**Profile Blydenstein-Willink N.V.**

Blydenstein-Willink N.V. consists of a group of four subsidiary companies that are active under the brand name of Verosol in the area of design, manufacture and sales of premium, functional blinds. Verosol is the specialist in custom made solutions for locations where light and climate control are essential. The products are distinguished by their combination of modern design and extremely advantageous reflection and transmission values of the unique metallic Verosol fabric. Blydenstein-Willink has approximately 250 employees and locations in the Netherlands, Spain and Australia. Established in 1801, Blydenstein-Willink N.V. has been listed on Euronext, the Amsterdam Stock Exchange, since 1953. The company, based in Eibergen since 2003, is registered with the Veluwe and Twente Chamber of Commerce and Industry in Enschede under number 06000385.

**Profile ABN AMRO Participaties**

ABN AMRO Participaties B.V. is part of ABN AMRO Capital, the global private equity business unit of ABN AMRO N.V. ABN AMRO Capital has activities in 7 countries and has funds under management of EUR 2.7 bn. ABN AMRO Participaties B.V. invests in mid-market companies in The Netherlands via minority and majority stakes, most often together with management of these companies.

**16.2 Press release – 15 September 2006**

This is a joint press release issued by Blydenstein-Willink N.V., ABN AMRO Participaties B.V. and Verosol Holding B.V. 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). Not for release, publication or distribution, in whole or in part, in or into the United States of America, Australia, Canada, Italy and Japan.

Amsterdam and Eibergen, 15 September 2006

**Announcement pursuant to articles 9b(1) and 9g(1a) of the Dutch Decree on the Supervision of the securities trade (Bte 1995) in respect of intended offer for Blydenstein-Willink**

With reference to the joint press release dated 18 August 2006, Blydenstein-Willink N.V. (the **Company**), ABN AMRO Participaties B.V. (**ABN AMRO Participaties**) and Verosol Holding B.V. (formerly known as Sunlight Holding B.V.), a wholly owned subsidiary of ABN AMRO Participaties, jointly announce that they have reached agreement in respect of Verosol Holding B.V.'s intended recommended public offer (the **Offer**) for all issued and outstanding ordinary shares in the capital of the Company (the **Shares**) at an offer price of EUR 14.25 per Share (the **Offer Price**), which Offer Price includes any dividend which may become payable for the financial year 2006.

Preparations of the intended Offer are well under way. Verosol holding B.V. currently expects to make the Offer by making the offer memorandum available by the end of September 2006 (the **Offer Memorandum**).

The Works Council of the Company has given a positive advice in respect of the intended Offer. 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.

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, 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 would be made available to all holders of Shares at no charge to them. If the Offer is made, holders of Shares are advised to read the Offer Memorandum when this document is sent to them because it will contain important information.

Were the Offer to occur, its availability to holders of Shares not resident in the Netherlands 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 the United States of America, Canada, Australia, Italy or Japan and the Offer would not be capable of acceptance from or within the United States of America, Canada, Australia, Italy or Japan 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. 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 the United States of America, 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. However, acceptances of the Offer by holders of Shares not resident in the Netherlands will be accepted by Verosol Holding B.V., if such acceptances comply with the acceptance procedure set out in the Offer Memorandum.

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**Profile Blydenstein-Willink N.V.**

Blydenstein-Willink N.V. consists of a group of four subsidiary companies that are active under the brand name of Verosol in the area of design, manufacture and sales of premium, functional blinds. Verosol is the specialist in custom made solutions for locations where light and climate control are essential. The products are distinguished by their combination of modern design and extremely advantageous reflection and transmission values of the unique metallic Verosol fabric. Blydenstein-Willink has approximately 250 employees and locations in the Netherlands, Spain and Australia. Established in 1801, Blydenstein-Willink N.V. has been listed on Euronext, the Amsterdam Stock Exchange, since 1953. The company, based in Eibergen since 2003, is registered with the Veluwe and Twente Chamber of Commerce and Industry in Enschede under number 06000385.

**Profile ABN AMRO Participaties**

ABN AMRO Participaties B.V. is part of ABN AMRO Capital, the global private equity business unit of ABN AMRO N.V. ABN AMRO Capital has activities in 7 countries and has funds under management of EUR 2.7 bn. ABN AMRO Participaties B.V. invests in mid-market companies in The Netherlands via minority and majority stakes, most often together with management of these companies.

## 17 NEDERLANDSE SAMENVATTING VAN HET BOD

### 17.1 Beperkingen

Dit Bod wordt niet uitgebracht, en de Aandelen zullen niet (kunnen) worden geaccepteerd ter aankoop door, of namens, enige Aandeelhouder, in enige jurisdictie waarin het uitbrengen van biedingen of het accepteren daarvan niet in overeenstemming is met de in de desbetreffende jurisdictie geldende wetgeving omtrent effecten of enig andere wet- en regelgeving of waarvoor enige registratie, goedkeuring of neerlegging bij enige toezichthoudende instantie is vereist, die niet uitdrukkelijk is voorzien in dit Biedingsbericht. Acceptaties van het Bod door Aandeelhouders die niet woonachtig zijn in Nederland zullen door de Bieder evenwel worden aanvaard indien dergelijke acceptaties in overeenstemming zijn met de in het Biedingsbericht opgenomen acceptatieprocedure. Zie paragraaf 6.2 ('Acceptances by Shareholders').

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. De Bieder, Blydenstein-Willink 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 zouden kunnen verschillen van de vereisten in de Verenigde Staten met betrekking tot openbaarmakingsvereisten, opmaak en stijl. Bovendien zouden Blydenstein-Willinks' jaarverslagen niet vergelijkbaar zijn met de jaarverslagen van bedrijven in de Verenigde Staten of van bedrijven wiens jaarverslagen in overeenstemming met U.S. *generally accepted accounting principles* zijn opgesteld.

Dit Bod, de verspreiding van dit Biedingsbericht, aanverwante materialen en het uitbrengen van dit Bod in bepaalde jurisdicties buiten Nederland en de Verenigde Staten, waaronder Canada, Australië, Italië en Japan is aan bepaalde wettelijke beperkingen onderworpen. Personen in wier bezit dit Biedingsbericht of aanverwante materialen mochten komen, dienen zich derhalve van dergelijke 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 de Bieder noch Blydenstein-Willink noch één van de adviseurs die betrokken zijn bij dit Bod, aanvaardt enige aansprakelijkheid voor de schending door enig persoon van dergelijke beperkingen.

## 17.2 Belangrijke informatie

In dit Hoofdstuk 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 in te winnen, opdat door hen een gemotiveerde beslissing kan worden genomen omtrent het Bod en datgene wat is beschreven in dit Biedingsbericht.

De informatie in Hoofdstuk 8 ('Recommendation by the Supervisory Board and the Management Board'), Hoofdstuk 9 ('Letter to the Shareholders'), Hoofdstuk 10 ('Extraordinary General Meeting of Shareholders of Blydenstein-Willink'), Hoofdstuk 11 ('Information regarding Blydenstein-Willink') en Hoofdstuk 18 ('Financial statements') van dit Biedingsbericht en de overeenstemmende paragrafen in de Engelse en Nederlandse samenvattingen, is uitsluitend verstrekt door Blydenstein-Willink. De informatie in Hoofdstuk 1 ('Restrictions'), Hoofdstuk 6 ('Invitation to the Shareholders'), Hoofdstuk 7 ('Explanation and background to the Offer'), Hoofdstuk 12 ('Information regarding the Offeror') and Hoofdstuk 14 ('Tax aspects of the Offer') van dit Biedingsbericht en de overeenstemmende paragrafen in de Engelse en Nederlandse samenvattingen, is uitsluitend verschaft door de Bieder. De accountantsverklaring en beoordelingsverklaring in Hoofdstuk 18 ('Financial Statements') van dit Biedingsbericht zijn verschaft door KPMG Accountants N.V. De informatie in de andere hoofdstukken van dit Biedingsbericht is verschaft door Blydenstein-Willink en Bieder tezamen.

Blydenstein-Willink en de Bieder zijn uitsluitend verantwoordelijk voor de juistheid en volledigheid van de informatie in dit Biedingsbericht, ieder afzonderlijk voor de informatie die door henzelf is verschaft, en gezamenlijk voor de informatie die door hen gezamenlijk is verschaft en KPMG Accountants N.V. is uitsluitend verantwoordelijk voor de juistheid en volledigheid van de accountantsverklaring en beoordelingsverklaring in Hoofdstuk 18 ('Financial Statements') van dit Biedingsbericht. Blydenstein-Willink en de Bieder verklaren beide dat, ieder voor de informatie die door hen in dit Biedingsbericht is verschaft, dat de in dit Biedingsbericht, naar hun beste weten in elk wezenlijk opzicht juist en in overeenstemming met de werkelijkheid is, en dat er geen informatie achterwege is gelaten waardoor enige verklaring in dit Biedingsbericht in enig wezenlijk opzicht misleidend zou worden. Blydenstein-Willink bevestigt dat de accountantsverklaring en beoordelingsverklaring in Hoofdstuk 18 ('Financial Statements') identiek zijn aan de accountantsverklaring en beoordelingsverklaring 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 in overeenstemming met de werkelijkheid is.

Met uitzondering van de Bieder en Blydenstein-Willink (en zonder af te doen aan de accountantsverklaring en beoordelingsverklaring van KPMG Accountants N.V. opgenomen in dit Biedingsbericht), is geen enkele persoon bevoegd om welke informatie dan ook te verschaffen over, dan wel mededelingen te doen in verband met, het Bod en de informatie als opgenomen in dit Biedingsbericht. Indien dergelijke informatie of mededelingen derhalve wordt verstrekt door partijen anders dan Blydenstein-Willink of de Bieder, dan dient zulks niet te worden beschouwd als te zijn verschaft, of gedaan, door of namens de Bieder en Blydenstein-Willink.

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

Dit Biedingsbericht, het Bod, en elke aanbieding, aankoop of levering van Aandelen onder het Bod is, worden beheerst door en uitgelegd naar Nederlands recht. Alle geschillen die mochten ontstaan naar aanleiding van, of in verband met dit Biedingsbericht, het Bod en/of een aanbieding, aankoop of levering van Aandelen, of naar aanleiding van overeenkomsten die hiervan het gevolg mochten zijn, zullen worden beslecht door de bevoegde rechter te Amsterdam.

