

A close-up photograph of a blue mechanical component, possibly a bearing or a part of a machine. The component has a brushed metal surface and is illuminated from the side, creating strong highlights and shadows. The background is dark and out of focus.

ERIKS 2009

COMPANY PROFILE



Mixed Sources

Product group from well-managed
forests and other controlled sources
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This Company Profile is also published in the Dutch language.

MACHINE and EQUIPMENT CONSTRUCTION

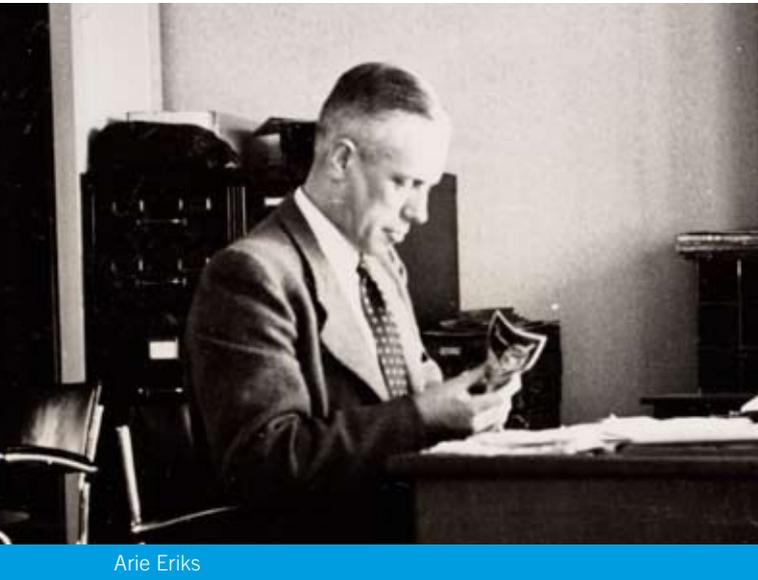
ERIKS is happy to share its know-how with its customers. By doing so ERIKS plays a positive role in its customers' development processes. Helping them to reduce their development costs, keep their cost price low, increase efficiency, cut energy costs and improve safety. ERIKS constantly strives to offer enhanced functionality for less money. ERIKS is continuously developing new materials in its in-house material research centre, producing new control technologies and offering the latest technological developments in the fields of sealing technology, power transmission and flow technology. Machine and equipment manufacturers can rely on ERIKS' extensive range of power transmission, machined plastic, rubber technology, hydraulic and pneumatic actuators, bearings, control technology and flow technology. ERIKS also supplies a wide range of industrial maintenance products.



For more information eriks.com/machines



The history of ERIKS



Arie Eriks

As the son of the director of a dairy factory, Arie Eriks saw the need for maintenance products in process systems and established ERIKS Pakking en Rubber in Alkmaar in 1940. Since its foundation, ERIKS has supplied the process industry with seals, rubber hoses, moulded rubber parts, and later valves and power transmission.

The expertise ERIKS was developing could also be applied to other process industries (chemicals, oil and gas, energy, food), but also to the provision of advice on and the supply of products for machine and equipment construction. ERIKS developed its market position in the Netherlands, and opened its first branch in Belgium in 1956.

During the 1960s and 1970s ERIKS continued to develop its core activities of sealing technology, flow technology and power transmission in the Netherlands and Belgium with great success. It also made its first foray into industrial plastics. With its already extensive and high quality product range, it started to approach industrial end-users (maintenance and OEM) directly. In 1977, ERIKS applied for stock exchange listing, and ERIKS shares were traded on the Amsterdam Stock Exchange.

ERIKS continue to expand during the 1970s and 1980s. Following its industrial customers, branches were opened in Singapore (1979) and Malaysia (1980), and the first branch in France opened for business in 1977.

ERIKS' growth really began to take shape in the mid-1980s with a series of acquisitions. In addition to acquisitions in the Netherlands and Belgium to boost its market position, ERIKS acquired its first specialist distributor of sealing technology in North America in 1988. More acquisitions were to follow.

ERIKS' first foray into the German market came in 1994. The acquisition of Heusinger + Salmon in 1997 gave ERIKS a prominent position in the German market. This was subsequently expanded upon with further acquisitions.

In the late 1990s, ERIKS developed a new strategy based on a new business model (the twin business model). To achieve this, major acquisitions were made in the Netherlands and Belgium. The acquisition of Wyko in 2006 gave ERIKS a prominent position in the British market. All this, along with the acquisition of some other specialist distributors, laid the foundation for the development of the twin business model and the growth of ERIKS in the UK.

The acquisition of Passerotti in 2006 was ERIKS' first step into the Polish market.

In 2008, ERIKS acquired Econosto. Together ERIKS and Econosto were able to significantly boost their market position in the core activity of flow technology in the Netherlands, Belgium, Germany, the United Kingdom and South-East Asia. ERIKS also acquired branches in Spain and the Middle East.

ERIKS was acquired by SHV Holdings N.V. in 2009 and was delisted from Euronext Amsterdam. Going forward, ERIKS intends to continue to develop as an independent group within the SHV group.





OIL and GAS

The oil and gas market is an important market segment for ERIKS. Production, transportation, storage and processing of oil and gas require extremely high quality piping components. This is ERIKS' world. ERIKS supplies ball valves for high-pressure process and piping for oil and gas facilities, both above-ground and on the sea bed, to customers all over the world. ERIKS takes over total project management for international contractors, including supplying valves and actuators. Flange gaskets, instrumentation, hydraulic components and systems, process hoses and special seals are supplied to producers of oilfield equipment and for maintenance applications.



For more information eriks.com/oil

Profile

ERIKS is an international industrial service provider offering a wide range of high-quality mechanical engineering components and associated technical and logistics services.



Over the past ten years, ERIKS has become a leading-edge, innovative supplier to certain defined segments of industry, fulfilling the twin roles of specialist and broad MRO supplier. ERIKS' customers are primarily in the OEM and project markets and the maintenance market.

Sales of EUR 993.8 million were achieved in 2009 with an average workforce of 5,073 people.

As a leading-edge supplier to industry, ERIKS recognises its role in the distribution chain and in society as a whole. Present-day views on sustainability and corporate social responsibility are anchored in ERIKS' strategy and operational management. ERIKS offers its products and services to the industrial end-user based on its passion for technology, its broad and deep knowledge of market developments, product properties, product applications, product processing, logistics and its state-of-the-art infrastructure which complements all these factors. This enables ERIKS to make a positive contribution to the business operations of its customers and suppliers and its social environment.

ERIKS supplies approximately 100,000 industrial customers (business-to-business), markets a range of more than 600,000 articles, purchases worldwide from more than 1,000 qualified suppliers and sends out almost 3 million shipments every year.

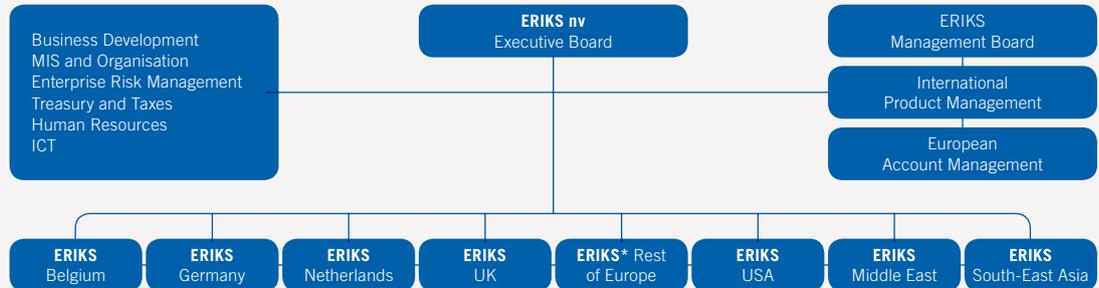
The ERIKS group currently consists of more than 50 group companies with branches in 24 countries. The geographical focus of the group's activities is in Western Europe, where about 90 percent of its sales are achieved. ERIKS also has branches in the USA, the Middle East and South-East Asia.

