P R E S S   R E L E A S E

K E N D R I O N   N . V .

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Measures produce results, market situation improves somewhat

- **Difficult market conditions in first six months of 2009, some visible improvement in June and July**
- **Implemented measures are having an effect, “Springtime” reorganisation plan is completely on schedule**
- **Good improvement in EBITA in the second quarter of 2009 (EUR 1.7 million) in comparison to the first quarter of 2009 (-/- EUR 0.6 million)**
- **Net profit of EUR 1.1 million in the first six months of 2009 (HY1 2008: EUR 5.8 million)**

	Q2 2009	Q2 2008
Revenue[1]	33.7	54.5
EBITA from ordinary activities[1,2]	1.7	4.6
Net profit[3]	0.5	2.6

	HY1 2009	HY1 2008
Revenue[1]	69.8	109.1
EBITA from ordinary activities [1,2]	1.1	10.6
Net profit[3]	1.1	5.8

[1]) Only electromagnetic activities
[2]) Excluding provision plan Springtime and once only effects disposal Vink
[3]) Comparative (electromagnetic) activities and for 2009 including effects disposal Vink and Springtime

Piet Veenema, CEO of Kendrion N.V.: “Kendrion was faced with an unprecedented deterioration of market conditions in the first six months of 2009 and this obviously had a huge impact on our revenue performance. We took early and robust action within the organisation through our Springtime reorganisation plan. The effect of these measures has resulted in a strong improvement in our EBITA in the second quarter in comparison to the first quarter of 2009.

Despite the fact that market conditions will remain challenging in the second six months of 2009, we do expect that the slight recovery that has been seen in June and July will continue, for the time being primarily with respect to Passenger Car Systems and Commercial Vehicle Systems.

Thanks to the implemented measures, the introduced focus and our strong financial position, we expect to be able to optimally benefit should the recovery continue and to further strengthen our leading position.”

Developments

Market conditions were once again extremely difficult in the second quarter of 2009 owing to the economic crisis. While there was especially considerable pressure on revenue in April and May, the situation improved somewhat in June and thereafter. The decrease in revenue amounted to 38% in the second quarter of 2009 and 36% in the first six months of 2009. The decrease in revenue was apparent across all four of Kendrion’s business units. An improvement has been visible in recent months in the business units Passenger Car Systems and Commercial Vehicle Systems due in part to a slightly better market climate and in part to, as expected, the start-up of new projects. Remarkable is the improvement of the activities in the Far East. The general market situation with respect to the industrial business units has virtually not improved, owing in part to the continuing poor market situation in the German mechanical engineering industry. These activities are also late-cyclical.

Considerable attention was focused in the second quarter of 2009 on implementing the required cost reductions within the framework of the Springtime cost-reduction programme that Kendrion introduced on 31 March 2009. Based on this plan, the number of jobs at Kendrion will be reduced by 330 to 1,070. Kendrion is aiming to realise EUR 20 million in cost-savings annually on the basis of this plan. The implementation of this reorganisation plan is completely on schedule. The number of jobs totalled approximately 1,200 on 30 June 2009 and the continued process of phasing out jobs will be finalised in the months ahead.

Staff costs fell by 21% in the first six months of 2009 in comparison to the first six months of 2008 due to the implemented measures. The other operating costs decreased by 32% in the first six months of 2009 compared to the comparative period last year.

For the first six months operating profit (EBITA) from ordinary activities amounted EUR 1.1 million (HY1 2008 EUR 10.6 million). As a result of the implemented cost reductions, the operating profit from ordinary activities (EBITA) improved by EUR 2.3 million in the second quarter in comparison to the first quarter of 2009.

Net profit totalled EUR 1.1 million in the first six months of 2009 (HY1 2008: EUR 5.8 million). This profit includes both the previously announced provisions as made for Springtime and the book profit on the sale of the Vink Group that was realised in the first quarter of 2009.

Financial Position

The balance sheet total decreased by EUR 5.3 million in comparison to the end of March 2009.

Investments in the first six months of 2009 amounted to EUR 3.6 million with a depreciation level of EUR 3.7 million. Investments will remain far below the depreciation level in the second six months of 2009.

The net debt position totalled more than EUR 30 million at the end of June. Solvency amounted to 52% which reflects Kendrion's strong financial position at the end of June 2009. The interest coverage covenant was breached in the second quarter of 2009. Negotiations are currently being conducted with the banks regarding a new financing arrangement to be able to realise Kendrion's ambitions. In light of the current negotiations the banks issued a waiver for the breach as per 30 June 2009.