### 17.3 Definities

Gedefinieerde termen in deze Nederlandse samenvatting zullende navolgende betekenis hebben:

Aangesloten Instelling	Aangesloten instelling als bedoeld in artikel 1 van de Wet giraal effectenverkeer;
ABN AMRO Participaties	ABN AMRO Participaties B.V., een besloten vennootschap met beperkte aansprakelijkheid naar Nederlands recht, met statutaire zetel in Amsterdam;
Aandeelhouder(s)	Een of meer houder(s) van Aande(e)l(en);
Aande(e)l(en)	Eén of meer uitgegeven en uitstaande gewone Aande(e)l(en) in het kapitaal van Blydenstein-Willink, met een nominale waarde van EUR 5 elk;
Aanmeldingstermijn	De periode, gedurende welke de Aandeelhouders hun Aandelen bij de Bieder kunnen aanmelden, beginnend op 2 oktober 2006 om 9.00 uur (CET) en eindigend op de Sluitingsdatum om 15.00 uur (CET);
Betaaldag	De datum waarop de Bieder, in overeenstemming met de voorwaarden van het Bod, de Biedprijs zal voldoen 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	Verosol Holding B.V., een besloten vennootschap met beperkte aansprakelijkheid naar Nederlands recht, met haar statutaire zetel in Amsterdam en/of één of meer van haar groepsvennootschappen, zoals het geval kan zijn;
Biedingsbericht	Dit biedingsbericht dat het Bod beschrijft, gedateerd op 29 september 2006;
Biedprijs	Een bedrag in contanten van EUR 14,25 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 inclusief eventueel over het Boekjaar 2006 betaalbaar te stellen dividend is;
Blydenstein-Willink of de de Vennootschap	Blydenstein-Willink 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;
Boekjaar 2005	Het boekjaar van Blydenstein-Willink eindigend op 31 december 2005;
Boekjaar 2006	Het boekjaar van Blydenstein-Willink eindigend op 31 december 2006;
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 Amsterdam	Euronext Amsterdam N.V.;
Euronext Handelsdag	Een dag waarop Euronext Amsterdam geopend is voor handel;
Exchange and Paying Agent	ABN AMRO Bank N.V.;
Raad van Bestuur	De raad van bestuur van Blydenstein-Willink;
Raad van Commissarissen	De raad van commissarissen van Blydenstein-Willink;
Sluitingsdatum	De Euronext Handelsdag waarop de Aanmeldingstermijn eindigt, zijnde om 15.00 uur (CET) op 27 oktober 2006, tenzij verlengd in overeenstemming met artikel 9o, sub 5 van het

	Besluit toezicht effectenverkeer 1995, in welk geval de Sluitingsdatum een later tijdstip en datum is;
Toegezegde Aandelen	De Aandelen gehouden door de grootaandeelhouders, zoals beschreven in paragraaf 7.2 ('Committed Shares');
Voorwaarden	De opgenomen opschortende voorwaarden voor het gestand doen van het Bod, als opgenomen in paragraaf 6.3 ('Offer Conditions').

#### **17.4 Uitnodiging aan de Aandeelhouders**

De Bieder doet een openbaar Bod op alle Aandelen. De Aandeelhouders wordt geadviseerd dit Biedingsbericht aandachtig te bestuderen en onafhankelijk advies in te winnen waar nodig om een weloverwogen oordeel te kunnen vellen over het Bod en het Biedingsbericht. Onder verwijzing naar alle verklaringen, bepalingen, voorwaarden en beperkingen als opgenomen in het Biedingsbericht, worden Aandeelhouders hierdoor uitgenodigd hun Aandelen onder het Bod aan te melden op de wijze en onder de bepalingen en voorwaarden als hieronder uiteengezet.

#### **17.5 Het Bod**

Voor ieder Aandeel, aangemeld conform de bepalingen en voorwaarden van het Bod, biedt de Bieder een biedprijs van EUR 14,25 in contanten, welke prijs inclusief na de datum van dit Biedingsbericht eventueel over het Boekjaar 2006 betaalbaar te stellen dividend is.

De Biedprijs van EUR 14,25 per Aandeel vertegenwoordigt een aantrekkelijke prijs voor de Aandeelhouders en:

- een premie van 14% ten opzichte van de slotkoers van EUR 12.50 van een Aandeel op 17 augustus 2006, de laatste Euronext Handelsdag voorafgaand aan de eerste en gezamenlijke aankondiging van ABN AMRO Participaties en Blydenstein-Willink dat de verwachting gerechtvaardigd was dat overeenstemming over het Bod kan worden bereikt;
- een premie van 29% ten opzichte van Blydenstein-Willink's gemiddelde slotkoers van een Aandeel gedurende de laatste 3 maanden voorafgaand aan en inclusief de eerste aankondiging op 17 augustus 2006;
- een premie van 46% ten opzichte van Blydenstein-Willink's gemiddelde slotkoers van een Aandeel gedurende de laatste 12 maanden voorafgaand aan en inclusief de eerste aankondiging van 17 augustus 2006; en
- een koers/winstverhouding van 19 maal de winst per Aandeel over het Boekjaar 2005. De Biedprijs vertegenwoordigt bovendien een premie ten opzichte van de prijs per Aandeel zoals geboden aan een aantal grootaandeelhouders. Zie paragraaf 7.2 ('Committed Shares'); en
- bovendien vertegenwoordigt de Biedprijs de hoogste koers/prijs van het Aandeel over de afgelopen 10 jaar.

In het geval dat er niet werd gehandeld op de relevante Euronext Handelsdag en er dus geen slotkoers te bepalen was, is de slotkoers van de voorafgaande Euronext Handelsdag toegepast. Zie ook paragraaf 7.4 ('Substantiation of the Consideration').

## **17.6 Aanmelding door Aandeelhouders**

### **Aanmelding door Aandeelhouders die Aandelen houden via een Aangesloten Instelling**

Aandeelhouders die hun Aandelen houden via een Aangesloten Instelling wordt verzocht niet later dan 15.00 uur CET op de Sluitingsdatum hun aanmelding bekend te maken via hun bank of commissionair.

De Aandeelhouder's bank of commissionair kan een eerdere sluitingsdatum stellen voor de berichtgeving door de Aandeelhouders ten einde de Aandeelhouder's bank of commissionair in de gelegenheid te stellen de aanmeldingen tijdig aan de Exchange and Paying Agent over te brengen. De Toegelaten Instellingen mogen Aandelen slechts schriftelijk aanmelden aan uitsluitend de Exchange and Paying Agent: (ABN AMRO Bank N.V., t.a.v. Agency Services / Exchange Agency MF 2020, Postbus 3200, 4800 DE Breda, Nederland, fax +31 76 579 9620). Bij het aanbieden van de Aandelen moeten de Toegelaten Instellingen verklaren dat (i) zij de Aandelen hebben aangemeld onder hun bewaring, (ii) elke Aandeelhouder die het Bod aanvaardt verklaart en garandeert zonder voorbehoud dat de Aandelen, die door hem zijn aangemeld, worden aangemeld in overeenstemming met de beperkingen als uiteengezet in Hoofdstuk 1 ('Restrictions') en (iii) zij op zich nemen om de Aandelen te leveren aan de Bieder op of voor de Betaaldag, op voorwaarde dat het Bod gestand wordt gedaan.

## **17.7 Achtergrond van het Bod**

De Vennootschap is van mening dat een notering op Euronext Amsterdam haar weerhoudt om haar volledige potentie te bereiken. Bovendien, de verhandelbaarheid van de Aandelen was erg beperkt de afgelopen jaren. Dit beperkt de mogelijkheid van (potentiële) Aandeelhouders om transacties met betrekking tot de Aandelen aan te gaan zonder grote schommelingen in de beurskoers van de Aandelen te veroorzaken.

Deze beperkte verhandelbaarheid van de Aandelen is ook in overweging genomen door de houders van Toegezegde Aandelen. Om deze enkele reden van deze beperkte verhandelbaarheid van de Aandelen, accepteren de houders van Toegezegde Aandelen dat de Biedprijs een premie vertegenwoordigt over de prijs per Aandeel, te betalen aan deze houders van Toegezegde Aandelen als het Bod gestand wordt gedaan.

Blydenstein-Willink en ABN AMRO Participaties 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 op 17 augustus 2006 te verkopen. Zie ook paragraaf 7.5 ('Rationale for the Offer').

## **17.8 Financiering van het Bod**

De Bieder zal het Bod en de afwikkeling daarvan volledig financieren met uit haar bestaande kasreserves en kredietfaciliteiten welke haar ter beschikking staan op de Betaaldag.

### **17.9 Aanbeveling door de Raad van Commissarissen en de Raad van Bestuur**

Indien het Bod gestand wordt gedaan, is de intentie dat de heer A.J. Vos, het enig lid van de Raad van Bestuur, tezamen met bepaalde andere 'key employees' (waarvan niemand enige Aandelen, of rechten om Aandelen te verkrijgen, houdt), een aandelenbelang zal nemen in het kapitaal van de Bieder. In het licht van vorenbedoelde participatie door genoemde key employees in het kapitaal van de Bieder, is de Vennootschap in het kader van het Bod uitsluitend vertegenwoordigd door de Raad van Commissarissen.

De Raad van Bestuur, zijnde de heer A.J. Vos, is derhalve geenszins bij de besluitvorming met betrekking tot dit Bod betrokken geweest namens Blydenstein-Willink. De Raad van Commissarissen heeft onafhankelijk advies ingewonnen om het Bod te kunnen doorgronden. 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 in het belang is van Blydenstein-Willink, de Aandeelhouders en alle overige 'stakeholders' van Blydenstein-Willink. Zie ook Hoofdstuk 8 ('Recommendation by the Supervisory Board and the Management Board').

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 Hoofdstuk 8 ('Recommendation by the Supervisory Board and the Management Board').

In aanmerking nemende de Biedprijs als geboden door de Bieder en het feit dat de houders van Toegezegde Aandelen hebben toegezegd hun Aandelen tegen een prijs lager dan de Biedprijs aan de Bieder te verkopen en te leveren, is de Raad van Commissarissen van oordeel dat het niet in het belang van de Vennootschap is om aanzienlijke kosten te maken ten einde een 'fairness opinion' te verkrijgen.

### **17.10 Geen direct of indirect bezit van Aandelen of rechten om Aandelen te ontvangen door de leden van de Raad van Bestuur en de Raad van Commissarissen**

Per de datum van dit Biedingsbericht worden geen Aandelen of rechten om Aandelen te ontvangen gehouden, direct of indirect, door de leden van de Raad van Bestuur en de Raad van Commissarissen. Zie paragraaf 7.3 ('No Shares held directly or indirectly by members of the Boards').