ERIKS' current product range, including the technical and logistics services that form part of it, is divided into five core activities:

- Sealing technology
- Power transmission, including electromechanical services and condition monitoring
- Flow technology
- Industrial plastics
- Tools and maintenance products

ERIKS worldwide

Organisation chart as at 1 January 2010

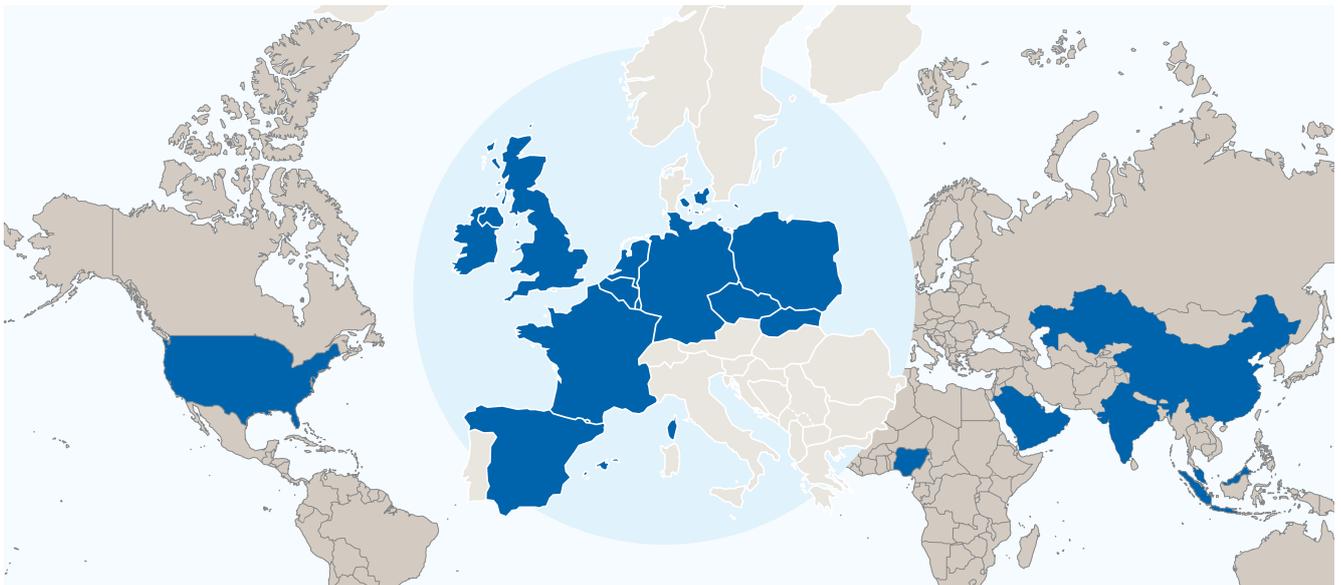


	ERIKS Belgium	ERIKS Germany	ERIKS Netherlands	ERIKS UK	ERIKS* Rest of Europe	ERIKS USA	ERIKS Middle East	ERIKS South-East Asia
Sales in 2009 (EUR million)	137,0	147,4	300,7	279,9	22,5	23,6	66,6	16,1
In % of total sales	13,8	14,8	30,2	28,2	2,3	2,4	6,7	1,6
Average number of employees in 2009	688	525	1.239	2.051	140	116	188	107

ERIKS nv employed an average of 19 people in 2009.

* ERIKS Rest of Europe covers activities in Poland, France and Spain. Each country is managed separately.

Branches as at 1 January 2010



Europe

- Belgium
- Germany
- France
- UK
- Ireland
- Luxembourg
- Netherlands
- Poland
- Russia
- Slovakia
- Spain

North America

- California
- Oklahoma
- Texas
- Washington
- Wisconsin

Middle East and neighbouring countries

- United Arab Emirates
- Saudi Arabia
- Qatar
- India
- Pakistan

South-East Asia

- China
- Malaysia
- Singapore
- Indonesia

ERIKS also has a branch in Nigeria, Africa.

PETROCHEMISTRY and REFINING

High pressure, cracking units, high temperatures, hazardous liquids and gases and critical processes are all features that characterize the world of petrochemistry and refining. A world in which ERIKS feels at home, with its sealing technology, valves, instrumentation and process hoses. Extensive inventories, on-site testing, system monitoring and local in-house seal production units make ERIKS a reliable industrial service provider.



For more information eriks.com/petrochemistry



Foreword by the chairman of the executive board

When it became clear in September 2008 that the consequences of the credit crisis and the resultant economic downturn were not going to pass ERIKS by, it was time to change course. ERIKS' excellent relationship with its customers and suppliers ensured that its balance sheet was not put under too much pressure. However, nobody could have foreseen the unprecedented fall in demand for our products and services. The ERIKS companies in the OEM market were the first to experience a sharp drop in sales. Unlike in past downturns, however, the maintenance market also came under severe pressure as customers shut down production capacity and introduced cost-cutting measures. Fortunately there were also market segments such as energy and shipbuilding that were still doing well, having filled their order books in 2008. The food and pharmaceutical industries were also stable.

The emergency measures introduced in late 2008 were implemented in all our companies in early 2009. Savings were made on all fronts, from hired-in services to product prices and labour costs. Sadly we were unable to avoid adjusting staff numbers to reflect the lower sales volume, resulting in the loss of several hundred jobs. Compulsory redundancies were unavoidable in some cases. ERIKS' working capital and debt position were dramatically reduced, thus more than complying with the terms of the bank covenant.

In April 2009, SHV showed a more than serious interest in acquiring ERIKS by way of a public bid for all outstanding shares. We know the outcome: after several weeks of tough negotiations, a negotiated result with which all stakeholders were happy was on the table. Employees' existing employment terms, the present and the future financing of ERIKS, endorsement of the ERIKS strategy and the valuation of ERIKS were agreed to the satisfaction of all concerned. Ultimately more than 99% of the shareholders tendered their shares under the offer, and ERIKS became an independent unit within SHV. The delisting of ERIKS shares marked the dawn of a new era for ERIKS. The loss of our independence will be compensated for by SHV's support and desire to see ERIKS expand further to become a world player along the lines of its existing strategy.

In 2009 a start was made on consolidating ERIKS' existing policy on corporate social responsibility (CSR) and further embedding it in the strategy. ERIKS recognises its social responsibility and is actively developing new and additional CSR policy in four areas. The products in the ERIKS range and our application know-how enable our customers to achieve their CSR objectives. In addition to the products, a CSR policy is being developed focusing on the ERIKS organisation, the society in which ERIKS operates and its employees.

After a difficult year ERIKS is once again ready to grow. And we are determined to do so.

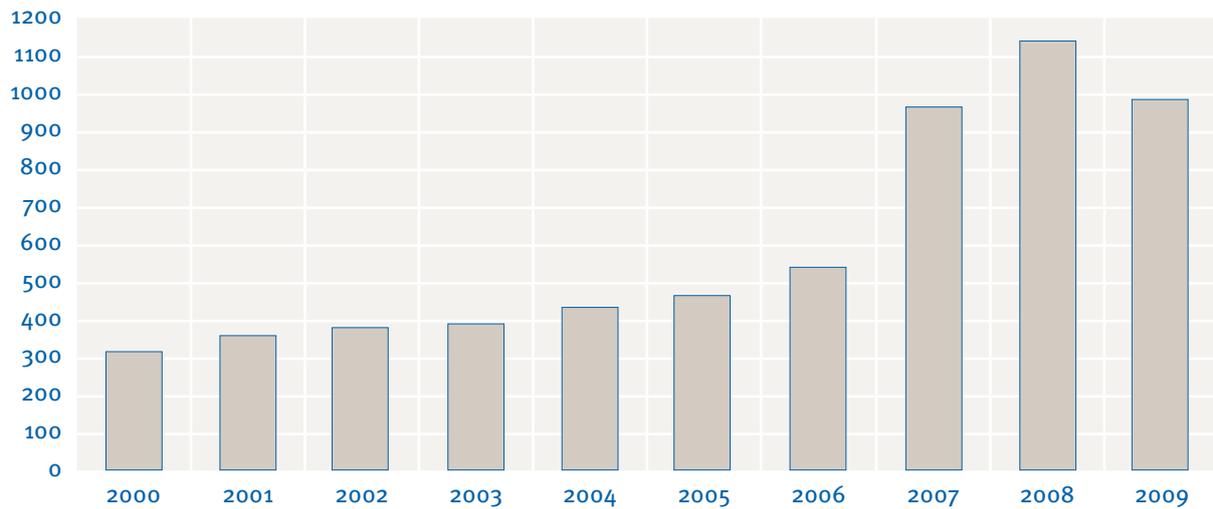
By way of this Company Profile, we are giving all ERIKS stakeholders an insight into who ERIKS is, what ERIKS stands for and what our objectives and strategy are.

Jan van der Zouw

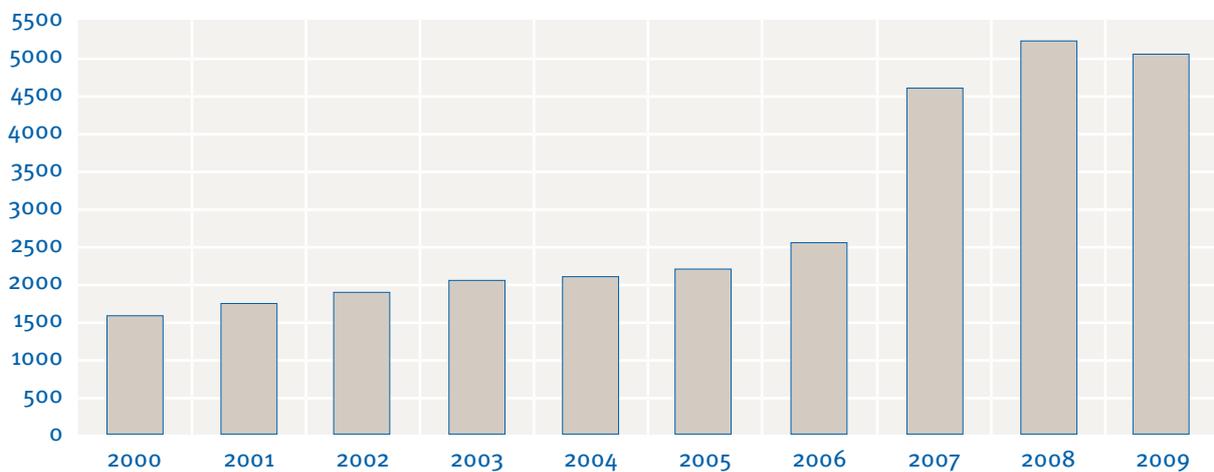
Chairman of the executive board of ERIKS nv