Outlook

While the economic situation has improved slightly in recent months, it is still too premature to expect a substantial recovery in the short term.

In view of the current uncertainty, it is consequently not possible to make concrete statements at this time concerning the profit performance for the entire year 2009. The current slight improvement of the market is, however, expected to continue in the second six months of 2009. Also the effects of Springtime will contribute positively.

Kendrion's strong financial position will form the basis for future developments and as a result Kendrion expects to emerge stronger from the current economic crisis.

Profile of Kendrion N.V.

Kendrion N.V. develops, manufactures, and markets high-quality electromagnetic systems and components. The activities of Kendrion are performed in four market focused business units: Industrial Magnetic Systems, Industrial Drive Systems, Passenger Car Systems and Commercial Vehicle Systems.

Kendrion has leading positions in a number of business-to-business niche markets. Germany is Kendrion's main home market, although other countries become more important.

Kendrion's activities

Kendrion develops and manufactures electromagnetic components for industrial applications that are used worldwide in items such as lifts, door locking systems, industrial robots, medical equipment, electrical switchbox systems, diesel engines and air-conditioning and motor cooling systems. Kendrion continues to expand its field of operation via measures such as the acquisition of Tri-Tech, a company that manufactures electromagnetic components for beverage dispensers. Kendrion's key customers include Bosch, Siemens, Daimler, Continental, ZF, Evobus, Hyundai and Yutong.

Declaration of the Board

The Executive Board declares that, with due regard for what has been described in this report, to its knowledge, (i) the semi-annual financial statements (prepared in accordance with the Dutch law and International Financing Reporting Standards) give a true and fair view of the assets, liabilities, financial position and profits of Kendrion N.V. and the companies jointly included in the consolidation, and (ii) the semi-annual report gives a true and fair view of the information required pursuant to Article 5-25d of the Netherlands Financial Supervision Act.

Zeist, 25 August 2009

The Board

P. Veenema – Chief Executive Officer
E. Ris – Chief Financial Officer
H. Freitag – Chief Operating Officer

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Annexes

1. Financial calendar
2. Semi-annual condensed financial statements 2009
   2.1. Condensed consolidated income statement
   2.2. Condensed consolidated balance sheet
   2.3. Consolidated statement of recognised income and expense
   2.4. Condensed consolidated cash flow statement
   2.5. Risks and risk management
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Annex 1 - Financial calendar 2009 - 2010

Publication of Q3 2009 results	Tuesday, 10 November 2009	08.00 a.m.
Publication of 2009 full-year figures	Thursday, 25 February 2010	08.00 a.m.
Analysts' meeting	Thursday, 25 February 2010	11:30 a.m.
General Meeting of Shareholders	Wednesday, 7 April 2010	02.30 p.m.
Publication of Q1 2010 results	Tuesday, 11 May 2010	08.00 a.m.
Publication of HY1 2010 results	Tuesday, 24 August 2010	08.00 a.m.
Analysts' meeting	Tuesday, 24 August 2010	11:30 a.m.
Publication of Q3 2010 results	Tuesday, 9 November 2010	08.00 a.m.

ANNEX 2

KENDRION N.V.