### **17.11 Toegezegde Aandelen**

De grootaandeelhouders Parcom Ventures B.V., Orange Fund N.V. (een volle dochtermaatschappij van Kempen Capital Management N.V.), De Hoge Dennen Holding B.V., de heer H. Ling en de heer H. Kühnl, hebben onherroepelijk toegezegd hun Aandelen aan de Bieder te verkopen tegen een prijs per Aandeel die lager is dan de Biedprijs en onder de opschortende voorwaarde van gestanddoening van het Bod, maar voor het overige onder dezelfde voorwaarden als die van toepassing zijn op het Bod. Deze toezeggingen van 1.155.625 Aandelen vertegenwoordigen gezamenlijk een nominale waarde van EUR 5.778.125 en betreffen 67,14% van alle uitstaande Aandelen op de publicatiedatum van dit Biedingsbericht. Geen van de Aandeelhouders die hebben toegezegd hun Aandelen onder

het Bod aan te bieden, hebben met betrekking tot het Bod enige, relevante informatie ontvangen, die niet reeds in dit Biedingsbericht is opgenomen. Zie paragraaf 7.2 ('Committed Shares').

#### **17.12 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'), waaronder dat de op de Sluitingsdatum aangeboden Aandelen samen met de door de Bieder direct of indirect gehouden Aandelen ten minste 95% van het uitgegeven en uitstaande aandelenkapitaal van de Vennootschap vertegenwoordigt en de Stichting Preferente Aandelen haar overeenkomst van 17 augustus 2006 met de Bieder niet heeft beëindigd, ontbonden of gewijzigd.

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 (vi) van het Biedingsbericht slechts door Blydenstein-Willink afstand kan worden gedaan in geval van inbreuk door de Bieder.

##### **Aanmeldingstermijn**

De aanmeldingstermijn begint op 2 oktober 2006 om 9.00 uur (CET) en eindigt, behoudens verlenging zoals bedoeld in artikel 9o, lid 5 van het Besluit toezicht effectenverkeer 1995 op 27 oktober 2006 om 15.00 (CET). Zie ook paragraaf 6.4 ('Acceptance Period'). De bank of commissionair van de Aandeelhouders zet mogelijk een eerdere deadline voor berichtgeving door de Aandeelhouders om de bank of commissionair van de Aandeelhouders de mogelijkheid te geven de acceptaties tijdig door te geven aan de Exchange and Paying Agent.

Aanmeldingen van Aandelen op of voor de Sluitingsdatum mogen niet worden ingetrokken, behoudens het recht in te trekken 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 naar '15.00 uur (CET)', op 27 oktober 2006, tenzij de context anders vereist, verplaatst zullen worden naar de laatste datum en tijd tot wanneer het Bod verlengd is. De bank of commissionair van de Aandeelhouders zet mogelijk een eerdere deadline voor berichtgeving door de Aandeelhouders om de bank of commissionair 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 aangemeld (of op ongeldige wijze, mits de Bieder de aanmelding daarvan desalniettemin heeft aanvaard) en geleverd is. Zie ook paragraaf 6.7 ('Settlement').

### **17.13 De Bieder**

Verosol Holding B.V. is een besloten vennootschap met beperkte aansprakelijkheid naar Nederlands recht, met statutaire zetel in Amsterdam, opgericht op 15 augustus 2006. De Bieder is een volle indirecte dochtermaatschappij van ABN AMRO Bank N.V.

ABN AMRO Participaties heeft volledig, onvoorwaardelijk en onherroepelijk gegarandeerd jegens de Vennootschap dat de Bieder tijdig zal voldoen aan haar verplichtingen jegens de Aandeelhouders met betrekking tot betaling van de Biedprijs voor elk in overeenstemming met en volledig conform de bepalingen en voorwaarden van het Bod aangemeld Aandeel (hetgeen niet als een derdenbeding ten behoeve van individuele Aandeelhouders kwalificeert). Zie ook Hoofdstuk 12 ('Information regarding the Offeror').

### **17.14 Liquiditeit en einde beursnotering**

De aankoop van Aandelen door de Bieder conform het Bod zal onder meer het aantal Aandeelhouders verminderen, alsmede het aantal Aandelen dat anders publiekelijk verhandeld zou

(kunnen) worden. Dit gegeven zal de liquiditeit en de marktwaarde van de resterende Aandelen die niet onder het Bod zullen zijn aangemeld zijn, negatief kunnen beïnvloeden.

Mocht het Bod gestand worden gedaan, dan is de Bieder van plan om Blydenstein-Willink's beursnotering zo spoedig mogelijk te beëindigen. Dit zou de liquiditeit van de nog niet aangemelde Aandelen verder negatief kunnen beïnvloeden. Daarnaast bestaan de mogelijkheid dat de Bieder één of meerdere van de procedures initieert zoals hieronder beschreven in paragraaf 17.13 ('Juridische structuur van Blydenstein-Willink na het Bod'), waaronder procedures die leiden tot beëindiging van de notering van de Aandelen (inclusief de niet onder het Bod aangemelde Aandelen).

#### **17.15 Juridische structuur van Blydenstein-Willink 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 onder meer de volgende opties in aanmerking nemen: het starten van een uitkoopprocedure overeenkomstig artikel 2:92a of 2:201a 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 ABN AMRO Participaties (of een vennootschap welke is geaffilieerd met ABN AMRO Participaties), of een liquidatie of verkoop van alle of vrijwel alle activa van Blydenstein-Willink, dan wel een combinatie van het voorgenoemde. Ten slotte behouden de Bieder en Blydenstein-Willink zich het recht voor dat de Bieder haar activa inbrengt in Blydenstein-Willink tegen uitgifte van Aandelen, tegen uitsluiting van het voorkeursrecht van andere Aandeelhouders, zulks in overeenstemming met de Nederlandse wetgeving en met de alsdan van kracht zijnde statuten van Blydenstein-Willink.

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 Blydenstein-Willink 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 ABN AMRO Participaties omvat) met Blydenstein-Willink als verdwijnende entiteit en de Bieder, of een groepsvennootschap van de Bieder respectievelijk, als overblijvende entiteit. Daarbij behouden de Bieder en Blydenstein-Willink zich het recht voor dat de Bieder haar activa inbrengt in Blydenstein-Willink tegen uitgifte van aandelen in het vermogen van Blydenstein-Willink, terwijl tegelijkertijd het voorkeursrecht van andere Aandeelhouders kan worden uitgesloten, of dat alle of vrijwel alle activa van Blydenstein-Willink worden verkocht, direct of indirect volgend op een overdracht van die activa aan een dochtervennootschap van Blydenstein-Willink, 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 Blydenstein-Willink.

Op enig moment nadat het Bod gestand is gedaan, zou besloten kunnen worden dat Blydenstein-Willink wordt omgezet in een besloten vennootschap met beperkte aansprakelijkheid. Tegelijkertijd met een omzetting van Blydenstein-Willink in een besloten vennootschap met beperkte

aansprakelijkheid zou de grootaandeelhouder van Blydenstein-Willink verdere aanpassingen in de statuten van Blydenstein-Willink kunnen doorvoeren, zoals de afschaffing van de Raad van Commissarissen.

### **Uitkoopprocedure**

In het geval dat de Bieder 95% of meer van Blydenstein-Willink's uitstaande aandelenkapitaal heeft verkregen na de Betaaldag, zou de Bieder zo snel mogelijk een uitkoopprocedure als bedoeld in artikel 2:92a of 2:201a van het Burgerlijk Wetboek kunnen starten, met als doel om de resterende Aandelen die niet zijn aangemeld onder het Bod en derhalve niet in bezit zijn van de Bieder of Blydenstein-Willink, te bemachtigen.

### **Juridische Fusie**

In het geval dat de Bieder het Bod gestand heeft gedaan en niet 95% of meer van Blydenstein-Willink's uitstaande aandelenkapitaal heeft verkregen na de Betaaldag, zodat het niet toegestaan is om een uitkoopprocedure te starten, zoals bedoeld in artikel 2:92a of 2:201a van het Burgerlijk Wetboek, zou de Bieder kort daarna, afhankelijk van goedkeuring van de Raad van Commissarissen, door middel van een besluit van de Algemene Vergadering van Aandeelhouders, genomen met gewone meerderheid, kunnen besluiten tot een juridische fusie tussen de Bieder of een 100% groepsvennootschap van de Bieder en Blydenstein-Willink, waarbij Blydenstein-Willink 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, dan wel (ingeval van een driehoeksfusie) aandeelhouders van de groepsvennootschap. (indien hierna wordt verwezen naar de overblijvende entiteit zal dit mede geacht worden te omvatten het scenario waarbij een groepsvennootschap van de Bieder aandelen uit geeft aan de Aandeelhouders in geval van een driehoeksfusie). Als, na het voltooiën 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 of 2:201a Burgerlijk Wetboek met betrekking tot de aandelen in de overblijvende entiteit die de grootaandeelhouder niet houdt.

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 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 overgebleven 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 waaraan wordt gerefereerd in paragraaf 7.12 ('Future composition of the Boards').

De statuten van de overblijvende entiteit zullen bepalen dat haar algemene vergadering van aandeelhouders bij gewone 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 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.

#### **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 Blydenstein-Willink aan te passen en/of teneinde een optimale financiële of andere structuur te bereiken, waaronder aanpassingen van de statuten van Blydenstein-Willink, 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 Blydenstein-Willink, al dan niet gevolgd door een uitkering van opbrengsten aan de Aandeelhouders, in overeenstemming met de Nederlandse wetgeving en de statuten van Blydenstein-Willink. 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 Blydenstein-Willink 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 Blydenstein-Willink in lijn te brengen met de nieuwe holding en financieringsstructuur van de groep, die van kracht zullen worden zodra het Bod gestand wordt gedaan. Zie ook paragraaf 7.8 ('Future legal structure').

#### **17.16 Dividendbeleid**

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

#### **17.17 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').

#### **17.18 Samenstelling van de Raad van Bestuur en Raad van Commissarissen**

Het is de gedachte dat na gestanddoening van het Bod, de Raad van Bestuur zal blijven bestaan uit een lid, zijnde de heer A.J. Vos, de huidige CEO. De huidige leden van de Raad van Commissarissen zullen slechts terugtreden indien en nadat de notering van de Aandelen is beëindigd. Zie ook paragraaf 7.12 ('Future composition of the Boards').

#### **17.19 Aankondigingen**

Elke aankondiging welke met betrekking tot het Bod dient te worden verricht, zal worden gepubliceerd in de Officiële Prijscourant en in (ten minste) Het Financieele Dagblad.