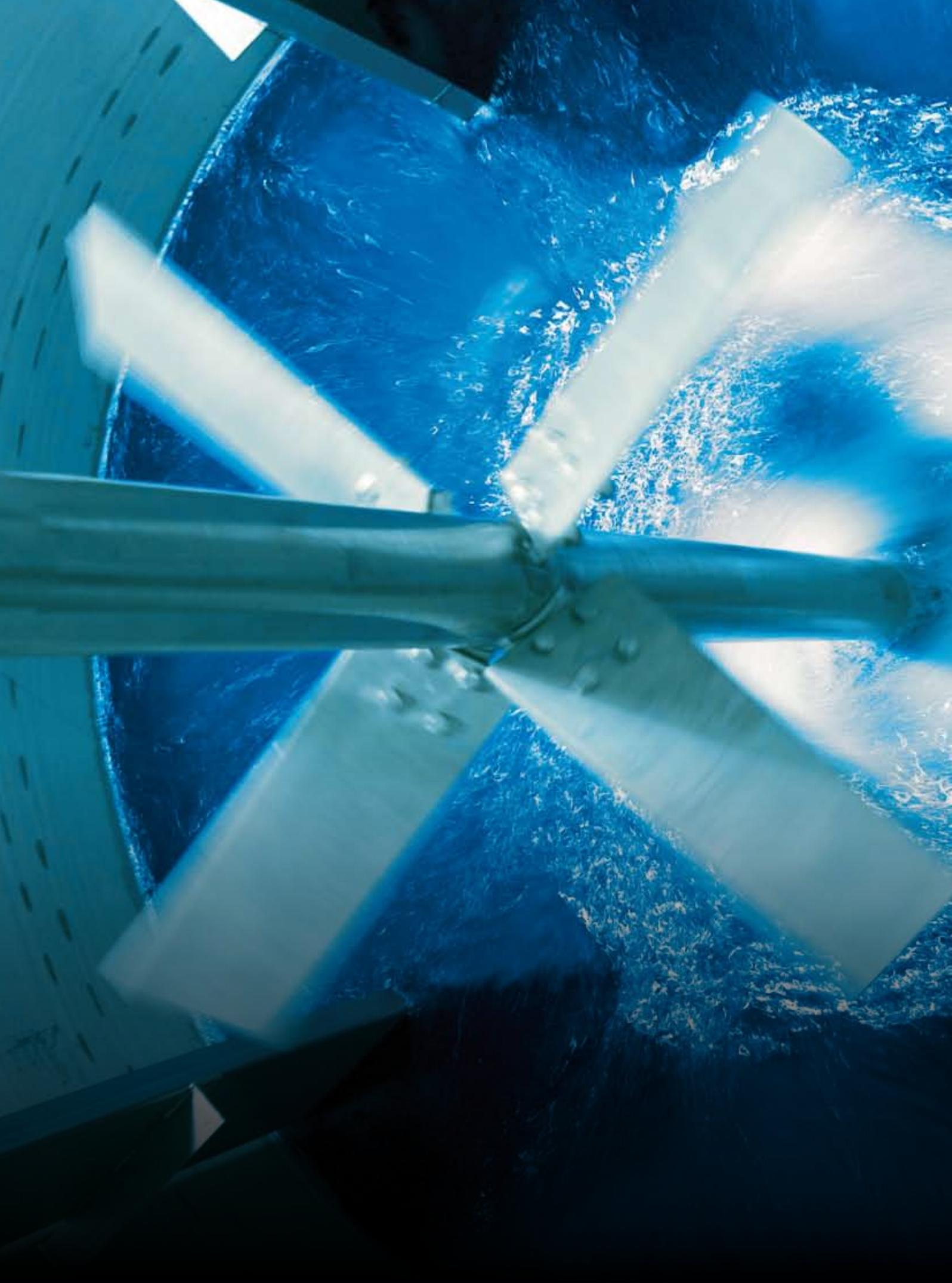
Ten years of ERIKS

Net sales (x EUR 1 million)



Average number of employees (x 1 FTE)





CHEMICAL INDUSTRY

Having started out in the food industry, it was a small step for ERIKS to move into the chemical industry. Sanitary applications, often in polished stainless steel, are very closely related to the material needs of the chemical industry. A wide range of hoses, valves, seals and instrumentation is combined with in-depth knowledge of materials, applications, regulations and extensive in-house assembly and production capacity.



For more information eriks.com/chemical

Information on the organisation, core activities, markets and market position



ERIKS nv

The holding company acts as a strategic parent company. It performs the role of capital provider, initiator, motivator, implementer, monitor and coordinator of the strategy developed for ERIKS. The holding company ensures that added value is created for the group in relation to its individual companies. This means that the management of ERIKS nv is closely involved in defining and fulfilling the strategy of the various clusters and companies. A decentralised organisational structure gives the companies the flexibility, inventiveness and quality they need to serve their customers properly and act as partners to their suppliers. ERIKS has been divided into clusters in order to control the envisaged organic growth and growth through acquisitions.

Cluster

A cluster, a group of companies, serves a specific geographical market area. A cluster engages in one or more core activities and has at its disposal all the disciplines it needs to carry out complete operational management on its own. ERIKS has 10 clusters.

Every cluster has one or more business units (Core Competence Centres). The business unit managers and account managers are responsible for developing the product groups in these Core Competence Centres. Supported by product and application engineers, these business units maintain direct contact with OEM customers, maintenance customers with specific requirements and the national and international project markets for the Flow technology core activity. For the purpose of developing

the product groups within a cluster and the associated services and expanding the number of product groups, the cluster and business unit managers are supported by International Product Managers specially appointed at group level.

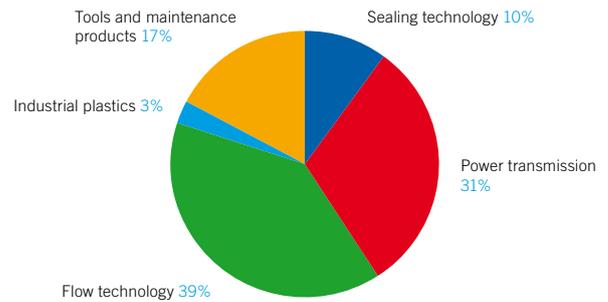
Within each cluster, the regional managers are responsible for developing the market position in their defined region. This takes place through their own regional branches, with the branches primarily maintaining direct contact with the maintenance market and offering the complete range of products and services. This commercial concept, which supports two business models (the twin business model), allows ERIKS to fulfil both the role of specialist and that of broad-based MRO supplier. Both models use the same suppliers, stocks, services and know-how available in the cluster. This twin business model forms the basis for the further development of ERIKS and will be developed in all clusters and their companies.

Core activities

ERIKS' range of more than 600,000 mechanical engineering components is divided into six core activities and their associated product groups.

- **Sealing technology**
 - Rubber technology
 - O-rings
 - Dynamic sealing elements
- **Power transmission**
 - Hydraulic components and hoses
 - Mechanical and electric power transmission
 - Bearings
 - Pneumatics
 - Electromechanical services and condition monitoring
- **Flow technology**
 - Valves and instrumentation
 - Plastic and metal piping
 - Hoses and accessories
 - Flange gaskets
- **Industrial plastics**
- **Tools and maintenance products**

Sales by core activity in 2009



ERIKS emphatically presents itself as an innovative supplier of goods and services to industry and in doing so makes a substantial contribution to the business operations of its customers and suppliers. It can only achieve this by ensuring that sustainability plays a key role in its operational management and the advice it gives to its customers. In addition to a high-quality product range, this also requires an organisation with a passion for technology and an advanced level of knowledge to achieve the innovative capacity that is essential for this. ERIKS makes this know-how and passion available for technology to its customers and suppliers.



Each of ERIKS' activities is subdivided into six know-how domains:

1. **Market know-how**

ERIKS has in-depth knowledge of the demand side (customers) and the supply side (sourcing) of the market. This enables ERIKS to develop new products and services and enter new markets proactively and promptly.

2. **Product know-how**

ERIKS possesses in-depth know-how of its products and their properties. It shares this know-how with its customers through various forms of technical documentation, electronic media and personal advice.

3. **Application know-how**

- ERIKS is able to
- understand current and future applications and translate them into the use of the right products;
 - translate issues facing customers into new products (product development);
 - brainstorm with customers on engineering for the design and maintenance of new products and systems (research and development).

4. **Product processing know-how (customising)**

ERIKS translates its customers' wishes into new product specifications and ensures the availability of facilities to adapt products. ERIKS offers maintenance facilities and services for maintaining the components and systems it supplies.

5. **Logistics know-how**

ERIKS analyses and streamlines logistics channels and develops logistics concepts tailored to customers' requirements (from identification of the customer's needs through to payment), both for the administrative side and the physical side of the process. ERIKS handles the entire procurement process in collaboration with the customer.

6. **Infrastructure optimisation know-how**

ERIKS constantly works both internally and with its customers to improve processes and the associated infrastructure.