SEMI-ANNUAL CONDENSED FINANCIAL STATEMENTS 2009

- The quarterly and half year figures are unaudited -

Annex 2.1 – Condensed consolidated income statement

(EUR million)	Q2 2009 [3]	Q2 2008 [1,2,3]	period ended 30-6-2009 [3]	period ended 30-6-2008 [1,2,3]	2008 [2]
Revenue	33,7	55,8	69,8	112,4	207,4
Other operating income	0,2	1,2	0,9	2,1	0,9
	33,9	57,0	70,7	114,5	208,3
Changes in inventories of finished goods and work in progress	1,3	(1,1)	2,2	(2,0)	(1,5)
Raw materials and subcontracted work	14,4	29,8	30,9	59,5	103,9
Staff costs	11,2	16,1	31,6	32,0	61,0
Depreciation and amortisation	2,1	2,1	4,3	4,0	8,3
Other operating expenses	3,5	6,1	10,7	11,6	25,6
Result before net finance costs	**1,4**	**4,0**	**(9,0)**	**9,4**	**11,0**
Finance income	0,1	(0,7)	0,2	(0,6)	0,2
Finance expense	(0,9)	(0,8)	(2,2)	(1,9)	(4,3)
Net finance costs	**(0,8)**	**(1,5)**	**(2,0)**	**(2,5)**	**(4,1)**
Profit before income tax	**0,6**	**2,5**	**(11,0)**	**6,9**	**6,9**
Income tax expense	(0,1)	(0,6)	(1,8)	(1,6)	(1,8)
Profit from continuing operations	**0,5**	**1,9**	**(12,8)**	**5,3**	**5,1**
Result on sale of discontinued operations (net of income tax)	-	3,5	13,9	5,0	7,8
Profit for the period	**0,5**	**5,4**	**1,1**	**10,3**	**12,9**
Attributable to:					
Equity holders of the company	0,5	5,4	1,1	10,2	12,8
Minority interest	0,0	0,0	0,0	0,1	0,1
Profit for the period	**0,5**	**5,4**	**1,1**	**10,3**	**12,9**
Basic earnings per share (EUR)	0,05	0,52	0,11	1,00	1,25
Diluted earnings per share (EUR)	0,05	0,52	0,11	1,00	1,25
Basic earnings per share continuing operations (EUR)	0,05	0,18	-1,24	0,51	0,50
Diluted earnings per share continuing operations (EUR)	0,05	0,18	-1,24	0,51	0,50

1 = The comparative income statement Q2 2008 and half year 2008 has been represented as if the discontinued operation Distribution Services per 18 December 2008 and 12 February 2009 has been discontinued from the start of the comparative period.

2 = Inclusive Vink UK and Ireland.

3 = Unaudited figures for the half year and quarterly figures.

Annex 2.2 – Condensed consolidated balance sheet

(EUR million)	30 June 2009	30 June 2008	31 Dec. 2008
Assets			
Property, plant and equipment	47,0	57,5	46,7
Intangible assets	42,5	48,6	43,3
Other investments, including derivatives	0,9	3,9	1,3
Deferred tax assets	13,6	20,0	15,2
Total non-current assets	**104,0**	**130,0**	**106,5**
Inventories	28,1	75,0	30,3
Current tax assets	0,1	0,8	0,7
Trade and other receivables	23,8	104,5	24,1
Cash and cash equivalents	5,3	6,9	3,7
Assets classified as held for sale			115,2
Total current assets	**57,3**	**187,2**	**174,0**
Total assets	**161,3**	**317,2**	**280,5**
Equity and liabilities			
Equity			
Share capital	20,6	20,6	20,6
Share premium	61,3	71,3	71,3
Reserves	1,1	(7,1)	(11,4)
Retained earnings	1,1	10,2	12,8
Total equity attributable to equity holders of the company	**84,1**	**95,0**	**93,3**
Minority interest	0,2	0,2	0,2
Total equity	**84,3**	**95,2**	**93,5**
Liabilities			
Loans and borrowings	0,5	93,0	20,8
Employee benefits	6,9	7,9	6,6
Government grants received in advance	-	0,1	-
Provisions	2,6	3,0	2,6
Deferred tax liabilities	3,5	5,4	3,7
Total non-current liabilities	**13,5**	**109,4**	**33,7**
Bank overdraft	15,4	13,7	13,3
Loans and borrowings	20,0	0,2	51,7
Current tax liabilities	1,5	4,3	1,5
Trade and other payables	26,6	94,4	31,2
Liabilities classified as held for sale			55,6
Total current liabilities	**63,5**	**112,6**	**153,3**
Total liabilities	**77,0**	**222,0**	**187,0**
Total equity and liabilities	**161,3**	**317,2**	**280,5**

Annex 2.3 – Consolidated statement of recognised income and expenses

(EUR million)	1st half year 2009	1st half year 2008	Year 2008
Currency translation differences for non-euro zone operations	(0,0)	0,7	(1,5)
Realised currency translation differences as a result of a disposal of net investments in the non-euro zone (Vink)	(0,4)		
Net changes in fair value of cash flows hedges transferred to the income statement	0,2	0,2	(1,9)
Other	-	(0,4)	(0,2)
Income and expense recognised directly in equity	**(0,2)**	**0,5**	**(3,6)**
Profit for the period	1,1	10,3	12,9
Total recognised income and expense for the period	**0,9**	**10,8**	**9,3**
Attributable to:			
Equity holders of the company	0,9	10,7	9,2
Minority interest	-	0,1	0,1
Total recognised income and expense for the period	**0,9**	**10,8**	**9,3**

