
Press release

Naarden, 13 November 2007

Stork reaction to investigation report

Stork has major reservations and rejects conclusions

- **Stork regards report as incomplete, unbalanced and in many cases factually incorrect**
- **Key question remains unanswered**
- **Incorrect assessment of PtP investigation**
- **Ignores context of successful transformation of Stork**

Stork has major reservations about the investigation report into the course of affairs at Stork and two large shareholders. Stork rejects important conclusions of the report because they are based on incorrect or missing information and in some cases speculative assumptions. This leads in the view of Stork to an unbalanced picture. It is therefore not possible to reach a soundly based judgment of the positions of Stork and the large shareholders concerned.

Stork believes that it had to find its own way in a unique situation for which there were no adequate rules at the time. The investigation into the possibility of a Public-to-Private (PtP) transaction was fully supported by the two large shareholders. However, after the completion of the investigation a fundamental difference of opinion arose with these important shareholders. Stork regards this as regrettable. The report also correctly observes that the dialogue - unfortunately - proved not to be sufficiently fruitful, as recognised earlier by the Enterprise Chamber of the Amsterdam Court of Appeal. Against that background the last compromise proposals made by Stork in November 2006 could no longer be effective. As the report also states, it is in the interests of all those concerned to avoid a repetition of this turbulent period.

Key question remains unanswered

In the view of Stork, the unbalanced picture that the report presents is caused particularly by the fact that also the investigators did not find a way-out for a crucial dilemma and as a result the key question has not been answered:

- The Enterprise Chamber stated explicitly in its judgment that *"it is not acceptable (...) for Stork to be forced to depart from its strategy"*.
- The Enterprise Chamber further stated that *"C&P did not put forward enough verifiable arguments"* for their own strategy. Nor can these arguments be found in the

report.

- The consequences of both these findings for the actions of Stork and the two large shareholders are not addressed by the report.
- The report nevertheless states that a compromise with the large shareholders had to be found at all costs; this is not in line with today's corporate governance practice in the Netherlands and would have meant unacceptable risks for the company.

Factual inaccuracies lead to an incorrect assessment of the PtP investigation carried out by Stork.

A very large part of the report is devoted to the Public-to-Private (PtP) investigation, through which Stork investigated at the beginning of 2006 whether Stork could continue as an unlisted company. An important aspect is that Stork and the two large shareholders in fact agreed on this point. The report presents an incorrect picture of the course of affairs:

- The report states that Stork decided 'lightly' and without adequate external advice to carry out a PtP investigation. However, the Board of Management and Supervisory Board had held discussions since late 2005, together with advisors, about a possible PtP transaction. Storks' financial advisor ABN AMRO had indicated that given the circumstances carrying out a PtP investigation was a responsible course of action, with a reasonable chance of a transaction. It was decided in February 2006 after careful consideration of the various alternatives, and therefore by no means 'lightly', to carry out a PtP investigation.
- The two large shareholders also believed in a successful PtP investigation, as shown by the fact that they publicly supported the investigation and that they increased their shareholding in Stork from 20% to 33% during the period of the PtP investigation.
- The report contains a theoretical analysis of the valuation methods used by private equity, which is not in line with current practice and is therefore on this point factually incorrect.
- Stork and its advisors held a very thorough and careful discussion about terminating the PtP investigation. The report's criticism of the way this decision was reached is therefore not supported by the facts. Stork gave the last remaining party ample opportunity to make the necessary improvement and strengthening of its indicative offer. When this did not happen, Stork reached a carefully considered and unanimous decision to terminate the PtP investigation.

The successful transformation process of Stork is not addressed by the report, which means it completely fails to consider the historical context of the developments.

The report describes the period from 1 September 2005 to January 2007. During this period Stork was fully engaged in a successful long-term transformation to strengthen the focus of its portfolio. The market value of Stork has grown from € 150 million in 2003 to € 1.2 billion beginning 2006. With the strategic announcement on 1 February 2006, Stork provided clarity not only to shareholders, but also to customers and employees, about the next steps in the transformation process. The report fails to consider the question of why far-reaching changes should be made to this successful strategy in a direction considered by Stork to be unacceptable.

Press information:

Stork N.V. Dick Kors, Tel.: 035 - 695 75 75