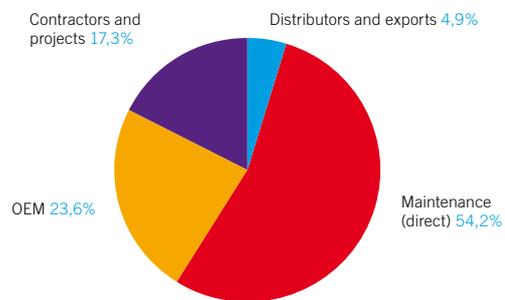
Customers

ERIKS serves some 100,000 customers in many branches of industry, including chemicals, petrochemicals, oil and gas, pharmaceuticals, food, biotechnology, mechanical engineering, semiconductor, refining, energy, shipbuilding and the base industry. ERIKS distinguishes between the following types of customers or purchasing profiles:

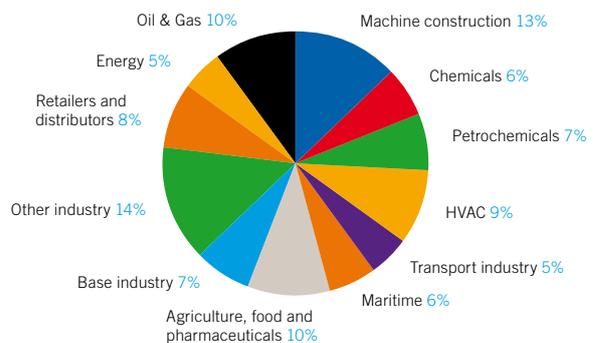
- Maintenance market (MRO - Maintenance Repair Overhaul)
- OEM (Original Equipment Manufacturers)
- Projects
- Distribution and exports

ERIKS also provides its international customers with a wide range of products and services that significantly reduce their total costs.

Sales by customer type in 2009



Sales by market segment in 2009





ERIKS constantly adapts to its changing role in the supply chain and makes positive contributions to its customers' and suppliers' business operations. Identifying, developing and maintaining the necessary know-how are among the most challenging elements in this respect. This has enabled ERIKS to develop from a traditional distributor into an industrial service provider.

With its twin business model, ERIKS is able to:

- for OEM and maintenance customers in need of know-how and processing:
 - contribute to Research & Development
 - provide components, sub-assemblies and systems tailored to fit the application
 - play a quality assurance role
 - deliver efficient procurement and logistics.
- for maintenance customers with general requirements:
 - provide product and application know-how
 - reduce the customer's total costs by offering products and services that help:

- * reduce the customer's purchasing budget and capital requirements
- * increase the customer's available time for production
- * reduce energy costs
- * reduce fluid and gas emissions (cleaner production)
 - offer maintenance services and repair facilities
 - supply an efficient administrative and logistics concept for the provision of a broad and deep range of products (reduction of transaction costs).

With the know-how and skills available in-house, ERIKS can also act as a purchaser and quality controller for the delivery of an extensive range of components and associated services for the national and (international) project market.

Market position

It is important for ERIKS to expand the geographical coverage of its various core activities and to offer its suppliers adequate volume and market share.



ENERGY

ERIKS' in-depth knowledge of both the demand and supply side of the market enables it to play a major role in the supply of special valves for steam boilers and power stations. We find the best product for every application worldwide without compromising on safety and quality. If a valve does not exist, we design it. Thanks to its extensive inventories, ERIKS can offer attractive delivery times even on large-scale projects. We also produce all the

necessary documents, drawings, pressure certificates and certificates of conformity for each project. ERIKS is also closely involved in the development of alternative energy sources such as biodiesel, solar energy and wind turbines. ERIKS supplies a wide range of seals in compounds developed in-house which meet the most critical process requirements. ERIKS hydraulic assemblies and bearings are widely used in wind turbines.



For more information eriks.com/energy

Mission, objectives and strategy



Mission

ERIKS' ambition is to grow and be the leading international and innovative industrial service provider that provides a wide range of high-quality mechanical engineering components and related technical and logistic services to industrial customers.

ERIKS intends to achieve this growth in a sustainable way, so that, in addition to shareholder value, it can deliver value for the other stakeholders involved in the company.

The following core values are pivotal in terms of who ERIKS is and what ERIKS stands for:

- Know-how of and a passion for technology
- Sustainability
- Integrity
- Mutual trust and respect
- Customer satisfaction and performance orientation.

Objectives

• Commercial

In line with its mission, ERIKS is striving to boost its market position and expand its international presence. Aspects of sustainability also play a role in achieving these objectives. More details of these can be found on page 30 and 31.

• Organisational

ERIKS aims to be a modern, innovative and performance-oriented employer to its employees. In order to give its customers a satisfactory service and act as a partner to its suppliers, responsibilities are anchored deep in the decentralised organisational structure. This requires our employees to have a technology-driven and customer-oriented attitude, in which mutual cooperation, trust, respect and fellowship are expressly evident.

It is ERIKS' endeavour to be a modern company in every respect and we will continue to invest in the development of our employees, our range of products and our infrastructure (ICT, machinery, storage methods and buildings).

Strategy

In recent years ERIKS has significantly boosted its position as European market leader in all clusters.

In order to achieve its objectives, and taking into account external and internal developments, ERIKS has categorised its strategy spearheads as follows:

- **Organic growth**

ERIKS can only grow organically if the way it conducts its business is focused on meeting its customers' wishes and if it has a distinct edge over its competitors. This will require the clusters and their group companies to adopt an innovative and flexible stance in order to identify developments in the market and adapt their ranges of products and services accordingly. ERIKS has a modern infrastructure which enables it to guarantee adequate, efficient and modern services to its customers and also to remain attractive to its employees.

Further development of the twin business model is of prime importance for ERIKS' growth. Important aspects in the development of the twin business model are:

Entrepreneurship and management development

In a highly decentralised organisational structure with a matching decision-making process, ERIKS' achievement of growth hinges on its employees having a strong sense of entrepreneurship. In order to control our growth it is essential for us to retain experienced and good management in the years ahead. ERIKS therefore offers an extensive range of Management Development programmes.

KNOW-HOW - Well-trained employees

The level of know-how is monitored and, where necessary, improved through training programmes at the ERIKS University, through contact with schools and training organisations and also by recruiting new employees.

Logistics services and ICT

All stakeholders in the industrial column (suppliers, distributors and customers) need to control order flows, reduce transaction costs and control the costs of maintaining inventories (Supply Chain management). Supported by advanced ICT and an e-portal (TradCom) developed in-house, ERIKS has a wide range of logistics services that respond directly to this. Over the next few years it will further expand these services and the integrated solutions model developed by ERIKS UK. ERIKS offers logistics services tailored to the needs of individual customers.

'Couleur locale'

A basic requirement is to approach customers in the maintenance market in all regions with 'couleur locale'. We do this by having our own branches in major industrial centres.

European Account Management

ERIKS has set up a platform to actively support customers with an international presence in the supply of products and services and in reducing their Total Cost of Ownership (TCO).

International projects

ERIKS branches in Germany, the Middle East and the Netherlands have in-house specialists who support the coordination of certification, quality control and supply of large packages of valves and associated products for major infrastructural projects. The focus in this area is mainly on construction of new power plants, refineries, chemical facilities, oil and gas plants and major infrastructural projects.

- **Growth through expansion**

ERIKS intends to employ a rollout strategy over the next few years to further expand its market area in Europe. In doing so it will create a contiguous market area of sufficient size in which ERIKS is able to offer its customers and suppliers a standard package of products and services. To reinforce the market positions we hold in our current activities, there will also be acquisitions within our existing market areas (with a view to obtaining a top-3 position). Activities in North America will also be expanded.

- **Employees**

The decisive factor in a company's success is the quality of the organisation and the employees. The ingredients for a good relationship between ERIKS and its 5,000-strong workforce are a clear strategy with related targets that are achievable but challenging, open and honest labour relations and good employment terms and fringe benefits in line with market norms. This includes offering good opportunities for self-development. The Human Resources policy agreed at group level is translated into concrete plans of action at cluster level. We expect our employees to contribute actively to achieving the necessary growth and to demonstrate a high degree of personal responsibility.

- **Efficient operational management**

In this area, management is devoting undivided attention to administrative and physical logistics. The group has invested in advanced systems and accommodation appropriate to its operations and will continue to do so.

Advanced business information system

The objective is that all the companies within a cluster should utilise one and the same business information system (one cluster - one system). The functionalities are being expanded in all clusters. The business information systems in some clusters are to be modernised in the coming years. To introduce more uniformity into the range and improve communication between the clusters and with customers and suppliers, ERIKS is investing in cross-cluster product and customer information systems.

Physical logistics

In physical logistics, a distinction is made between bulk (for all clusters), cluster and branch level warehousing. The ideal split of these three areas will always be geared towards developments in the distribution channel. All companies in the group conduct an annual review to establish whether their operational management could be improved by making adjustments to their accommodation and logistics structures.

- **Synergy**

The ERIKS group companies work together wherever there is potential synergy. Specially recruited International Product Managers are actively involved in and jointly responsible for realising synergy and sharing knowledge both inside and outside the company.