#### **17.20 Voorgenomen tijdsplanning**

<i>Verwachte datum en tijd (CET)</i>	<i>Gebeurtenis</i>
09.00 uur, 29 september 2006	Publicatie van de aankondiging dat het Biedingsbericht beschikbaar is en de aanvang van de Aanmeldingstermijn voor het Bod, als bedoeld in artikel 90, lid 2 van het Besluit toezicht effectenverkeer 1995.
09.00 uur, 2 oktober 2006	Aanvang van de Aanmeldingstermijn van het Bod.
11.00 uur, 13 oktober 2006	Buitengewone Algemene Vergadering van Aandeelhouders, tijdens welke vergadering het Bod zal

worden besproken, in overeenstemming met artikel 9q, lid 1 van het Besluit toezicht effectenverkeer 1995.

15.00 uur, 27 oktober 2006,  
behoudens verlenging

*Sluitingsdatum*

Sluitingsdatum voor Aandeelhouders die hun Aandelen willen aanmelden.

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 vijf Euronext Handelsdagen 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.

## 18 FINANCIAL STATEMENTS

### 18.1 Condensed consolidated interim balance sheet at 30 June 2006

(x EUR 1,000)

	30 June 2006	31 December 2005	30 June 2005*)
<b>Assets</b>			
Tangible fixed assets	3,506	2,899	2,875
Intangible assets	600	-	-
Deferred tax assets	4,268	4,326	4,388
<b>Total non-current assets</b>	<b>8,374</b>	<b>7,225</b>	<b>7,263</b>
Inventories	8,185	6,700	6,735
Receivables	6,794	4,932	4,304
Cash	390	482	172
<b>Total current assets</b>	<b>15,369</b>	<b>12,114</b>	<b>11,211</b>
<b>Total assets</b>	<b>23,743</b>	<b>19,339</b>	<b>18,474</b>
<b>Equity</b>			
Share capital	8,606	8,518	8,518
Share premium reserve	4,396	4,484	4,484
Translation reserve	-130	40	70
Repurchased shares	-19	-	-
Retained earnings	-1,931	-2,159	-2,937
<b>Total equity</b>	<b>10,922</b>	<b>10,883</b>	<b>10,135</b>
<b>Liabilities</b>			
Long-term employee benefits	201	197	200
Provisions	521	623	522
Long-term debt	1,400	1,600	-
Fair value derivatives	7	7	-
<b>Total non-current liabilities</b>	<b>2,129</b>	<b>2,427</b>	<b>722</b>
<b>Current liabilities</b>			
Interest-bearing loans and bank overdrafts	4,367	1,268	3,000
Taxes and social security premiums	586	152	294
Trade creditors and other payables	5,739	4,609	4,323
<b>Total current liabilities</b>	<b>10,692</b>	<b>6,029</b>	<b>7,617</b>
<b>Total liabilities</b>	<b>12,821</b>	<b>8,456</b>	<b>8,339</b>
<b>Total equity and liabilities</b>	<b>23,743</b>	<b>19,339</b>	<b>18,474</b>

\*) Figures per 30 June 2005 are adapted for IFRS

## 18.2 Condensed consolidated interim income statement first half year 2006

(x EUR 1,000)

	2006	2005
<b>Revenue</b>	<b>14,301</b>	<b>12,393</b>
Changes in inventories of finished goods and work in progress	1,508	481
Cost of raw materials and consumables	-6,110	-4,728
Wages and salaries	-4,221	-3,485
Social security costs	-832	-701
Depreciation of tangible fixed assets	-521	-464
Other operating costs	<u>-3,136</u>	<u>-2,770</u>
Total operating expenses	<u>-13,312</u>	<u>-11,667</u>
<b>Operating income</b>	<b>989</b>	<b>726</b>
Net financing costs	<u>-95</u>	<u>-37</u>
<b>Operating income less net financing costs</b>	<b>894</b>	<b>689</b>
Income tax expense	<u>-237</u>	<u>-182</u>
<b>Profit for the period</b>	<b>657</b>	<b>507</b>
<b>Earnings per share (in EUR)</b>	<b>0.38</b>	<b>0.30</b>

## 18.3 Overview of changes in group equity at 30 June 2006

per 30 June 2006

(x EUR 1,000)

	2006	2005
Balance as at 1 January	10,883	9,769
Add: Result first half year	657	507
Add: Foreign exchange translation differences	-170	181
Less: Dividend paid	-429	-322
Less: Repurchased shares	<u>-19</u>	<u>-</u>
<b>Balance as at 30 June</b>	<b>10,922</b>	<b>10,135</b>

#### 18.4 Condensed consolidated interim statement of cash flows first half year 2006

(x EUR 1,000)	2006	2005
Operating result	989	726
Depreciations	521	464
Change in provisions and other changes	<u>-251</u>	<u>44</u>
<b>Cash flow from operating activities (EBIT) before change in working capital</b>	<b>1,259</b>	<b>1,234</b>
<b>Changes in working capital</b>		
Inventories	-1,485	-899
Receivables	-1,862	-676
Short term liabilities	<u>1,564</u>	<u>1,241</u>
	<b>-1,783</b>	<b>-334</b>
<b>Cash inflow from operating activities</b>	<b>-524</b>	<b>900</b>
Interest paid	-95	-37
Taxes paid	<u>-237</u>	<u>-182</u>
<b>Cash flow from operating activities</b>	<b>-856</b>	<b>681</b>
Result from sale of tangible fixed assets	-	11
Acquisitions after cash deduction	-600	-
Investments in tangible fixed assets	-1,145	-696
Reduction deferred tax assets	<u>58</u>	<u>47</u>
<b>Cash flow from investment activities</b>	<b>-1,687</b>	<b>-638</b>
Increase in long-term payables	-	-
Repayment of long-term payables	-200	-
Repayment of long-term receivable	-	259
Repurchase of own shares	-19	-
Dividend paid to shareholders	<u>-429</u>	<u>-323</u>
<b>Cash flow from financial activities</b>	<b>-648</b>	<b>-64</b>
<b>Mutation cash</b>	<b>-3,191</b>	<b>-21</b>
Cash at 1 January	<u>-786</u>	<u>-2,807</u>
<b>Cash at 30 June</b>	<b>-3,977</b>	<b>-2,828</b>

Cash includes: liquid assets minus short term debt banks

## 18.5 Notes to the condensed consolidated interim financial statements

### Entity

The Company is a company domiciled in the Netherlands. The condensed consolidated interim financial statements of the Company for six months ended 30 June 2006 comprise the Company and its subsidiaries (together referred to as the "**Group**"). The consolidated annual report of the Group for the Financial Year 2005 is available via [www.blydenstein.nl](http://www.blydenstein.nl).

### Statement of compliance

This condensed consolidated interim statement has been prepared in accordance with IFRS IAS 34 *Interim financial reporting*. It does not contain all the information that is required for full financial statements and should be read in combination with the Group's 2005 consolidated financial statements. This condensed consolidated interim statement was approved by the Supervisory Board on 17 August 2006.

### Accounting policies

For the accounting policies reference is made to pages 32 to 37 of the annual accounts of the Financial Year 2005.

### Comparative figures

The balance sheet as of 30 June 2005 is adjusted for comparison purposes and relates to adjustments as a result of application of IFRS (in EUR x 1,000)

- Adjustment to provision for commitments in respect of other personnel remuneration	-203
- Adjustment in provision inventories	31
- Adjustment in provision trade debtors	54
- Tax effect on abovementioned changes	-10
<b>Total of adjustments</b>	<b>-128</b>

### Estimates

The preparation of the interim statements requires management to make judgements, estimates and assumptions that affect the application of policies for financial reporting and the reported value of assets and liabilities and the amounts of income and expenditure. The actual results may differ from these estimates. Unless otherwise stated, in preparing these condensed consolidated interim statements, the significant judgements made by the management in applying the Group's policies for financial reporting and the key sources of estimation uncertainty are the same as those applied to the consolidated financial statements for the Financial Year 2005.

### Disclosure acquisition of Verosol Ibérica

On 31 May 2006 the Group acquired all the shares of Verosol Ibérica S.A. for EUR 1,100,000. The purchase price was paid in cash. The acquired company assembles and sells functional interior blinds. The acquisition has been recognised applying the "purchase accounting method". The purchase price is allocated to identified purchased assets and liabilities, which for the time being are based on estimates.

The effect of the acquisition on the assets and liabilities of the Group is as follows:

	Recognised values	Provisional fair value adjustments	Carrying amounts
(x EUR 1,000)			
Tangible fixed assets	30	-	30
Inventories	229	49	180
Receivables	725	-	725
Cash	15	-	15
Short term debt	-30	-	-30
Trade creditors	-469	-	-469
Net identifiable assets and liabilities	500	49	451
Goodwill on acquisition	600		
Consideration paid, satisfied in cash	1,100		
Cash (acquired)	-		
Net cash outflow	1,100		

As an effect of the acquisition, the recognised goodwill is mainly attributed to the expertise and technical and commercial qualities of the employees and the brand recognition in the market of the acquired company and the expected synergy effects of the integration of the company into the Group.

#### **Tangible fixed assets**

The Group acquired during the first half year assets with a cost of EUR 1,145,000 (first half year 2005: EUR 696,000), including assets acquired through business combinations of EUR 30,000 (first half year 2005: nil).

#### **Number of Shares**

The number of issued Shares was 1,703,607 at 31 December 2005. In May 2006 17,591 Shares were issued, because of stock dividend. On 30 June 2006, the number of issued Shares was 1,721,198 (per 30 June 2005: 1,703,607).

#### **Purchased Shares**

In the first half year 2006 the Group acquired 3,706 of the Company's Shares. Per 30 June 2006 the number of Shares held by the Group was 3,706 (per 30 June 2005 nil). These Shares are acquired in anticipation of a share based payment scheme which should be worked in the future.

#### **Dividend**

The dividend was declared at EUR 0.37 per Share during the General Meeting of Shareholders. The dividend was payable in cash or in stock. On 12 May 2006 EUR 28,563 was paid in cash (2005: EUR 322,367) and 17,591 Shares were issued because of the stock dividend (2005: 21,568 Shares).

## **18.6 Review report**

### **Introduction**

We have reviewed the consolidated interim condensed financial information as included in section 18.1 through 18.5 of this Offering Memorandum relating tot the accompanying consolidated condensed balance sheet of Blydenstein-Willink N.V. ("the Company), Enschede, as of 30 June 2006, and the related consolidated condensed statements of income, consolidated condensed changes in equity and consolidated condensed cash flows for the six-month period then ended. This consolidated interim condensed financial information is the responsibility of the Company's management. Our responsibility is to issue a report on this consolidated interim condensed financial information based on our review.