Annex 2.4 – Condensed consolidated cash flow statement

(EUR million)	30 June 2009	30 June 2008	31 Dec. 2008
Cash flows from operating activities			
Profit for the period	1,1	10,3	12,9
Adjustments for:			
Net finance costs	2,0	2,5	4,1
Income tax expense	1,8	1,6	1,8
Result on discontinued operations	(13,9)	(5,0)	(7,8)
Depreciation of property, plant and equipment	3,5	3,4	7,0
Amortisation of intangbile assets	0,8	0,6	1,3
	(4,7)	**13,4**	**19,3**
Change in trade and other receivables	0,3	(4,3)	9,8
Change in inventories	2,2	(2,6)	(0,2)
Change in trade and other payables	(2,8)	(7,4)	(6,9)
Change in provisions	0,3	0,2	0,1
	(4,7)	**(0,7)**	**22,1**
Interest paid	(2,0)	(2,5)	(3,1)
Income tax paid	0,2	0,5	(1,9)
Cash flow from operating activities	**(6,5)**	**(2,7)**	**17,1**
Cash flows from investing activities			
Disposal of subsidiary, net of cash disposed of	77,8	0,0	12,9
Acquisition of subsidiary, net of cash acquired	(1,6)	0,0	(11,9)
Investments in property, plant and equipment	(11,1)	(7,5)	(18,0)
Desinvestments of property, plant and equipment	7,6	2,6	4,8
Investments in intangible assets	(0,1)	(0,3)	(0,3)
(Dis)investments of other investments	0,2	0,0	0,1
Net cash from investing activities	**72,8**	**(5,2)**	**(12,4)**
Free cash flow	**66,3**	**(7,9)**	**4,7**
Cash flows from financing activities			
Income borrowings (non-current)	-	0,0	-
Repayment of borrowings (non-current)	(20,3)	(10,2)	(44,2)
Income borrowings (current)		(0,0)	51,7
Repayment of borrowings (current)	(31,9)	(0,0)	-
Dividend	(10,0)	(3,9)	(3,9)
Net cash from financing activities	**(62,2)**	**(14,1)**	**3,6**
Net cash from operating activities of discontinued operations	(6,6)	(5,1)	12,0
Net cash from investing activities of discontinued operations	(1,1)	(0,1)	(2,6)
Net cash from financing activities of discontinued operations	3,2	10,0	(29,4)
Total cash flow of discontinued operations	**(4,5)**	**4,8**	**(20,0)**
Net increase in cash and cash equivalents	(0,4)	(17,2)	(11,7)
Effect of exchange rate fluctuations on cash held	(0,1)	0,3	(0,0)
	(0,5)	(16,9)	(11,7)
Cash and cash equivalents as at 1 January	(9,6)	(1,3)	2,1
Cash and cash equivalents end of period	(10,1)	(18,2)	(9,6)
	(0,5)	(16,9)	(11,7)

- The quarterly and half year figures are unaudited -

Annex 2.5 – Risks and risk management

Pages 27 through 36 of the Kendrion N.V. 2008 Annual Report contain an explanation of the risks with which Kendrion is confronted in the course of carrying out its business activities. These risks are subdivided into a number of groups, namely:

- Risks associated with the current economic crisis
- Financial risks
- Strategic risks
- Operational risks
- Financial reporting risks.

Kendrion is of the opinion that the nature and potential effect of the risks in these groups will also apply in the second six months of 2009. The following comments are made in this regard:

1. The Springtime cost-reduction programme, including the realised and accelerated reduction in the number of FTEs, is discussed in the 'Risks associated with the current economic crisis' section (pages 27 and 28 of the Annual Report).

2. The economic decline and the corresponding market conditions will continue to be extremely challenging in the second six months of 2009 and as such the related market risk is considered to be extremely high.

3. It is stated on page 28 in the Annual Report in the "Financial position" section that a prolonged economic crisis can result in less favourable financing conditions and/or increased costs. Kendrion's results deteriorated drastically in the first six months of 2009 and the Springtime reorganisation plan was announced on 31 March 2009. The operating profit is so low that Kendrion breached its interest coverage ratio on a quarterly basis as of 30 June 2009 within the framework of the financing arrangement. Negotiations are currently being conducted with the banks regarding a new financing arrangement to be able to realise Kendrion's ambitions. In light of the current negotiations the banks issued a waiver for the breach as per 30 June 2009.