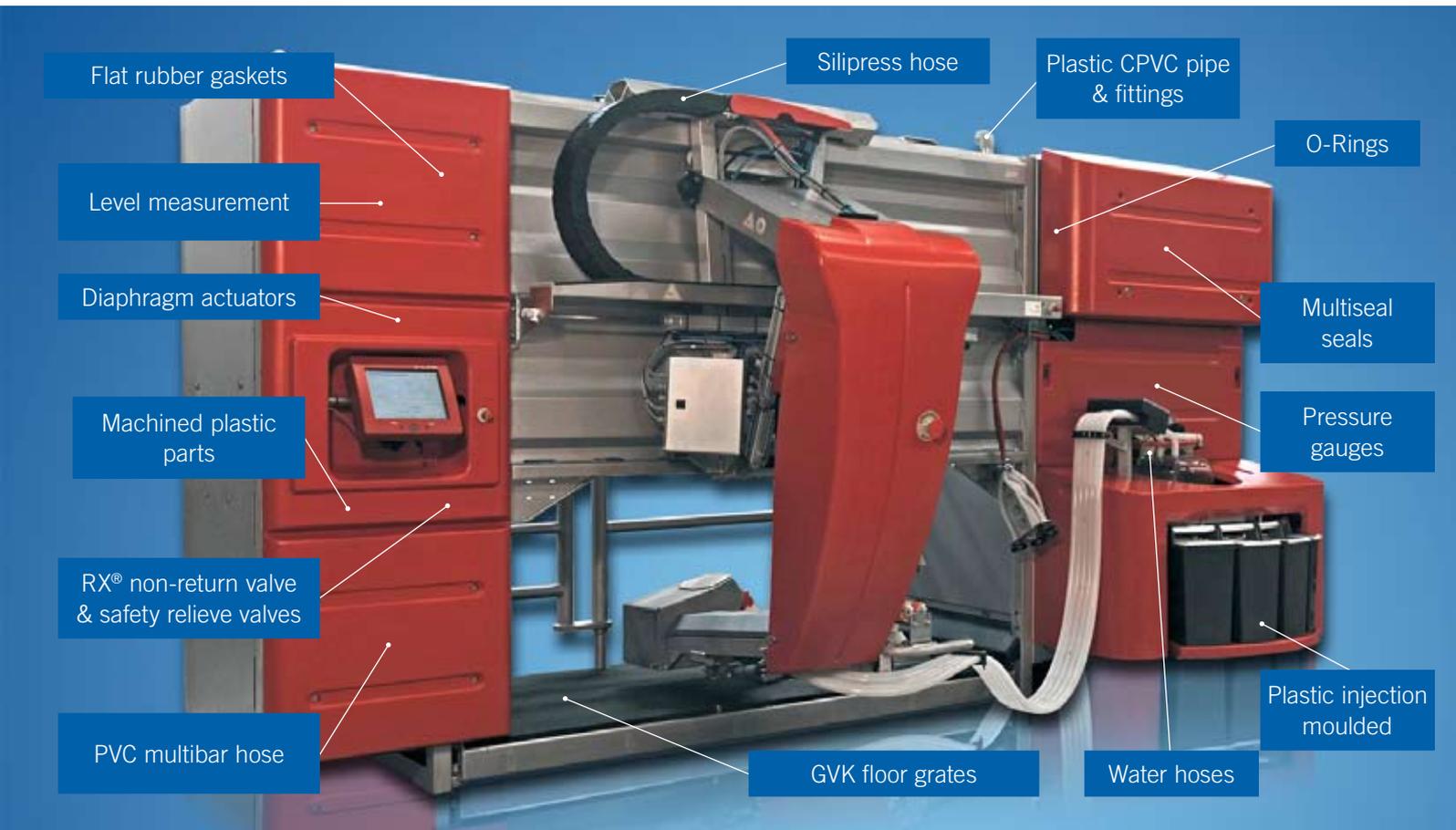




MRO

As an industrial service provider, ERIKS delivers much more than just a quality product. ERIKS combines technical product and application know-how, in-house engineering know-how and in-house production units with state-of-the-art logistics services, handling of MRO customers' entire purchasing processes and corporate sustainability. So ERIKS provides a unique service: know-how, process management, problem solving and concern for a better world, all under one roof. With more than one million different products, most of which are available from stock, ERIKS is the leading industrial maintenance partner. If we don't have a product in stock, we make it.

For more information eriks.com/mro



Flat rubber gaskets

Level measurement

Diaphragm actuators

Machined plastic parts

RX® non-return valve & safety relieve valves

PVC multibar hose

Silipress hose

Plastic CPVC pipe & fittings

O-Rings

Multiseal seals

Pressure gauges

Plastic injection moulded

GVK floor grates

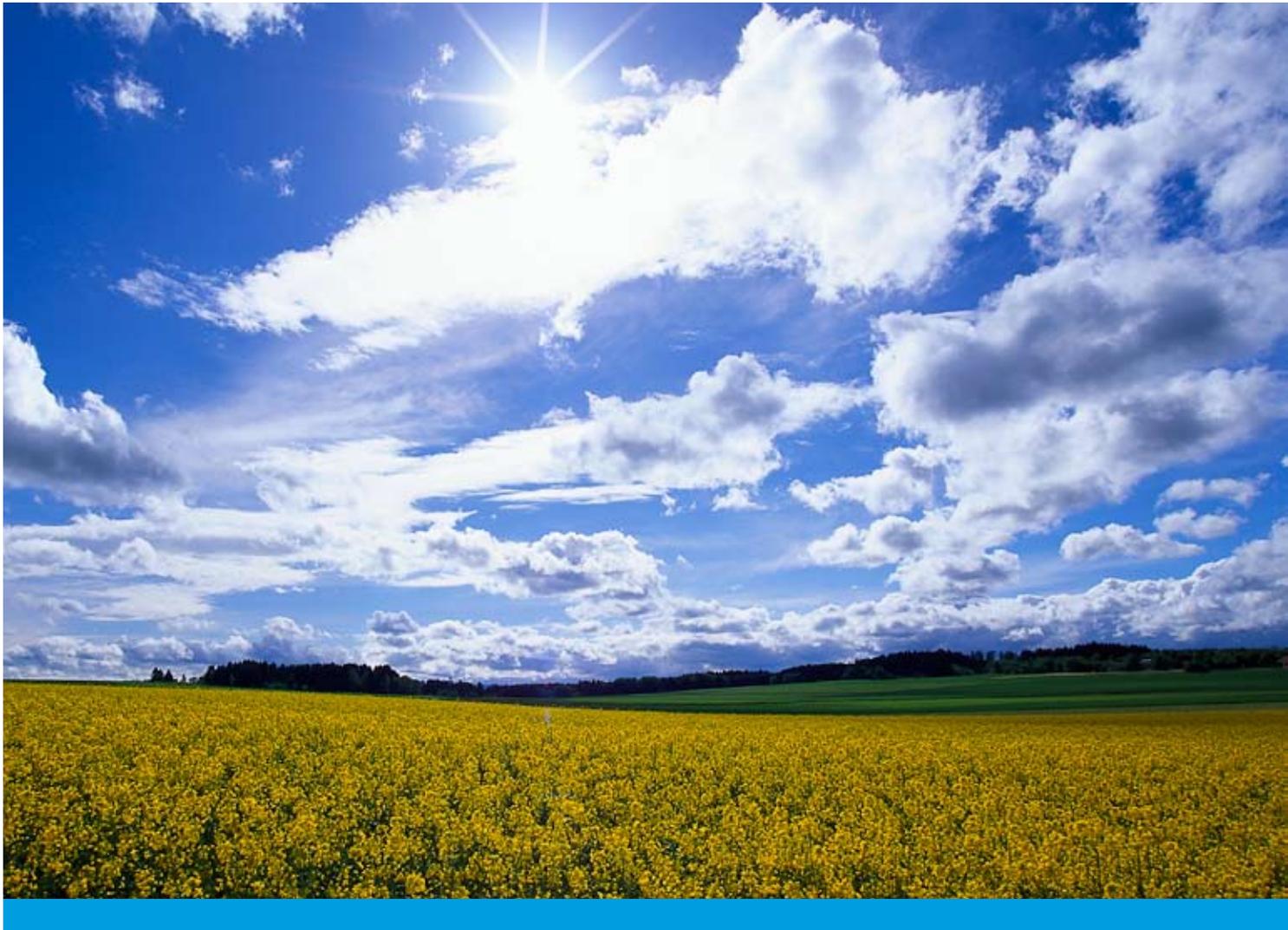
Water hoses

OEM

Developments start at ERIKS. With its application engineers, and in our materials testing centre, our product development departments and our materials development lab. ERIKS is happy to share its product and application know-how on power transmission, sealing technology, flow technology and machined plastic with its customers. This enables ERIKS to play an active and positive role in R&D, innovation and increasing its customers' productivity.

For more information eriks.com/oem

Sustainability / Corporate Social Responsibility



CEO Statement

It is not an overstatement to say that 2009 was a remarkable year for ERIKS. The economic crisis increased the awareness that sustainability is a basis for stability and growth – also in difficult times. Through organic growth and numerous acquisitions we transformed ourselves in the last ten years from a traditional distributor into a modern industrial service provider of approximately 5,000 talented people. These individuals, along with our expanded portfolio of high-quality products, services and solutions, make ERIKS uniquely qualified to help its customers meet sustainability challenges they face every day, such as energy efficiency, productivity, safety, comfort, and security.

Sustainability is at the core of who we are and what we do. Energy efficiency – with its large social, economic, and environmental implications – is a benefit tied to many of our products, services, and our own operations. Each time we help customers reduce their energy demands, we are creating a positive ripple effect that results in reduced greenhouse gas emissions, a cleaner environment, and cost savings over the long term. The global economic situation makes it more important than ever that we remain committed to improving the triple bottom line of our economic, environmental, and social performance. Meeting our own operational excellence goals means working safely,

working efficiently, and using our skills to develop innovative solutions that address the challenges faced by ourselves and our customers. These challenges cover a broad range of issues, from investing in innovation to offering energy saving technical solutions and sealing solutions to the industry.

