
Corporate Communications &
Investor Relations

7, Amersfoortsestraatweg, 1412 KA Naarden
P.O. Box 5004, 1410 AA Naarden
The Netherlands

Telephone : +31 (0)35 695 75 75
Telefax : +31 (0)35 694 54 14

Press release

Naarden, 15 September 2006

Stork Aerospace Industries details measures to counter delays and improve profitability

As already announced, Stork Fokker AESP and Stork SP Aerospace, operating companies of Stork Aerospace Industries, are taking measures to improve competitive strength and profitability and to counter the delays in a number of major new aircraft programmes.

The operating companies are currently migrating from portfolio-building to the production phase of aircraft programmes in which further improvement of productivity and margins is necessary. In addition, delays in the production schedules of important aircraft programmes such as the A380 and the NH90, which have already been announced have led to the need for these measures. The measures mean that employment will be reduced by a total of 185 jobs at the Hoogeveen and Papendrecht locations of Stork Fokker AESP. Approximately 30 further positions will be lost at the operating company Stork SP Aerospace in Geldrop. Some 110 temporary positions have already been phased-out since the beginning of 2006. A reorganisation charge estimated at a total of € 10 million will be taken in the fourth quarter. Initiatives have also started to optimise business processes. The total savings from these initiatives and from the reduction in employment are expected to be approximately € 25 million and should be achieved by the end of 2008. A part of these savings will be reflected directly in the result. The trade unions have been informed of the intended reduction in employment and the plan has been submitted to the Works Council for their review.

Background

Over the past ten years Stork Aerospace Industries has built up a strong portfolio of customers and programmes with a good mix of commercial and defence activities. This creates a strong base for future growth and value creation. During that period the emphasis has been on the participation in new aircraft programmes and achieving a good market position.

The long-term development of the aircraft industry market is positive. A number of aircraft manufacturers have taken initiatives that will lead to new programmes. However there are also delays in the Airbus A380 and NH90 helicopter programmes.

The market demands increasingly efficient production, which means that to remain competitive there is permanent attention for cost, quality and speed of delivery. This will further facilitate the growth of the company and ensure that, in addition to increasing their profitability, Stork Fokker AESP and Stork Aerospace, will be able to acquire new programmes with good profitability in the coming years.

Personnel measures

The personnel reduction will take place mainly in supporting functions, and there will be only a limited impact among direct production employees. The number of management layers will also be reduced by simplification of the organisation. The trade unions have been informed of the intended reduction in employment and the plan has been submitted to the Works Council for their review.

Press information:

Stork N.V.

Dick Kors

Tel.: +31 (0)35 695 75 75 or +31 (0)6 51 98 40 54