4. Due to the economic crisis and the full amount of management attention that must be devoted to this matter, Kendrion's testing programme relating to financial reporting risks has been revised somewhat to testing the companies in scope once at the end of 2009.

Kendrion will continue to monitor the risks closely and will adjust its control measures should new risks arise or should the current risks change.

Annex 2.6 – Reconciliation between condensed consolidated income statement and financial information in interim report

(EUR million)

EBITA

Results before net finance costs	-9.0
Provision for Springtime	8.5
Charges recorded under book profit with respect to disposal of Vink	1.0
Amortisation intangible assets	0.6
EBITA	1.1

Book profit disposal Vink

Result on sale of discontinued operations including operational result until 12 February 2009	13.9
Charges recorded under book profit with respect to disposal of Vink	-1.0
Net finance costs related to disposal Vink, recorded under Net finance costs	-0.3
Write-off deferred tax assets, recorded under Income tax expenses	-2.6
Net book profit on the disposal of Vink	10.0

Comparitive figures

The comparitive figures for the second quarter and the first half-year 2008 in this half-year report are normalised and as such differ from the figures in the profit and loss account

Annex 2.7 - Notes to the condensed consolidated interim report

1. Reporting entity

Kendrion N.V. (the 'Company') has its registered office in Zeist, the Netherlands. The condensed consolidated interim report of the Company for the first half of 2009 includes the Company and its subsidiaries (together referred to as the 'Group') and the Group's investments in associates.

The consolidated financial statements of the Group for the 2008 financial year are available on request from the Company's office, located at Utrechtseweg 33, Zeist, or by visiting www.kendrion.com.

2. Declaration of conformity

This condensed consolidated interim report has been prepared in accordance with International Financial Reporting Standards (IFRS) IAS 34 *Interim Financial Reporting*. It does not contain all the information required for a complete set of financial statements and should be read in conjunction with the 2008 consolidated financial statements of the Group.

This condensed consolidated interim report was approved by the Board and Supervisory Board on 24 August 2009.

3. Principal accounting policies

Unless otherwise stated in the following pages, the accounting policies applied by the Group in preparing this condensed consolidated interim report are the same as the policies applied by the Group in preparing the consolidated financial statements for 2008.

4. Estimates

The preparation of interim reports requires judgements on the part of the management, which makes estimates and assumptions affecting the application of the accounting policies and reported carrying amounts of assets and liabilities and the amounts of income and expenses. The actual results may differ from these estimates.

Unless otherwise stated in the following pages, the significant judgements formed by the management in the application of the Group's accounting policies and the main sources of estimates are the same as the judgements and sources that were used in the preparation of the consolidated financial statements for 2008.

5. Financial risk management

Group policy and objectives with regard to financial risk management are the same as those set forth in the 2008 consolidated financial statements.

6. Segmentation

Following the divestment of the Distribution Services division, Kendrion N.V. now encompasses only one activity that is subdivided into four market-oriented business units. Kendrion N.V. therefore does not apply segmentation to its figures in accordance with IFRS 8.

7. Seasonal aspects of business operations

Kendrion is not subject to seasonal effects. In general, however, the second half of the year has fewer working days as a result of holidays in the third quarter and in the month of December.

8. Changes within the Group

The Vink Group, which was part of the Distribution Services division, was sold to the British company Edmundson Distribution Limited on 12 February 2009. In 2008, the Vink Group had revenue of approximately EUR 300 million with operating profit of approximately EUR 5 million.

9. Main currencies

The main currency exchange rates during the first six months of 2009 were as follows:

Value of EUR 1	As at 30 June 2009	As at 31 December 2008	Average over HY1 2009
Swedish krone	10,8124	10,8700	10,8571
Pound sterling	0,8521	0,9525	0,8979
Swiss franc	1,5265	1,4850	1,5023
Czech krone	25,8819	26,8752	27,0739
Chinese yuan	9,6545	9,5612	9,1668
US dollar	1,4134	1,3917	1,3432
Mexican peso	18,5536	19,2334	18,6857
Brazilian real	2,7469	3,2653	2,9487
Romanian ley	4,2072	4,0225	4,2054

10. Property, plant and equipment

Investment commitments
During the first half of 2009, the Group contracted to acquire property, plant and equipment totalling EUR 0.3 million (first half of 2008: EUR 1.7 million).

11. Deferred tax assets

The deferred tax asset has decreased by EUR 1.6 million to EUR 13.6 million in comparison to the end of 2008. This is the direct consequence of the write-off of deferred tax assets that were connected with future results of the Vink Group (EUR 2.6 million). In addition, deferred tax assets have been formed in a few countries as a result of the current losses.