We have made significant steps during the past year by developing many new sealing compounds, new energy saving power transmission parts and high-performance flow control components. We will set enterprise-wide environmental, energy, and safety goals, and we continue to use the skills and solutions that we provide to our customers to help us meet these goals. Looking forward, we will continue to apply our expertise and knowledge to remain a leader in creating and sustaining safe, comfortable, and efficient environments in which we all work, live, and play. We will aim at driving innovation in goods and services that will help us maintain a leadership position, improve our internal productivity and industrial efficiency.

We value transparency, honesty, respect, and dignity in our relationships with others: our customers, employees, and the local communities in which we operate. Together, we will create solutions for a more sustainable world, now and in the future.

ERIKS' commitment towards sustainability

At ERIKS we focus on sustainable efforts on improving that matter, to make the greatest impact we can. Our commitment begins with ERIKS' values and principles in which sustainability is embedded and manifests itself in a systematic and long-term approach.

ERIKS operates four sustainability strategies:

Products

Supply the industrial market with innovative and sustainable products and services to enable our customers to achieve their environmental objectives. Using ERIKS' products and services will result in lower energy consumption, less downtime of installations, less emission to the environment and more safety.

Operations

Improve the environmental profile of ERIKS' own operations: energy and water consumption and recycling of waste.

Social responsibility

Improve quality of life through ERIKS' social responsibility programs.

Employees

Engage and equip ERIKS' employees to build sustainable thinking and practices in their every day work.

Targets for all four main points have been and are defined at group and cluster level on an annual basis.

FOOD and PHARMACY

ERIKS' founder Arie Eriks started out in 1940 supplying gaskets, seals, V-belts and hoses to the dairy industry. A number of ERIKS companies still have a strong position in the food industry today. By specialising in sanitary and polished 'clean' products, it was a small step to move into the pharmaceutical industry and later the semiconductor industry. ERIKS has developed a wide range of seals, valves, special hoses, instruments and plastics for use in the food and pharmaceutical industries. ERIKS' in-house materials development centre is on the cutting edge of developments in special rubber compounds for the food industry.

In addition to production and assembly capacity, ERIKS also has a state-of-the-art clean room.



For more information eriks.com/food



Developments in 2009



Acquisition by SHV Holdings N.V.

Since its establishment in 1940, ERIKS has always been an independent company. ERIKS shares were listed on the Euronext Amsterdam Stock Exchange in 1977.

In April 2009, the ERIKS executive board was approached by SHV Holdings N.V. with the intention of making an offer for ERIKS shares. On 24 June 2009, SHV and ERIKS announced that SHV would be making an offer for ERIKS shares with the support of the ERIKS board. This bid was successful, and ERIKS became a wholly-owned subsidiary and an independent division of SHV on 12 August 2009. The existing management of ERIKS will continue to pursue its policy and strategy with the support of the new shareholder.

Consequences of the credit crisis and the global recession

By the end of 2008 it was clear that the world economy would be going into recession as a result of the credit crisis. Like so many other companies, ERIKS has suffered the consequences of this in all the countries where it operates and in all its core activities. Sales over the whole of 2009 fell organically by 19.6%. ERIKS was forced to implement cost-cutting measures in all companies. During the year the company had to adjust to a lower sales level to maintain its commercial strength. In the year under review, much attention was paid to, and much management time spent on, managing working capital and the debt position with the banks, with successful results.

Financial

- Sales fell by 12.2 percent in 2009 to EUR 993.8 million (2008: EUR 1,131.5 million).
- The EBITA before exceptional expenditure fell by 37 percent to EUR 58.0 million (2008: EUR 92.1 million). Exceptional expenditure was primarily the result of restructuring costs.
- Amortisation of intangible fixed assets obtained through acquisitions of EUR 6.6 million (2008: EUR 6.5 million).
- The result after taxes was down by 58.6 percent to EUR 21.9 million (2008: EUR 52.7 million).
- All clusters achieved a positive EBITA in 2009.

Expansion

One acquisition was made in 2009: the activities of the German company Arnold Frommeyer GmbH & Co. KG were acquired in March. This company achieves sales of EUR 3 million with 15 employees.

Disposal of participating interests/activities

The activities of Wyko Tire Technology, Inc. in the USA were transferred to the management of the company in December 2009. The activities of this company did not fit in with ERIKS' core activities.

Commercial and organisational

- Significant progress was made with the integration of the companies acquired in 2008. The activities of Wielens Beheer bv and the Dutch and Belgian activities of Econosto are being integrated into the ERIKS Netherlands and ERIKS Belgium business model as of 2010.
- Further development of the planned twin business model in all European clusters. In addition to strengthening the Core Competence Centres, ERIKS' local presence in many regions has been strengthened.
- Range of products in all clusters expanded.
- A back office facility has been set up and installed in India to support the activities of ERIKS Middle East.

Operational management and infrastructure

- Expansion and modernisation of the accommodation and assembly and production facilities at various companies including Siekmann-Econosto in Germany. Likewise in the UK, ERIKS Sealing Technology (seal-related activities) and Revolve (ERIKS' own producer of special bearings) have moved into new premises.
- Significant progress has been made with the roll-out of the SAP business information system in the Netherlands and Belgium and the ProAlpha system in Germany and with the implementation of a cross-group product information system.
- Improvements have been made to the set-up of the business processes and the logistics organisation.
- Launch of the ERIKS University with training programmes for management development and maintenance and improvement of the six know-how domains.



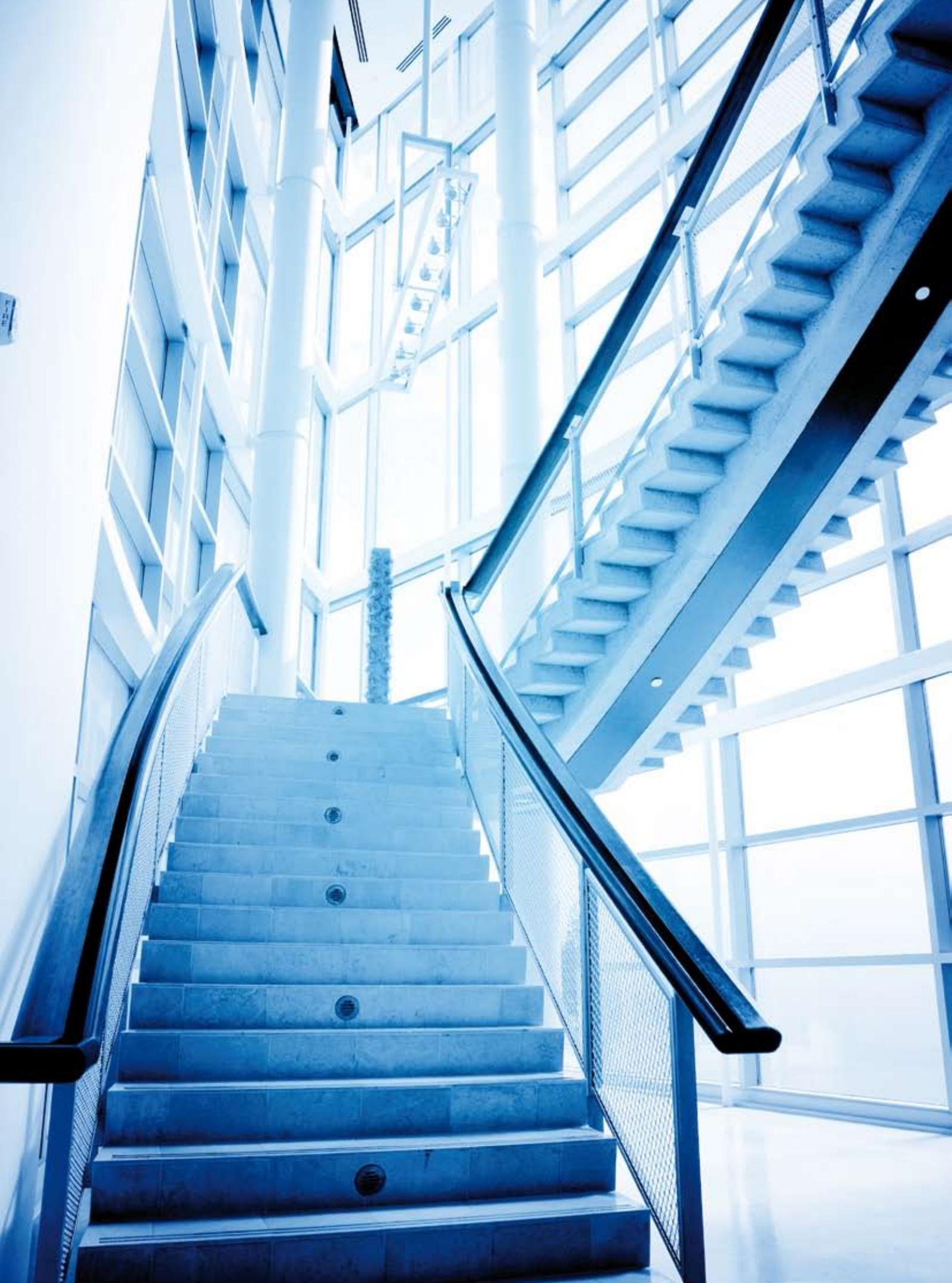
PROJECTS

In the world of construction projects, the oil and gas industry, petrochemistry, the energy sector, shipbuilding and major infrastructural works, ERIKS focuses on specifying and selecting the right materials and designing and building special valves, flange gaskets, hoses and couplings. It also handles total

project management with the highest degree of professionalism. In 2007, for example, ERIKS supplied a €40 million order for valves for the construction of a petrochemical complex in St. Petersburg.