### **Scope**

We conducted our review in accordance with standards for review engagements generally accepted in the Netherlands. These standards require that we plan and perform the review to obtain moderate assurance about whether the consolidated interim condensed financial information is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and therefore provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

### **Opinion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim condensed financial statements 2006 and consolidated condensed financial information as of 30 June 2006 as included in section 18.1 through 18.5 of this Offering Memorandum has not been prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

Enschede, 29 September 2006

KPMG ACCOUNTANTS N.V.

A.J.M. Oude Weernink RA

# 18.7 Consolidated balance sheets as at 31 December 2005

	31-12-2005	31-12-2004
<b>ASSETS</b>		
Tangible fixed assets	2,899	2,626
Deferred tax assets	4,326	4,435
Other investments	-	260
<b>Total non-current assets</b>	<b>7,225</b>	<b>7,321</b>
Inventories	6,700	5,836
Receivables	4,932	3,628
Cash	482	112
<b>Total current assets</b>	<b>12,114</b>	<b>9,576</b>
<b>TOTAL ASSETS</b>	<b>19,339</b>	<b>16,897</b>
<b>Equity</b>		
Issued capital	8,518	7,633
Share premium	4,484	5,369
Translation reserve	40	-112
Retained earnings	-2,159	-3,121
<b>Total equity</b>	<b>10,883</b>	<b>9,769</b>
<b>Liabilities</b>		
Long-term employee benefits	197	200
Provisions	623	634
Long-term debt	1,600	-
Fair value derivatives	7	-
<b>Total non-current liabilities</b>	<b>2,427</b>	<b>834</b>
<b>Current liabilities</b>		
Interest-bearing loans and bank overdrafts	1,268	2,919
Taxes and social security premiums	152	10
Trade creditors and other payables	4,609	3,365
<b>Total current liabilities</b>	<b>6,029</b>	<b>6,294</b>
<b>Total liabilities</b>	<b>8,456</b>	<b>7,128</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>19,339</b>	<b>16,897</b>

**18.8 Consolidated income statement for the year ended 31 December 2005**

(x EUR 1,000)

	Note	2005	2004
Revenue		26,319	23,258
Changes in inventories of finished goods and work in progress	237	-161	
Cost of raw materials and consumables	-9,684	-7,878	
Wages and salaries	-7,296	-6,849	
Social security costs	-1,478	-1,145	
Depreciation of tangible fixed assets	-872	-816	
Other operating costs	-5,400	-4,996	
<b>Total operating expenses</b>		<b>-24,493</b>	<b>-21,845</b>
<b>Operating income</b>		<b>1,826</b>	<b>1,413</b>
Financial income	12	39	
Financial expenses	-94	-125	
<b>Net financing costs</b>		<b>-82</b>	<b>-86</b>
<b>Operating income less net financing costs</b>		<b>1,744</b>	<b>1,327</b>
<b>Income tax expense</b>		<b>-459</b>	<b>-358</b>
<b>PROFIT FOR THE PERIOD</b>		<b>1,285</b>	<b>969</b>
Earnings per Share (in EUR)		0.75	0.58

**18.9 Consolidated statement of recognised income and expense for the year 2005**

(x EUR 1,000)

**2005****2004**

Cash flow hedges: effective portion of changes in fair value	-7	-
Foreign exchange translation differences	159	-112
Income and expense recognised directly in equity	152	-112
Profit for the period	1,285	969
Total recognised income and expense for the period	1,437	857

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

(x EUR 1,000)	<b>2005</b>	<b>2004</b>
<b>Cash flows from operating activities</b>		
Cash receipts from customers	25,231	24,161
Cash paid to suppliers and employees	-23,304	-22,651
<b>Cash generated from operations</b>	<b>1,927</b>	<b>1,510</b>
Interest paid	-94	-125
Interest received	12	39
Income taxes paid	-349	-359
<b>Net cash from operating activities</b>	<b>1,496</b>	<b>1,065</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	11	298
Acquisition of property, plant and equipment	-1,134	-588
Reduction deferred tax assets	110	-
<b>Net cash from investing activities</b>	<b>-1,013</b>	<b>-290</b>
<b>Cash flows from financing activities</b>		
Repayments of long term receivable	260	104
Increase in borrowings	2,000	-
Repayment of borrowing	-2,050	-990
Dividends paid to shareholders	-323	-
<b>Net cash from financing activities</b>	<b>-113</b>	<b>-886</b>
<b>Net increase in cash</b>	<b>370</b>	<b>-111</b>
Cash at 1 January	112	223
<b>Cash at 31 December</b>	<b>482</b>	<b>112</b>

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

### **Significant accounting policies**

The Company is a company domiciled in the Netherlands. The Company's consolidated financial statements of the Financial Year 2005 comprise the Company and its subsidiaries (together referred to as the "**Group**").

The financial statements have been prepared by the Management Board and released for publication on 9 March 2006. On 8 March 2006 the financial report and financial statements 2005 were discussed in the meeting of the Supervisory Board and have been presented for adoption to the General Meeting of Shareholders on 20 April 2006.

The Company's financial statements form part of the financial statements 2005 of Blydenstein-Willink. With respect to the parent company profit and loss account the exemption pursuant to Article 2:402 Book 2 Civil Code has been used.

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) within the European Union. These are the Group's first consolidated financial statements under IFRSs and IFRS 1 has been applied.

### **Basis of preparation**

The financial statements are presented in thousands of euros, unless indicated otherwise. The financial statements have been prepared on the basis of historical costs, except that derivatives are stated at their fair value.

The preparation of the financial statements in accordance with IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and the reported value relating to:

- a) assets and liabilities;
- b) income and expenses.

The estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. The results of this form the basis for the judgment about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis.

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

### **Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and the companies controlled by the Company. Control exists when the Company has the power, directly or

indirectly, to govern the financial and operational policies of an entity so as to obtain benefits from its activities.

Intragroup balances and any unrealised gains and losses on transactions within the Group or income and expenses arising from such transactions are eliminated in the preparation of the consolidated financial statements.

## **18.12 Foreign currency**

### **Foreign currency transactions**

Transactions in foreign currencies are translated into euros at the exchange rate ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into euros as at the balance sheet date at the exchange rate ruling at that date. Any exchange rate translation differences are recognised in the profit and loss account.

### **Financial statements of foreign activities**

The assets and liabilities of foreign activities are translated into euros at the rate ruling at the balance sheet date. The income and expenses of foreign activities are translated into euros at the weighted average rates of the financial year. Foreign exchange translation differences are included directly in a separate component of the shareholders' equity. The value of EUR 1 at year-end 2005 was 1.612 Australian dollar (2004: 1.748). The annual average of the value of EUR 1 was 1.64 Australian dollar (2004: 1.69).

### **Derivative financial instruments**

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest risks arising from operational, financing and investment activities. In accordance with its treasury policy the Group does not hold or issue any derivatives for trading purposes.

Derivatives are valued at initially at cost. Subsequent to initial recognition, derivatives are stated at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the profit and loss account. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at the balance sheet date, taken into account the actual interest and the actual creditworthiness of the swap counterparties. The fair value of forward foreign exchange contracts is their quoted market price at the balance sheet date, being the present value of the quoted forward price.

## **18.13 Hedging**

### **Cash flow hedging**

Where a derivative is designated as a hedge of the variability of the cash flows of a recognised asset or liability, or a highly probable forecasted transaction, the effective part of any gain or loss on the derivative is recognised directly in the shareholders' equity.

If the hedged transaction is no longer expected to take place, the accumulated unrealised gain or loss recognised in the shareholders' equity is recognised immediately to the profit and loss account.

**Hedging of monetary assets and liabilities**

Where a derivative is used to hedge economically the foreign exchange exposure of a recognised monetary asset or liability, no hedge accounting is applied and any gain or loss on the derivative is recognised directly in the profit and loss account.

**18.14 Tangible fixed assets**

**Freehold assets**

Tangible fixed assets are stated at cost or assumed cost less accumulated depreciation and, if applicable, impairment losses. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

**Subsequent costs**

The Group recognises in the carrying amount of a tangible fixed asset the cost of replacement of a part of that asset whenever that cost is incurred, if it is likely that future economic benefits relating to the asset will flow to the Group, and the cost of the asset can be measured reliably. All other costs are recognised in the profit and loss account as an expense as incurred.

**Depreciation**

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful life of an item of tangible fixed assets. Land is not depreciated.

The estimated useful lives are as follows:

- property	5 – 33 years
- plant and machinery	3 – 10 years
- equipment	3 – 10 years
- other operating assets	2 – 5 years

Residual value, if significant, is reassessed annually.

**18.15 Intangible fixed assets**

**Research and development**

Expenses for research activities, conducted with a view to acquiring new scientific or technical knowledge and insights, are taken to the profit and loss account when incurred.

Expenses for development activities, whereby research results are applied leading to a plan or design for the production of new or considerably improved products and processes, are entered as assets if technically and commercially feasible and if the Group has sufficient resources to complete the development. Other development costs are taken to the profit and loss account when incurred. In 2005 no costs were incurred qualifying for being entered as assets.

## **18.16 Financial assets**

### **Deferred tax assets**

Deferred tax assets relate to tax losses that are expected to crystallize within a reasonable period. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. The deferred tax receivable is recorded at its nominal value.

## **18.17 Inventories**

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of inventories is based on the first in, first out principle (fifo) and includes expenditure incurred in acquiring the inventories and bringing them to the existing location and condition. The cost of inventories of finished products and work in progress include an appropriate share of the indirect costs based on normal operating capacity.

## **18.18 Trade debtors and other receivables**

Trade debtors and other receivables are stated at cost less any provision deemed necessary. Provisions are calculated on an item-by-item basis and are recognised directly to the profit and loss account.

## **18.19 Cash**

Cash comprises cash and bank balances and other demand deposits.

## **18.20 Impairment**

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication for impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash flow generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account.

### **Calculation of recoverable amount**

The recoverable amount is the greater of their net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects both current market assessments of the time value of money and the specific risks relating to the asset.

### **Reversals of impairment**

For assets, except for goodwill if any, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### **18.21 Share capital**

#### **Share capital**

The share capital is classified as shareholders' equity.

The Group has not issued any preference shares.

