
Board of Management

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Press release

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STORK NAVIGATES ECONOMIC CRISIS WELL IN 2009

- Turnover of €1,626 million, a decrease of 8% (2008: €1,772 million)
- Order book up 5% to €1,370 million (2008: €1,304 million)
- Operational EBITDA of €147 million (2008: €175 million)
- Investments maintained at €67 million (2008: €91 million)
- Operational cash flow €89 million (2008: €148 million)
- Own headcount down from 14,386 at the end of 2008 to 13,145 at the end of 2009

CEO Sjoerd Vollebregt:

“Overall the group showed a performance over 2009 which was significantly impacted by the global economic recession. In the second half of 2009 the impact of the downturn was felt to its full effect, compared to a very strong comparable period in 2008. Turnover decreased by 8% in 2009. Consequently we streamlined the organisation, enforced head count reduction programmes and focused rigorously on cost. Stork Technical Services was confronted with a fall in demand, following cutbacks on maintenance and overhaul expenditure at a large part of its customers, resulting in a significantly lower operational EBITDA. The strong portfolio of long-term civil and defence programs at Fokker Aerospace resulted in turnover at 2008 levels and a sufficient operational EBITDA, despite the strong impact of the economy on the business jet segment.

A number of non-core and underperforming assets were sold during 2009, freeing up capital and management time to focus on the core activities. As a result of tight working capital management and other measures, Stork continues to have a strong balance sheet with a solid cash balance. The company maintains adequate cash resources to operate the business and retain essential room to manoeuvre on key strategic opportunities when they arise.

For 2010, given the mixed signals with respect to timing and speed of economic recovery, we are cautious in our outlook. The measures taken in 2009 together with further execution of action plans in 2010 are necessary to provide a firm base to move forward quickly and reap the full benefits when an economic recovery takes off.”

Operational developments

(in € x million, unless otherwise stated)

Stork Technical Services

Key financial figures	2009	2008	%
Net Turnover	1,031	1,185	-13%
Operational EBITDA	87	112	-22%
Order book	530	473	12%
Number of employees at 31 December	9,496	10,611	-11%

The performance of Stork Technical Services has declined as maintenance by our customers was postponed. Turnover decreased by 13% and operational EBITDA decreased by 22% to € 87 million. The impact of the decrease in turnover could be offset to a significant extent by the reduction of the flexible labour force. In addition restructuring programmes have been executed to further improve operational efficiency. The impact of the recession was felt mostly in the generic mechanical and electrical services and the equipment rental activities, though the specialised technical services were not left unaffected.

The organisational structure of Stork Technical Services has been realigned during 2009 along regional and business lines in order to maximise synergies between services offered and operate as one fully integrated, client focussed industrial service provider. As soon as the markets start to recover, this will provide the base for further international expansion. Stork Technical Services focuses on the chemicals, oil & gas and energy industries.

As part of the strategic focus, Stork Technical Services sold its investments in Sutherland Schultz in Canada, Exmont in Slovakia and MSW in Argentina.

The orderbook remained strong at € 530 million, which indicates that Stork Technical Services is successful in securing new and extending existing long-term contracts. A prime example of such an extension concerns the renewal in 2009 of a multi-year contract for the maintenance of the GLT gas stations for Nederlandse Aardolie Maatschappij.

Stork Technical Services employed almost 9,500 employees at the end of 2009.

Fokker Aerospace

Key financial figures	2009	2008	%
Net Turnover	602	597	1%
Operational EBITDA	72	62	17%
Order book	840	831	1%
Number of employees at 31 December	3,573	3,700	-3%

Fokker Aerospace showed a resilient performance during 2009. Turnover remained stable at just over € 600 million, while operational EBITDA increased with 17% to € 72 million.

The order book has increased slightly compared to the position at the end of 2008. A new contract was awarded to Fokker Aerostructures for the production of the outboard flaps for the new Airbus A350 and Fokker Elmo signed a contract with Bombardier Aerospace to design and supply the wiring system for the new CSeries aircraft family. With respect to the larger existing contracts, a number of Fokker Aerospace business units are ramping up for the full scale production of the F-35 Lightning II (JSF) and the NH90 (helicopter) programme is approaching the final certification of the main helicopter types.

The number of Fokker aircraft which remained in operational use did relatively well in 2009. At the same time Fokker Services is actively building a platform to maintain and provide support to other aircraft types, most notably the Bombardier Dash 8. The maintenance, repair and overhaul services have expanded

their services beyond Fokker aircraft by starting to offer the same services for Boeing 737 aircraft.

Fokker Aerospace employed close to 3,600 employees at the end of 2009.

Stork Pension Fund

Stork and the Stork Pension Fund Foundation (SPS) still have a difference of opinion on the interpretation of the Execution Agreement (“Uitvoeringsovereenkomst”). Extensive discussions have taken place on this complex file. Although parties did approach each other, a final solution has not been reached. A process is agreed between parties to bring clarity. Storks stays committed to come to a balanced short and long term solution.

Financial position

In 2008, following the acquisition of Stork by the Candover led consortium, a financing structure was put in place, combining external bank financing with a subordinated shareholder loan. The bank financing is provided by a syndicate of banks and had an original term between seven and ten years.

During the year the net external bank debt for the Stork Group remained stable at approximately € 500 million. Under the conditions of the syndicated bank debt, Stork Group has to comply with a number of covenants. Throughout 2009 Stork Group fully complied with these covenants, also as a result of its operational execution plans, thorough cost efficiency and cautious investment policy.

Outlook

Stork has a long term strategy to focus on further growth of the core activities Stork Technical Services and Fokker Aerospace. Opportunities to strengthen and grow the core activities are likely to emerge. In order to remain competitive Stork has to create the right conditions to be able to seize these opportunities.

Considering the mixed signals about the speed and timing of the economic recovery it is not possible to give a firm outlook for 2010. At the same time Stork will continue to invest in innovation and market development and to reduce cost to be ready to move forward at all times.

Press Information

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Financial informationⁱ

(in € x million, unless otherwise stated)

Condensed consolidated income statement

	2009	2008
Net turnover	1,626	1,772
Cost of sales	(1,247)	(1,313)
Gross operating income	379	459
Overhead expenses	(361)	(368)
EBIT	18	91
Operational EBITDA	147	175

Condensed consolidated balance sheet as at 31 December

	2009	2008
Non-current assets		
Property, plant and equipment	287	372
Goodwill	562	564
Intangible fixed assets	275	282
Derivative financial instruments	51	37
Other non-current assets	37	458
	1,212	1,713
Current assets		
Inventories	170	185
Other current assets	435	500
Cash and cash equivalents	314	310
Assets held for sale	34	-
	953	995
Assets	2,165	2,708
Equity	607	1,064
Non-current liabilities		
Long-term debts	805	797
Derivative financial instruments	32	19
Other non-current liabilities	131	141
	968	957
Current liabilities		
Other current liabilities	532	637
Bank overdraft	14	15
Provisions	44	35
	590	687
Liabilities	2,165	2,708

ⁱ The financial information presented relates to Stork B.V. and its subsidiaries. The external bank debt as held by the parent Stork Holding B.V. is for information purposes included in the balance sheet of Stork B.V.

This report is unaudited