For more information eriks.com/projects



2009 Results

Consolidated profit and loss account

In EUR thousands	2009	2008
Net sales	993.837	1.131.496
Operating result (EBITA)	58.038	92.111
Exceptional gains and losses	-10.263	-821
Amortisation of intangible fixed assets	-6.627	-6.545
Operating result	41.148	84.745
Financial income and expenses	-13.915	-12.910
Result before taxes	27.233	71.835
Taxes	-5.372	-19.078
Result after taxes	21.861	52.757

Consolidated balance sheet

In EUR thousands	31 December 2009	31 December 2008
ASSETS		
<i>Fixed assets</i>		
Intangible fixed assets	279.573	278.289
Property, plant and equipment	74.544	76.633
Outstanding loans	1.318	-
Deferred tax assets	16.423	22.027
Derivative financial instruments	6.722	19.098
Total fixed assets	378.580	396.047
<i>Current assets</i>		
Inventories	123.736	175.687
Accounts receivable trade	173.167	211.118
Assets held for sale	-	3.668
Other receivables	9.032	9.849
Liquid resources	75.734	60.025
Total current assets	381.669	460.347
Total ASSETS	760.249	856.394
SHAREHOLDERS' EQUITY AND LIABILITIES		
<i>Shareholders' equity</i>		
Share capital and reserves at the disposal of shareholders	324.666	303.846
Minority interest	1.061	1.011
Total shareholders' equity	325.727	304.857
<i>Long-term liabilities</i>		
Loans and provisions	184.369	290.537
<i>Short-term liabilities</i>		
	250.153	261.000
Total SHAREHOLDERS' EQUITY AND LIABILITIES	760.249	856.394

SHIPBUILDING

The European shipbuilding industry has experienced a stormy growth in recent years by specialising in special ships and offshore modules. ERIKS and Econosto have benefited from this to the full. The acquisition of Econosto has given ERIKS better access to the maritime market. In addition to a full range of marine valves and fittings for new ships and for maintenance uses, ERIKS also supplies hydraulic actuators, plastic piping systems, seals and hoses.

ERIKS Power Transmission in Schoonhoven, the Netherlands has developed and supplies a range of electrical actuators for automatic opening and closing of glass doors on passenger ships and luxury yachts. Revolve, ERIKS' own manufacturer of split roller bearings, has developed a special bearing for use on propeller shafts.



For more information eriks.com/shipbuilding



Employees



Employees

Our employees are the most important success factor in delivering optimum performance for our customers. ERIKS' aim is to be an attractive employer. The increasing aging of the population and the high demands and expectations of potential and existing employees make it essential for an employer to offer more than just market-rate salaries. The personnel policy is therefore based on four cornerstones:

1. Personal development
2. Career flexibility
3. Coaching and communication
4. Basic conditions (remuneration and a good working environment).

This policy is gradually being rolled out in all existing clusters and acquired companies. ERIKS' objective is to provide a modern infrastructure in which its employees can perform to the very best of their abilities in a pleasant working environment. The particular focus on development (know-how, skills) and career flexibility plays a major role in ensuring that its employees have appropriate duties and remain motivated in every phase of their careers.

ERIKS attaches great importance to open communication and involves its employees at all levels in the formulation of objectives and company strategy. Only in this way can we create a working environment in which our employees understand and support the strategy. Naturally, there is regular feedback concerning the current state of affairs and plans for the future. Important criteria are mutual trust and respect between the management and the employees and between the employees themselves. This is necessary to enable them to have the courage to ask questions, make mistakes (and learn from them) and hold each other to account regarding keeping the agreements that have been made. In this way, we can create a positive working environment that will endure going forward.

The ERIKS companies operate according to clear guidelines and procedures, and their working conditions and safety equipment meet all the relevant requirements.

In addition to recruiting highly qualified people, ERIKS devotes much attention to the development of its existing employees. A lot of attention and time is invested in Management Development programmes. In addition, the ERIKS University was founded in the year under review, which provides online courses and training programmes for employees through a virtual platform. Employees naturally receive feedback on their performance in periodic performance interviews, in which possible career changes (promotion, specialisation, change of specialist field or demotion) and professional training courses are also discussed.

As part of our Human Resources policy we maintain contact with schools and training institutions. The purpose of this contact for ERIKS is to contribute to the technical content of educational courses.

The ERIKS companies' management teams are encouraged to participate in technical and public interest organisations and to contribute to local, social and cultural events.

Code of conduct and compliance

ERIKS' shared values, defined in its mission, are expressed in its code of conduct and apply to all ERIKS group employees. The code of conduct requires ERIKS to carry out its activities honestly and openly, with respect for human rights and the interests of its employees. All employees are required to comply with this code, and they are encouraged to report any actual or suspected infringements of the Code of Conduct or other rules applicable within the ERIKS group to the management ('whistle blower' arrangement). Failure to observe the code of conduct is regarded as a violation of business integrity.

UTILITIES

A great number of ERIKS products are used in large-scale construction projects such as office blocks, hotels, hospitals, museums and institutions. They range from electromechanical actuators for lifts, escalators, doors and ventilation systems to plastic piping, hoses and valves for refrigeration and heating systems. For example, Econosto was a major contributor to the refrigeration system at the indoor ski slope in Dubai, and ERIKS UK is involved in maintaining pumps and electrical actuators for London's water utility company.



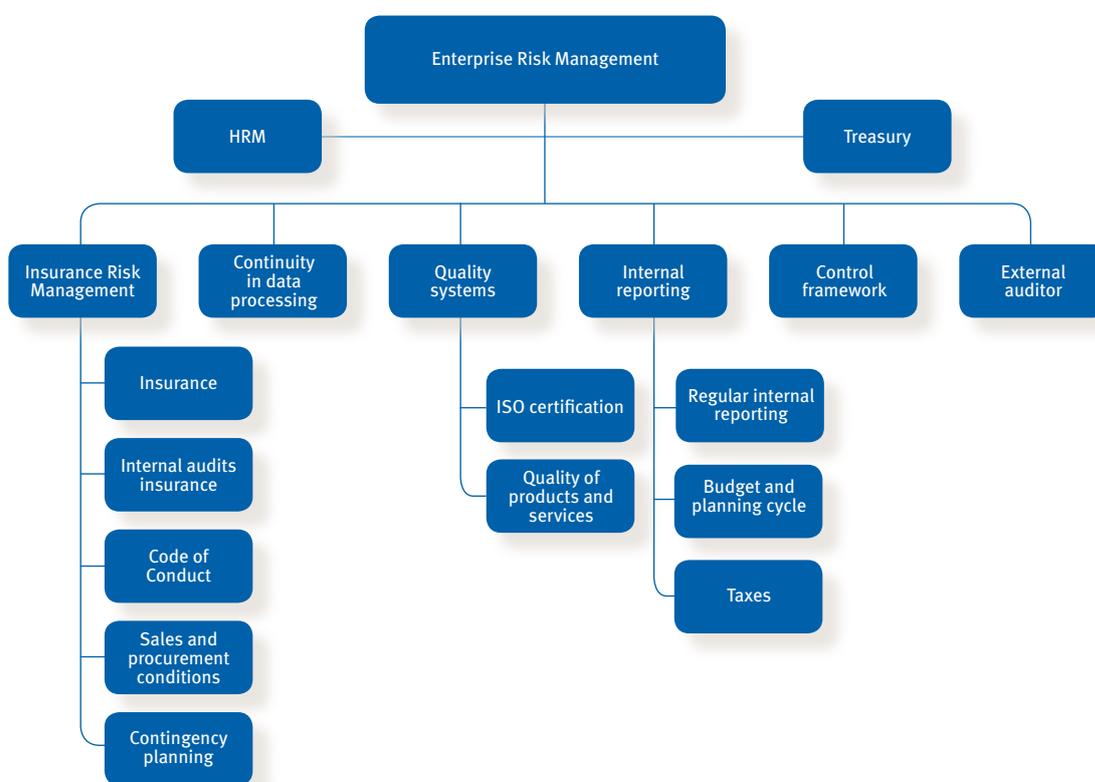
For more information eriks.com/utilities



Risk and risk management

The executive board is responsible for putting effective internal risk management and control systems in place and for the functioning of these systems. The purpose of these systems is to enable us to manage the biggest risks to which the company is exposed as effectively as possible, achieve our operational and financial objectives and comply with laws and regulations.

All measures for controlling market, operational and financial risks have been compiled in an Enterprise Risk Management framework. This framework can be illustrated as follows:



In recent years this framework has been introduced in the clusters and companies belonging to the ERIKS group. The framework's operation and set-up are continuously evaluated and adjusted as necessary.

We have structured the entire Enterprise Risk Management framework in such a way that:

- every cluster and company has sufficient insight into our market position and is clear about the strategy and the financial and operational results to be achieved;
- reliable information on the course of affairs in the various clusters and companies and their respective core activities can be obtained promptly;

- sufficient information is obtained to assess whether the continuity of the day-to-day operational activities is assured;
- sufficient management information (performance indicators) is obtained to assess and improve the effectiveness and efficiency of our primary business processes;
- the company's assets and resources are properly managed and protected;
- sufficient information is obtained on any ongoing product liability claims and the extent to which these risks are adequately insured;



- we obtain an early insight into the quality and availability of the management we need;
- we obtain adequate and timely information on our present and future needs for financial resources and ensure that the use of financial derivatives is in accordance with the defined guidelines.