#### **Dividend**

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

### **18.22 Interest-bearing loans**

Interest-bearing loans are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition interest-bearing loans are stated at amortised cost, with any difference between cost and redemption value being recognised in the profit and loss over the period of the loans on an effective interest basis.

### **18.23 Employee benefits**

#### **Pensions**

As there is insufficient information available on 2005 from the Stichting Bedrijfstakpensioenfondstextielindustrie, liabilities relating to pension scheme contributions based on awarded contributions are charged to the profit and loss account at the moment when these contributions are due. For further information reference is made to paragraph 18.31.8 and the annual accounts for the Financial Year 2005.

#### **Long-term service benefits**

The Group's net liability resulting from long-term employee benefits other than pensions is the amount of future benefits employees have earned in exchange for their services in the present and previous periods. The liability is calculated on the basis of the "projected credit unit" method and has been discounted.

### **18.24 Provisions**

Provisions are recognised in the balance sheet when the Group has a legal or constructive obligation resulting from a past event, and it is probable that an outflow of funds will be required to settle the obligation.

If the effect is material, provisions are determined by discounting the expected future cash flows.

**Restructuring**

Restructuring provisions are recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced to those involved.

**18.25 Trade creditors and other payables**

Trade creditors and other payables are stated at cost.

**18.26 Revenues****Sale of goods and services rendered**

Revenue from the sale of goods is recognised in the profit and loss account when significant risks and rewards of ownership have been transferred to the buyer. No revenues are recognised if there are significant uncertainties regarding the recovery of the consideration due, associated costs or the possible return of goods.

**18.27 Liabilities****Operating lease payments**

Payments made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease.

**Net financing costs**

Net financing costs comprise interest expenses on borrowings calculated using the effective interest rate method, foreign exchange translation gains and losses and gains and losses on hedging instruments that are recognised in the profit and loss account.

Interest income is recognised in the profit and loss account as it accrues, using the effective interest rate method.

**18.28 Income tax**

Tax on profits or losses for the financial year comprises current and deferred tax and tax available for set-off. Income tax is recognised in the profit and loss account, except to the extent that it relates to items recognized directly in the shareholders' equity, in which case the tax is recognised in the shareholders' equity.

Tax due and available for set-off during the financial year is the expected tax to be paid on the taxable income for the financial year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustments to tax payable in respect to previous years.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

**18.29 Cash flow statement**

The cash flow statement has been prepared according to the direct method. The cash flow statement distinguishes between cash flows from operating activities, investment activities and financial activities.

**18.30 Segment reporting**

Since the risk and return profiles of the activities of the Company are similar, there is just one business segment. The geographical split up of the revenue is as follows:

	2005	2004
Netherlands	36%	35%
Rest of Europe	18%	20%
United States of America and Canada	1%	1%
Australia and rest of the world	45%	44%

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

**18.31.1 Tangible fixed assets**

(x EUR 1,000)

	Land & property	Machinery & equipment	Other operating assets	Total
<b>Cost</b>				
Balance at 1 January 2004	902	20,699	1,234	22,835
Acquisitions	-	498	90	588
Disposals	-10	-12,261	-32	-12,303
Effect of movement in foreign exchange	-	-36	-9	-45
<b>Balance at 31 December 2004</b>	<b>892</b>	<b>8,900</b>	<b>1,283</b>	<b>11,075</b>
Acquisitions	-	749	385	1,134
Disposals	-	-	-13	-13
Effect of movement in foreign exchange	-	75	17	92
<b>Balance at 31 December 2005</b>	<b>892</b>	<b>9,724</b>	<b>1,672</b>	<b>12,288</b>
<b>Depreciation and impairment losses</b>				
Balance at 1 January 2004	857	18,238	811	19,906
Depreciation charge for the year	7	684	125	816
Disposals	-10	-12,201	-28	-12,239
Effect of movement in foreign exchange	-	-30	-4	-34
<b>Balance at 31 December 2004</b>	<b>854</b>	<b>6,691</b>	<b>904</b>	<b>8,449</b>
Depreciation charge for the year	5	740	127	872
Disposals	-	-	-2	-2
Effect of movement in foreign exchange	-	61	9	70
<b>Balance at 31 December 2005</b>	<b>859</b>	<b>7,492</b>	<b>1,038</b>	<b>9,389</b>
<b>Carrying amounts</b>				
At 31 December 2004	38	2,209	379	2,626
<b>At 31 December 2005</b>	<b>33</b>	<b>2,232</b>	<b>634</b>	<b>2,899</b>

### **Impairment loss and subsequent reversal**

The Group has not recognised any impairment loss in the Financial Year 2005, nor has any impairment loss been reversed in this year.

### **Security**

The assets in Australia were encumbered with a right of pledge, pursuant to the Australian dollar current account facility.

### **18.31.2 Deferred tax assets**

Within the fiscal tax unity in the Netherlands a total amount of approximately EUR 22.7 million (2004: EUR 23.3 million) qualifies for carry-forward of losses as at 31 December 2005, of which EUR 5.4 million (2004: EUR 5.9 million) should be set off with the results of Verosol Fabrics B.V.

In 2006 the income tax rate will be 29.6% (2005: 31.5%). The calculation of deferred tax assets accounts for a 29.1% rate as from 2007. Based on this rate the nominal value of deferred tax assets is EUR 6.6 million (2004: EUR 7.0 million). According to current estimates of future profitability and the time horizon for reliable estimates, deferred tax assets have been subjected to a maximum nominal amount of EUR 4.3 million. Hereby the carry-forward of losses is assumed to be unlimited.

### **18.31.3 Other receivables**

At year-end 2004 other receivables consisted of the balance of a loan granted to Müller Zell GmbH. This loan was fully repaid prematurely in 2005.

### **18.31.4 Inventories**

(x EUR 1,000)

	<b>2005</b>	<b>2004</b>
Raw materials and consumables	2,472	1,845
Work in progress	2,441	2,652
Finished goods	1,787	1,339
	<hr/>	<hr/>
	<b>6,700</b>	<b>5,836</b>
	<hr/>	<hr/>

### **Security**

The inventories were encumbered with a right of pledge, pursuant to the loan and the current account facilities.

#### 18.31.5 Trade and other receivables

(x EUR 1,000)

	2005	2004
Trade receivables	4,555	3,468
Other receivables	377	160
	<u>4,932</u>	<u>3,628</u>

Trade and other receivables are shown net of impairment losses. Additions to and withdrawals from the provision for doubtful debts were recognised in the profit and loss account under other operating expenses.

#### Security

The trade debtors were encumbered with a right of pledge, pursuant to the loan and the current account facilities.

#### 18.31.6 Cash

(x EUR 1,000)

	2005	2004
Cash	<u>482</u>	<u>112</u>

### 18.31.7 Capital and reserves

#### Reconciliation of movement in capital and reserves

(x EUR 1,000)

	Share capital	Share premium reserve	Translation reserve	Hedging reserve	Retained earnings	Total equity
Balance as at 1 January 2004	7,633	5,369	-	-	-4,090	8,912
Total recognised income and expense	-	-	-112	-	969	857
Dividend to shareholders	-	-	-	-	-	-
<b>Balance as at 31 December 2004</b>	<b>7,633</b>	<b>5,369</b>	<b>-112</b>	<b>-</b>	<b>-3,121</b>	<b>9,769</b>
Total recognised income and expense	-	-	159	-7	1,285	1,437
Shares issued	885	-885	-	-	-	-
Dividend to shareholders	-	-	-	-	-323	-323
<b>Situation as at 31 December 2005</b>	<b>8,518</b>	<b>4,484</b>	<b>47</b>	<b>-7</b>	<b>-2,159</b>	<b>10,883</b>

#### Share capital

(x 1,000 shares)

	2005	2004
Ordinary shares		
Shares issued as at 1 January	1,682	1,682
Stock dividend distributed	22	-
Shares issued as at 31 December	1,704	1,682

The authorised share capital amounts to EUR 25,000,000 and is divided into 12,500,000 Shares and 12,500,000 cumulative preference shares. The issued capital as at 31 December 2005 amounts to EUR 8,518,035 in Shares with a nominal value of EUR 5.00 (2004: EUR 7,633,350). On 18 December 1990 an agreement was concluded with the Stichting Preferente Aandelen in Enschede for the issue of cumulative preference shares in the Company. Voting rights to the cumulative preference shares after their issue will be exercised at the Stichting by the Board of the Stichting. The Board of the Stichting Preferente Aandelen consists of the following persons: Messrs. H.G. Vreedenburgh, J.F. Heerze and A.J. Vos. The Stichting is independent of the company as referred to in Appendix X to the Listing and Issuing Rules of Euronext Amsterdam N.V.

**Share premium reserve**

The share premium reserve can be regarded as paid-up capital.

**Dividend proposal**

Holders of Shares are entitled to dividend as approved by the General Meeting of Shareholders. They are also entitled to cast one vote per Share during the General Meeting of Shareholders. The Board proposes to make a dividend available as at 31 December 2005, to be paid out of the reserves, of EUR 0.37 (2004: EUR 0.28) per Share, which may be in cash or in shares. As at 31 December the proposed dividend forms part of retained earnings.

**Translation reserve**

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of subsidiaries outside the Eurozone. Revaluations of this so-called translation risk are recognised in the shareholders' equity.

**Hedging reserve**

The hedging reserve comprises the effective part of the accumulated net movement in the fair value of cash flow hedging instruments relating to hedged transactions that have not yet taken place.

**Retained earnings**

After the balance sheet date the following dividend was proposed, which has not been recognised yet in the balance sheet and there are no income tax consequences: EUR 0.37 per Share (2004: EUR 0.28). The proposed dividend involves an amount of EUR 630,000, if the distribution were withdrawn fully in cash. The cash dividend in 2004 was EUR 323,000.

**Earnings per Share***Basic earnings per Share*

The calculation of the basic earnings per Share at 31 December 2005 was based on the profit attributable to Shares of EUR 1,285,000 (2004: EUR 969,000) and a weighted average number of Shares outstanding during the Financial Year 2005 of 1,703,607 (2004: 1,682,169).

**Diluted earnings per share**

The weighted average number of Shares outstanding after dilution is equal to the weighted average number of ordinary shares outstanding before dilution for both the Financial Year 2005 and the Financial Year 2004 so dilution is not applicable.

**18.31.8 Employee Benefits****Pension obligations**

Blydenstein-Willink until 31 December 2004 was affiliated with the Stichting Pensioenfonds Blydenstein-Willink. Accrued pension obligations of this pension fund were transferred to an external insurer at 31 December 2004. The pension fund was terminated. The winding-up balance of Stichting Pensioenfonds Blydenstein-Willink was used for a single increase in accrued pension rights.