12. Intangible assets

No significant changes have been made with respect to the intangible assets item in comparison to the end of 2008. The limited decrease is fully attributable to regular amortisation expenses.

13. Loans and other financial commitments

Kendrion had the following credit facilities at its disposal at a banking consortium as of 30 June 2009:

- EUR 30 million committed revolving credit facility for working capital until 23 November 2010;
- EUR 20 million committed junior facility until 23 November 2009;
- EUR 50 million stand-by acquisition facility until 23 November 2009;
- EUR 40 million committed guarantee facility until 14 March 2011; this facility has been issued with regard to the fine imposed by the European Commission against which Kendrion has lodged an appeal;
- EUR 0.5 million in other facilities, including financial lease obligations.

Credit facility consortium
Within the framework of the credit agreement with the banking consortium, Kendrion must meet a number of financial covenants regarding the interest-bearing debt ratio and EBITDA (debt cover), solvency and interest coverage (per quarter and on a twelve-month rolling basis). It can be stated in this regard that the junior facility of EUR 20 million is considered equity in this context. Furthermore, an increasing part of the bank guarantee (within the framework of the EU fine) including accumulated interest is included as interest-bearing debt in the calculation of debt cover (up to 50% as of 31 December 2009) and is deducted from the equity with respect to the solvency (up to 75% as of 31 December 2009). Subsequently, amongst others 50% of the goodwill is deducted from equity when calculating solvency. The covenants are tested quarterly.

With the exception of the interest coverage, Kendrion fulfilled the covenants on a quarterly basis as of 30 June 2009. Kendrion is currently engaged in negotiations with the banking consortium regarding a new financing arrangement. In light of the current negotiations, the consortium of banks has issued a waiver for the breach per 30 June 2009.

Security provided
Within the framework of the consortium facility, Kendrion has provided securities in the form of pledging shares in a number of individual group companies and intra-group receivables.

Interest rate sensitivity
The interest charged on Kendrion's interest-bearing loans is primarily fixed for a period of three months or less. Kendrion has covered the ensuing interest risk by means of derived financial instruments.

14. Financial instruments

In relation to trade and other receivables, Kendrion has not, despite the economic situation, observed a noteworthy deterioration of customer payment behaviour. With regard to trade debts, a large credit insurer has lowered the outstanding credit limits with respect to the Kendrion Group, in part due to lower volumes. This has to date not led to worsened payment conditions to suppliers.

The value of the derived instruments on the balance sheet increased by EUR 0.9 million in the first six months of 2009, primarily due to the so-called roll-over of currency contracts at a more favourable rate.

With regard to the sensitivity to market risks (currency, interest rate and price), there have been no material changes since the end of 2008.

15. Contingent liabilities

The information relating to contingent liabilities contained in the 2008 financial statements (page 94, item 17) continues to apply. Linnig Brasil Acoplamentos Ltda has furthermore been subpoenaed in a lawsuit brought by a Brazilian party due to the breaking off of negotiations regarding a joint venture prior to the establishment of Linnig Brasil Acoplamentos Ltda in 2006. An amount of EUR 350,000 is being claimed. Based on legal advice, the probability that this claim will be successful is considered to be small. A limited provision has been formed. It is not known at this time when the court in Brazil will issue an initial ruling. Legal proceedings have been taken against Kendrion Binder Magnete GmbH in Austria by a supplier due to a supposed violation of purchase obligations for an amount of EUR 250,000. Based on the legal advice obtained, Kendrion is of the opinion that it only owes a limited amount. A small provision is formed.

16. Tax

The effective tax rate for the Group at consolidated level in the first half of 2009 was 16%, normalised for the once-only write-off stated under point 11 (Deferred tax asset), 7% (full year 2008: 26%, first half of 2008: 23%, both percentages have been calculated on the basis of continued business activities). The significant deviation in the normalised percentage in the first six months of 2009 is entirely attributable to losses in countries in which a deferred tax asset could not be created.

17. Related parties

Please refer to page 100 of the Annual Report for the definition of related parties. With the exception of the sale of the Vink Group on 12 February 2009, no changes have taken place.

18. Dividend

For the financial year 2008 a dividend of EUR 10 million, which amounts to EUR 0.97 in cash per ordinary share of nominal EUR 2.00, has been paid from the share premium account.