The managers of the group companies are responsible for the structure and functioning of the risk management and control system in their own companies. Each year they report on this matter directly to the executive board and issue a Letter of Representation which is appended to the financial statements. With each company we agree - on an annual basis if necessary - an action list for improving the risk management and control system for each part of the framework.

Each year the external auditor is required to audit the main aspects of the group companies' accounting organisation and internal control measures and report its findings to the supervisory board, the executive board and the local management teams.

The executive board of ERIKS nv is aware that however professional the management systems may be, they cannot offer absolute certainty that the company's objectives will be achieved, nor can they entirely prevent material inaccuracies, losses, fraud or contraventions of laws and regulations. The executive board discusses the structure, functioning and findings of the complete risk management and control system with the supervisory board once a year.

TRANSPORT and AVIATION

ERIKS hydraulic hoses, components and systems are widely used in truck and trailer manufacture and in earthmoving equipment. The electrical actuators on the London Underground are inspected and serviced by ERIKS.

ERIKS also supplies a wide range of maintenance products for the aviation industry and airports. An aircraft manufacturer buys ERIKS plastic components, and ERIKS ensures problem-free operation of the electromechanical actuators at a major European airport.



For more information eriks.com/transport



Executive board

(as of 1 March 2010)

J. van der Zouw (1954), chairman and CEO

Dutch national.

Employed by the ERIKS group since 1999.

Appointed as a member of the executive board in January 2002.

Appointed chairman of the executive board in May 2005.

Primary responsibilities:

- General and external affairs
- Clusters: ERIKS Belgium
ERIKS USA
- Business Development
- Sustainability and CSR
- Human Resources Management.

J.G. de Boer (1953), CFO

Dutch national.

Employed by the ERIKS group since 1985.

Appointed as a member of the executive board in January 1996.

Primary responsibilities:

- Financial information provision and legal affairs
- Taxes
- Pensions
- Enterprise Risk Management
- ERIKS group ICT policy (jointly with H.J. Maier)
- Administrative logistics.

M. Beckers (1951)

Belgian national.

Employed by the ERIKS group since 2004.

Appointed as a member of the executive board in May 2005.

Primary responsibilities:

- Clusters: ERIKS UK
- International Product Management
- Business Development in the UK and Ireland.

H.J. Maier (1960)

German national.

Employed by the ERIKS group since 1997.

Appointed as a member of the executive board in January 2002.

Primary responsibilities:

- Clusters: ERIKS Germany
ERIKS Central Europe
- International Product Management
- Business development in Germany and Central Europe
- ERIKS group ICT policy (jointly with J.G. de Boer).

J.F.A.M. van Os (1954)

Dutch national.

Employed by the ERIKS group since 2008.

Appointed as a member of the executive board in August 2008.

Primary responsibilities:

- Clusters: ERIKS Netherlands
ERIKS France
ERIKS South-east Asia
ERIKS Middle East
- Econosto Germany, Econosto UK and Econosto Spain
- International Product Management.
- Business Development in the Netherlands, France, Middle East and South-east Asia.

Clusters / group companies / core activities (as at 1 March 2010)

ERIKS has a 100% direct or indirect shareholding in the group companies unless otherwise specified.

ERIKS Belgium	
ERIKS+Baudoin nv, Hoboken + Mol	www.eriksbaudoin.be
ERIKS Motion Control, Brussels	www.eriksmotioncontrol.be
<i>Vemoflex-groep:</i>	
Vemoflex nv, Asse	www.vemoflex.be
Hydromeka nv, Wijnegem	www.hydromeka.be
LMC nv, Asse (80%)	www.lmc-couplings.com
Vemoflex France Sud eurl, Chassieu, France	www.vemoflex.be
Vemoflex France Nord sarl, Cheminot, France	www.vemoflex.be
Betaflex bv, Hoogezand, The Netherlands	www.betaflex.nl
N.V. Econosto, Wijnegem	www.econosto.be
<i>ERIKS+Baudoin Service Centres (11)</i>	
Sealing technology	
Power transmission	
Flow technology	
Industrial plastics	
Tools and maintenance products	
Electromechanical services and condition monitoring	
ERIKS Germany	
ERIKS NoordWest GmbH, Bielefeld	www.eriks.de
ERIKS GmbH Sealing Technology Division, Bielefeld	www.eriks.de
ERIKS NordOst GmbH, Garbsen/Hanover + Blankenburg + Brunswick	www.eriks.de
ERIKS Nord GmbH, Glinde/Hamburg	www.eriks.de
ERIKS West GmbH, Neuss + Würselen	www.eriks.de
ERIKS Hessen GmbH, Dietzenbach	www.eriks.de
ERIKS SüdWest GmbH, Stuttgart + Saarbrücken + Mannheim	www.eriks.de
ERIKS Bayern GmbH, Munich + Regensburg + Nuremberg	www.eriks.de
Schmitztechnik GmbH, Mönchengladbach	www.eriks.de
ERIKS Antriebstechnik GmbH, Nettetal	www.eriks.de
Siekmann-Econosto GmbH & Co. KG, Dortmund	www.econosto.de
Sealing technology	
Power transmission	
Flow technology	
Tools and maintenance products	

ERIKS Netherlands

ERIKS bv, Alkmaar + Rotterdam + Ede	www.eriks.nl + www.erxs.nl
Noton bv, Huizen	www.noton.nl
ERIKS Power Transmission, Roermond + Schoonhoven	www.eriksaandrijftechniek.nl
Wielens Beheer bv, Groningen	www.wielens.nl
Econosto Nederland bv, Capelle aan den IJssel	www.econosto.nl

ERIKS Service Centres (24)

Sealing technology

Power transmission

Flow technology

Industrial plastics

Tools and maintenance products

ERIKS UK

ERIKS Industrial Services Ltd, Halesowen:

ERIKS Industrial Distribution, Halesowen	www.eriks.co.uk
ERIKS Automotive	www.eriks.co.uk
ERIKS Electrical Mechanical Engineering Services, Halesowen	www.eriks.co.uk
ERIKS Integrated Solutions, Bitteswell	www.eriks.co.uk
ERIKS Sealing Technology, Halesowen	www.eriks.co.uk
Revolv Ltd, Dudley	www.revolv.com
ERIKS Export	www.eriks.co.uk
ERIKS Hose Technology, Slough	www.eriks-hose-technology.com
Seals, Packings & Gaskets Ltd, Barnsley	www.spg-gaskets.co.uk
ERIKS International Export Services, Dudley	www.eriks.co.uk

ERIKS International Ltd, Halesowen:

B&P Wild Ltd, Walsall	
ERIKS s.r.o., Bratislava, Slovakia	www.eriks.sk
ERIKS Nigeria Ltd, Lagos, Nigeria	www.eriks.co.uk/nigeria
ERIKS Ireland Ltd, Dublin, Ireland	www.eriks.ie
Econosto UK Ltd, Leicester	www.econosto.uk.com

Branches en on-sites (approx. 200)

Sealing technology

Power transmission

Flow technology

Tools and maintenance products

Electromechanical services and condition monitoring

Integrated solutions

Rest of Europe

ERIKS Poland

Passerotti Sp z.o.o., Bielsko-Biala, Poland

www.passerotti.com.pl

Branches (7)

Sealing technology

Flow technology (valves and instrumentation)

Mechanical power transmission

ERIKS France

ERIKS sas, Trappes

www.eriks.fr

Sealing technology

Flow technology

ERIKS Spain

Econosto Ibérica S.A. with branches in Barcelona, Madrid,
San Sebastian, Leioa and Tarragona

www.econostoiberica.com

Flow technology

ERIKS USA

ERIKS Southwest, Inc., Ft. Worth, TX

www.eriksusa.com

ERIKS Midwest, Inc., New Berlin, WI

www.eriksusa.com

ERIKS West, Inc., Seattle, WA

www.eriksusa.com

Turpen & Associates, Inc., Tulsa, OK

www.turpen.com

Sealing technology

Industrial plastics

Power transmission

ERIKS Middle East

Econosto Mideast bv with branches in Dubai, Abu Dhabi,
Sharjah, Qatar, Saudi Arabia, Kazakhstan, Pakistan and India

www.econosto-mideast.com

Flow technology

ERIKS South-east Asia

ERIKS Pte Ltd, Singapore

www.eriks.com.sg

Econosto Singapore Pte Ltd, Singapore

www.econosto.com

ERIKS Sdn Bhd, Kuala Lumpur, Malaysia

www.eriks.com.sg

Econosto Malaysia Sdn Bhd, Kuala Lumpur, Malaysia

www.econosto.com

Econosto Shanghai Ltd, Shanghai, China

www.econosto.com

Sealing technology

Flow technology

HEAVY INDUSTRY

The production and processing of steel, aluminium, cement, paper, bricks and other raw materials demand big capacities and power transmission systems that meet the highest process standards. In this field too, ERIKS is in its element supplying complete hydraulic systems, large non-standard special bearings, electromechanical power transmission and system monitoring equipment. Our application engineers help prevent malfunctions, prolong service life and cut energy costs.



For more information eriks.com/industry



www.eriks.com

ERIKS nv

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know-how makes the difference

ERIKS