The financial statements 2003 of the company pension fund of Blydenstein-Willink show a positive difference between the fund's investments and its liabilities. On the basis of the data, recognition according to IAS 19 would lead to the inclusion of an estimated pension asset of EUR 10.0 million in the opening balance sheet 2004. The opening balance sheet 2004 does not include a pension asset in view of the fact that its economic benefits are not available for Blydenstein-Willink

As from 1 January 2005 Blydenstein-Willink has been affiliated with the Stichting Bedrijfstakpensioenfondstextielindustrie. This pension fund has more affiliated enterprises ('multi-employer pension plan'). In the determination of its share in the pension obligation of this fund Blydenstein-Willink depends on the information of the Bedrijfstakpensioenfondstextielindustrie.

The Blydenstein-Willink pension scheme is qualified as an defined benefit pension plan. In 2005, however, the plan is recognised as an defined contribution plan because the Bedrijfstakpensioenfondstextielindustrie is incapable of providing the necessary information to apply its inclusion according to IAS 19. Blydenstein-Willink has emphatically asked for this information from the Bedrijfstakpensioenfondstextielindustrie. Blydenstein-Willink assumes this is a non-recurring situation and that the information will be available for the next financial year.

#### **Pension costs included in the profit and loss account**

The profit and loss account 2004 recognises pension costs of EUR 0.2 million. Based on IAS 19 these pension costs comprises of pension costs attributed to the years of employment amounting to EUR 1.0 million, interest on pension obligations of EUR 2.5 million, an expected return on plan assets of the pension fund of EUR 3.3 million and actuarial results and result due to termination of the pension fund of EUR nil.

The profit and loss account of 2005 recognises pension costs of EUR 0.4 million. This relates to pension premiums paid to the industry pension fund (*bedrijfstakpensioenfondstextielindustrie*).

#### **Longterm service benefits**

The obligation for personnel benefits relates to awarded compensation schemes and some of these have a longer term. For personnel benefits due for long-time service in 2005 EUR 205,000 (2004: EUR 202,000) was accounted for, based on the discounted cash flow method. Of this an amount of EUR 8,000 (2004: EUR 2,000) is short-term and has been entered under trade and other payables.

#### **Personnel**

The total number of fulltime equivalents at 31 December 2005 was 217 (2004: 195).

### 18.31.9 Provisions

(x EUR 1,000)	Restructuring	Relocation	Total
Balance at 1 January 2005	1,085	-	1,085
Provisions made during the year	281	244	525
Provisions used during the year	-150	-	-150
Released provisions	-349	-	-349
<b>Balance at 31 December 2005</b>	<b>867</b>	<b>244</b>	<b>1,111</b>
Non current	379	244	623
Current	488	-	488
	<b>867</b>	<b>244</b>	<b>1,111</b>

### Restructuring and relocation liability

In 2005 a provision was formed for redundancies. The Board also decided to concentrate the Dutch activities in the near future. To this end a provision was formed. Estimated costs are based on a plan prepared at the end of 2005.

### 18.31.10 Interest-bearing loans and overdrafts

(x EUR 1,000)	2005	2004
Overdraft in current account	868	2,919
Loans	2,000	-
	<b>2,868</b>	<b>2,919</b>
Less: borrowings due within 1 year	-1,268	-2,919
<b>Long-term liabilities</b>	<b>1,600</b>	-
Of which with a remaining term to maturity falling due after 5 years	-	-

### Overdraft in current account

This relates to amounts owed to credit institutions in the Netherlands and Australia. In the Netherlands a credit facility was granted by ABN AMRO Bank N.V. This overdraft facility, including a cash facility, amounts to EUR 3.0 million (2004: EUR 7.3 million) with variable interest as at 31 December 2005. At year-end 2005 there was no cash loan. Security for this facility is a right of pledge on inventories and receivables as well as a joint and several liability agreement of all companies in the Netherlands forming part of the Group.

In Australia a credit facility was granted by the ANZ bank of 1.8 million Australian dollar (2004: 1.5 million). At year-end 2005 the cash loan concluded under this facility has a term of 3 months and an interest rate of 6.25% (2004: 5.87%). All assets in Australia have been encumbered with a right of pledge as security for this facility.

### Loans

This relates to a roll-over loan granted by ABN AMRO Bank N.V. The loan amounts to EUR 2.0 million at a variable interest rate fixed by means of an interest rate swap. Security for this facility is a right of pledge on inventories and receivables as well as a joint and several liability agreement of all companies in the Netherlands forming part of the Group.

### 18.31.11 Tax and social security premiums

(x EUR 1,000)

	2005	2004
Tax and social security premiums	152	10

The tax liability of EUR 152,000 (2004: EUR 10,000) relates to taxes and social security premiums of which EUR 105,000 are foreign liabilities.

### 18.31.12 Trade and other payables

(x EUR 1,000)

	2005	2004
Trade payables	2,252	1,621
Other payables and deferred liabilities	2,357	1,744
	<u>4,609</u>	<u>3,365</u>

The short-term portion of the provision is included in other payables and deferred liabilities. For 2005 this is EUR 0.5 million (2004: EUR 0.2 million).

### 18.31.13 Income taxes

(x EUR 1,000)

The current tax expense amounts to EUR 459,000 (2004: EUR 358,000). The effective income tax rate amounts 26.3% (2004: 27.2%). The most important parts of the current tax expense are as follows:

	2005	2004
Paid income tax	349	358
Utilisation of deferred tax asset	198	124
Adjustment deferred tax asset	<u>-88</u>	<u>-124</u>
<b>Total</b>	<b>459</b>	<b>358</b>

The adjustment of deferred tax assets relates to adjustment of the income tax rate in the Netherlands and the capitalisation of a part of the available loss compensation not capitalised earlier.

#### Reconciliation with the effective tax rate (in %)

Operating activities are subject to income tax in the Netherlands and Australia.

The reconciliation between the effective tax rate and the average applicable tax rate is as follows:

	2005	2004
Weighted average of statutory tax rates	30.5	30.5
Effect of utilisation of losses	-11.4	-9.4
Costs not deductible for tax purposes	6.3	5.9
Temporary difference not yet refundable	0.9	0.2
<b>Effective tax rate</b>	<b>26.3</b>	<b>27.2</b>

The weighted average tax rate is calculated on the basis of pretax profit based on the statutory countries.

### 18.32 Financial Instruments

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

### 18.33 Interest rate risk

The concluded loans all relate to variable-interest loans. As a result the Group is only exposed to interest rate risks pursuant to cash flows.

### Hedging

The Group has entered into a EUR 2.0 million interest rate swap to achieve an appropriate mix of fixed rate and a floating rate exposure within the Groups policy. The swap matures over the next five years, following the maturity of the related loan. At 31 December 2005 the Group had an interest rate swap with a net fair value of EUR 7,000 credit with a swap interest rate of 2.9% (in 2004 there was no hedging of interest rate risks).

The Group classifies interest rate swaps as cash flow hedging and values them at fair value. In case of the interest rate swap, hedge accounting is applied. Changes in the fair value are recognised in the shareholders' equity.

### 18.34 Effective interest rates and repricing analysis

The table below indicates for interest-bearing financial assets and liabilities the effective interest per balance sheet date. Repricing takes place each quarter.

(x EUR 1,000)	2005		2004	
	Effective interest rate	Total	Effective interest rate	Total
Cash	0.13	482	0.13	112
<i>Secured bank loans:</i>				
EUR loan, variable interest	3.95	2,000	-	-
<i>Current account facilities:</i>				
EUR loan, variable interest	-	-	2.92	2.347
AUD loan, variable interest	6.25	868	5.87	572

Cash has a fixed interest rate.

### 18.35 Credit risk

The Group's financial assets mainly comprise bank balances, trade receivables and other receivables. The credit risk is attributable firstly to trade payables. The amounts in the balance sheet are stated less impairment due to irrecoverability.

On the balance sheet date no important credit risk concentrations existed.

### 18.36 Foreign currency risk

The Group is exposed to foreign exchange risks on sales, purchases and borrowings that are denominated in other currencies than the euro. The currencies giving rise to this risk are the

Australian dollar, the British pound and the American dollar.

To hedge this risk the Group uses forward foreign exchange contracts.

In respect to monetary assets and liabilities held in currencies other than the euro, the Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign exchange at spot rates where necessary to address short-term imbalances.

Changes in the fair value of forward foreign exchange contracts that economically hedge monetary assets and liabilities in foreign currencies and for which no hedge accounting is applied, are recognised in the profit and loss account. Both changes in the fair value of forward contracts and the foreign exchange gains and losses relating to the monetary items are recognised as part of the net financing costs. At 31 December 2005 no contracts had been concluded to hedge foreign exchange (2004: nil).

### 18.37 Fair values

The overview below shows the actual and book values of the financial instruments.

(x EUR 1,000)	<b>Book value 2005</b>	<b>Fair value 2005</b>	<b>Book value 2004</b>	<b>Fair value 2004</b>
Trade and other receivables	4,932	4,932	3,628	3,628
Cash	482	482	112	112
Interest rate swaps	-7	-7	-	-
Secured loans	2,000	2,000	-	-
Bank facilities hedged by collateral security	868	868	2,919	2,919
Trade and other payables	4,114	4,114	3,363	3,363

### 18.38 Determination of fair value

Fair values relating to financial instruments are obtained, unless market values are available, by discounting future cash flows of the relevant instrument. The future cash flows are based on the best estimates of management and the discount rate is a market-related rate for similar instruments as at the balance sheet date.

### 18.39 Lease obligations

#### Operating leases

(x EUR 1,000)	<b>2005</b>	<b>2004</b>
Operating lease payments during the financial year	<b>693</b>	<b>711</b>

Operating lease liabilities arising from non cancellable leases:

Shorter than 1 year	617	574
Between 1 - 5 years	1,112	1,272
Longer than 5 years	243	444
	<b>1,972</b>	<b>2,290</b>

Blydenstein-Willink N.V. leases premises under operating lease. The other leases relate mostly to motor vehicles. None of the leases include contingent rentals.

#### **18.40 Related parties**

The Group has a related party relationship with its subsidiaries (see subsidiaries). Transactions between Blydenstein-Willink and its subsidiaries were eliminated in the consolidation.

#### **Remuneration Board of Supervisory Directors**

For members of the Supervisory Board EUR 40,000 was charged to income in the year under review (2004: EUR 22,689). Remuneration of the members of the Supervisory Board is independent of the result obtained. The individual distribution is as follows:

(In EUR)	<b>2005</b>	<b>2004</b>
C.J. Valkenaars (up to 22 April 2004)	-	2,759
R.A.A. Oliemans	16,000	8,386
J. Plageman	12,000	6,807
H.G.B. Spenkelink (as from 22 April 2004)	12,000	4,737

#### **Accounting estimates and judgements**

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

#### **Key sources of estimation uncertainty**

The notes relating to deferred tax assets contain information about the assumptions and the risk factors relating to the valuation of the deferred tax assets.

The notes relating to the financial instruments give a detailed analysis of the Group's exposure to interest and currency fluctuations.

#### **Remuneration Board of Management**

For the Board of Management EUR 210,578 was charged to the profit and loss statement in the year under review (2004: EUR 382,713). Said amount may be specified as follows:

(In EUR)

	2005	2004
A.J. Vos (as from 15 April 2004)		
Salary (incl. social security charges)	157,000	98,056
Bonus	43,875	27,216
Pension premium	11,912	6,096
Total	212,787	131,368
M.D. van Doornik (up to 30 April 2004)		
Management fee	-	251,345

At year-end 2005 the members of the Boards did not possess any shares and/or share options of Blydenstein-Willink N.V.

### Subsidiaries

The significant subsidiaries as at 31 December 2005 are:

		2005	2004
BW Nederland B.V.	Eibergen	100%	100%
BW Australia Pty. Ltd.	Sydney	100%	100%
Verosol Fabrics B.V.	Eibergen	100%	100%
Verosol Nederland B.V.	Enschede	100%	100%
Verosol Australia Pty. Ltd.	Sydney	100%	100%

Several small subsidiaries of minor importance have not been mentioned.

### 18.41 Contingencies

The Group has lease obligations on a yearly basis for a total of approximately EUR 0.4 million (2004: EUR 0.4 million). Further the Group has purchase obligations for raw materials up to an amount of approximately EUR 1.4 million (2004: EUR 2.1 million), which includes an in 2001 concluded purchase obligation in favour of BW Industrial Products B.V.

Blydenstein-Willink forms together with the Dutch subsidiaries a fiscal unity for the income tax and the value added tax. According to the law companies are liable for taxes payable for every company within the fiscal unity.

## 18.42 First time adoption IFRSs: Balance Sheet

(x € 1,000)

	Dutch GAAP	Effect of transfer to IFRSs	IFRSs	Dutch GAAP	Effect of transfer to IFRSs	IFRSs
	31-12-2003		01-01-2004	31-12-2004		31-12-2004
<b>ASSETS</b>						
Tangible fixed assets	2,929		2,929	2,626		2,626
Deferred tax assets	4,435		4,435	4,435		4,435
Other investments	468		468	260		260
<b>Total non-current assets</b>	7,832		7,832	7,321		7,321
Inventories	5,862	19	5,881	5,805	31	5,836
Receivables	4,684	62	4,746	3,574	54	3,628
Cash	223		223	112		112
<b>Total current assets</b>	10,769	81	10,850	9,491	85	9,576
<b>TOTAL ASSETS</b>	18,601	81	18,682	16,812	85	16,897

( EUR 1,000)

	Dutch GAAP	Effect of transfer to IFRSs	IFRSs	Dutch GAAP	Effect of transfer to IFRSs	IFRSs
	31-12-2003		01-01-2004	31-12-2004		31-12-2004
<b>DEBT</b>						
<b>Equity</b>	9,046	-134	8,912	9,896	-127	9,769
<b>Liabilities</b>						
Long-term employee benefits	0	199	199	0	200	200
Provisions	1,085		1,085	634		634
<b>Total non- current debt</b>	1,085	199	1,284	634	200	834
<b>Current liabilities</b>						
Interest-bearing loans and bank overdrafts	3,909		3,909	2,919		2,919
Taxes and social security premiums	212	11	223	0	10	10
Trade creditors and other payables	4,349	5	4,354	3,363	2	3,365
<b>Total current liabilities</b>	8,470	16	8,486	6,282	12	6,294
<b>TOTAL EQUITY AND LIABILITIES</b>	18,601	81	18,682	16,812	85	16,897

#### 18.43 First time adoption IFRSs: Income Statement

(x € 1,000)	Dutch GAAP 2004	Effect of transfer to IFRSs	IFRSs 2004
<b>Revenue</b>	23,258		23,258
Changes in inventories of finished goods and work in progress	173	-12	161
Cost of raw materials and consumables	7,878		7,878
Wages and salaries	6,851	-2	6,849
Social security costs	1,145		1,145
Depreciation of tangible fixed assets	816		816
Other operating costs	4,988	8	4,996
<b>Total operating expenses</b>	-21,851	6	-21,845
<b>Operating income</b>	1,407	6	1,413
Net financing costs	-86		-86
<b>Operating income less net financing costs</b>	1,321	6	1,327
<b>Income tax expense</b>	-359	1	-358
<b>PROFIT FOR THE PERIOD</b>	962	7	969

#### 18.44 Reconciliation of shareholders' equity in the opening balance sheet

(x € 1,000)	
Shareholders' equity under Dutch Gaap as at 31 December 2003	9,046
Adjustment to provision for commitments in respect of other personnel remuneration	-204
Adjustment provision trade debtors	51
Adjustment valuation inventories	19
Shareholders' equity under IFRS as at 1 January 2004	8,912

#### **18.45 Overview of the transition to IFRSs**

As was stated in the significant accounting policies, these are the first consolidated financial statements prepared in accordance with IFRSs.

The accounting policies set out in the notes have been applied in the preparation of the 2005 financial statements, the comparative information presented in these financial statements in respect of and in the preparation of the IFRS opening balance sheet as at 1 January 2004 (the Group's transition date).

In the preparation of the IFRS opening balance sheet, the Group has adjusted amounts reported in previous financial statements which had been drawn up in accordance with the previously applied reporting standards (Dutch GAAP). A statement of the effect of the transition from Dutch GAAP to IFRSs on the financial position and financial results of the Group is set out in the paragraphs 18.42 through 18.44 and in the following explanatory notes to the statements

For all other adjustments, we refer to the applicable IFRS standards as issued by the IASB. For the accounting policies for preparing the consolidated financial statements under Dutch GAAP 2004, we refer to the 2004 annual report.

#### **Effect of IFRS on the balance sheet**

##### ***Inventory***

Under Dutch GAAP, inventory is stated at the lower of cost and net realisable value, which means that no adjustment of the accounting principles on the basis of IFRS is necessary. The adjustment stems from the capitalisation of the indirect manufacturing costs that, in accordance with IAS 2, are part of the manufacturing costs. Dutch GAAP allowed a choice to include or not include these costs in the manufacturing costs. The IFRS impact of this amounts to EUR 19,000 as at 1 January 2004 and EUR 31,000 as at 31 December 2004.

##### ***Receivables***

The trade receivables are recalculated by virtue of IAS 39 within the framework of uncollectibility. The impact of this is that the trade receivables as at 1 January 2004 increase by EUR 62,000 and EUR 54,000 as at 31 December 2004.

##### ***Employee benefits***

##### **Pensions**

For a further explanation of this issue, we refer to the notes to the consolidated balance sheet regarding the pension commitments in paragraph 18.31.8.

##### **Long-term service benefits**

The Group has included its commitments regarding employee benefits by virtue of long-term service with the company against discounted value on the balance sheet. The provision amounts to EUR

204,000, which is charged to shareholders' equity as at 1 January 2004 (as at 31 December 2004: EUR 202,000). Of this amount, EUR 5,000 and EUR 2,000, respectively, are short-term.

### **Taxes**

As was the case under Dutch GAAP, deferred tax assets and liabilities arise under IFRS as a result of temporary differences between the tax valuation and the economic valuation of the balance sheet items.

The adoption of IFRS does not lead to changes in the tax position other than those resulting from changes in the accounting policies of the receivables provision. The adoption of IFRS leads to a EUR 11,000 increase in the tax liabilities as at 1 January 2004 and EUR 10,000 as at 31 December 2004.

Regarding to the deferred tax assets, there is no additional change as there is no difference between Dutch GAAP and IFRS. From 2004 the valuation is based on nominal value. For an explanation of this, we refer to the relevant notes in the 2004 annual accounts.

### **Effect of IFRS on the income statement**

The net result for 2004 under IFRS is EUR 969,000. This is EUR 7,000 higher than the comparative result under Dutch GAAP of EUR 962,000. Therefore, the total result does not significantly differ under IFRS as compared to Dutch GAAP. The effects relate to changes in the valuation of the inventory and trade receivables.

### **Effect of IFRS on the statement of cash flows**

IFRS has no effect on the net cash flows.

### **Transitional provisions for IFRS**

IFRS 1, "First-time Adoption of IFRS" requires that a company retrospectively apply the IFRS accounting guidelines to the periods being reported when reporting under IFRS for the first time. IFRS 1 allows a few exceptions with regard to comparative figures for 2004.

According to IAS 21, "The Effects of Changes in Foreign Exchange Rates", the exchange rate differences should be presented separately in shareholders' equity as at 1 January 2004. The Group has opted to set these at zero in the opening balance sheet as at 1 January 2004.

## **18.46 Auditors' report**

### **Introduction**

We have read the contents of the Offering Memorandum dated 29 September 2006 relating to Blydenstein-Willink Enschede, for the purpose of establishing that the financial statements as included in section 18.7 through 18.45 of this Offering Memorandum are consistent, in all material aspects, with the financial statements from which they have been derived. The Offering Memorandum is the responsibility of the company's management. Our responsibility is to express an opinion on how the financial statements in these sections have been derived from the financial statements.

### **Scope**

We conducted our audit in accordance with auditing standards generally accepted in the Netherlands. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements in this Offering Memorandum are consistent with the financial statements from which they have been derived. We believe that our audit provides a reasonable basis for our opinion.

### **Opinion**

In our opinion, the financial statements for the Financial Year 2005 and the comparative data for the Financial Year 2004 as included in section 18.7 through 18.45 of this Offering Memorandum are consistent, in all material aspects, with the financial statements from which they have been derived. We issued an unqualified auditors' opinion on these financial statements on 8 March 2006.

For a better understanding of the company's financial position and results and of the scope of our audit, the financial statements as included in section 18.7 through 18.45 of the Offering Memorandum should be read in conjunction with the financial statements from which they have been derived and our auditors' reports thereon.

Enschede, 29 September 2006

KPMG ACCOUNTANTS N.V.

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