



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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6 NOVEMBER 2007

Third-quarter 2007 highlights

- Robust organic revenue growth (6.4%)
- Kendrion Electromagnetic revenue and profit on target
- Good progress in high-volume stamping at Kendrion Automotive Metals, but unexpected problems in safety products business
- Kendrion Distribution Services third-quarter results depressed by slower recovery in the Netherlands and model changes at Servico
- Operating profit down 13% (Q3 2007: EUR 4.6 million, Q3 2006: EUR 5.3 million)
- Kendrion expects full-year 2007 operating profit to show slight improvement on 2006
- Kendrion reiterates that the company expects to see concrete results from its “Focused Acceleration” strategy by the end of 2007

Kendrion N.V. key figures for third quarter and first nine months of 2007

(EUR million)

	<u>Q3 2007</u>	<u>Q3 2006</u>
Revenue	146.0	137.2
Operating result	4.6	5.3
Net profit ¹	1.9	2.7

	<u>Q1–3 2007</u>	<u>Q1–3 2006</u>
Revenue	455.2	418.0
Operating result	20.6	18.8
Net profit ¹	11.2	10.5

¹ Excluding non-recurring writedown of deferred tax assets (non-cash) of EUR 3.1 million reflecting the reduction in the German corporation tax rate as from 1 January 2008. Including this non-recurring writedown, there was a net loss of EUR 1.2 million in the third quarter.

Operations

Despite organic revenue growth of 6.4%, the third quarter fell short of expectations, mainly owing to disappointing results at Kendrion Distribution Services and on the safety products business at Kendrion Automotive Metals.

Kendrion Electromagnetic's third quarter was in line with expectations, with 14% organic revenue growth. Reflecting the strength of the German economy, its industrial activities continued to perform well. Its automotive activities developed satisfying and the order book for the coming years continued to expand. Prices remain under pressure in this segment.

Kendrion Automotive Metals (4% organic revenue growth) performed well in the third quarter in its core activity of high-volume stamping, helped by higher sales to both truck and car markets. The result, however, was depressed by the safety products business, owing to an unexpected decline in volumes and costs associated with the planned closure of an assembly unit in Germany before the end of the year.

Helped by the good market conditions, most of the companies in the Kendrion Distribution Services division reported good revenue growth. Vink Group, the largest member of this division, posted organic revenue growth of 5.5%. Vink Nederland's performance, however, was sharply down on the usual level of results, owing to problems with the new IT system introduced earlier this year. Implementation has now been completed but restoring market confidence in the business took longer than expected. The Vink Group operating result was further depressed by Vink Germany, where a new warehouse was brought into service during the summer as part of the future supply chain setup. Also, although good revenue growth was achieved in Germany in the first nine months, the margin is still too low. The hoped-for boost from the operations in France is developing largely according to plan, with satisfactory revenue growth here, too.

A significant negative factor in the third quarter, however, was Servico, which suffered an unexpectedly sharp decline in revenue during the period due to model changes scheduled for the fourth quarter.

Financial position

The balance sheet total was down EUR 2 million compared with 30 June 2007, at EUR 317 million. The solvency ratio as at 30 September 2007 was 29.1%.

Capital expenditure in the first nine months of 2007 totalled EUR 15.2 million, with depreciation of EUR 9.8 million. The high capital expenditure was incurred mainly on new projects at Kendrion Electromagnetic.

As announced in the half-year report, the German government has approved a package of tax measures, including a reduction in the corporation tax rate from around 40% to about 30%. In view of this reduction, the deferred tax assets were written down by EUR 3.1 million (non-cash) in the third quarter of 2007, which reduced the net profit by the same amount.

Strategic progress

Kendrion reiterates that the company expects to take concrete steps before the end of the year in pursuit of its strategy of sharpening the focus of its operations, in order to raise the pace of growth of its key activities, both organically and through acquisition. Kendrion strengthened the position of its Distribution Services division in the French market in the third quarter with the acquisition of KDI Plastiques.

Outlook

Kendrion Electromagnetic is developing well. Kendrion Distribution Services expects to see sustained improvements in countries such as France, Germany and the Netherlands in the fourth quarter as well as recovery at Servico. Kendrion Automotive Metals is confident that its high-volume stamping business will continue to perform well, although safety products will continue incurring extra costs between now and the end of the year. Overall, the operating result for 2007 is expected to show a slight improvement on 2006. It should be noted that the excellent fourth-quarter figures in 2006 incidentally included the one-off release of EUR 1.1 million from the pension provision.

Profile of Kendrion N.V.

Kendrion N.V. designs, manufactures and sells high-quality electromagnetic and metal components. It also processes and distributes semi-finished plastics. The company currently has approximately 2,800 employees in 16 countries in Europe, as well as in China and the United States.

Kendrion seeks to develop strong leading positions in selected niche markets in Europe. Its mission is to be a leading international company that uses its existing know-how, innovative skills and commercial strengths to provide effective solutions for its customers in industry. In doing so, it seeks to be a transparent, flexible and reliable company that combines entrepreneurial zest with clear profit objectives.

Kendrion shares are listed on the Euronext Amsterdam NV stock exchange.

Zeist, 6 November 2007

Executive Board of Kendrion N.V.

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Annexes

1. Consolidated income statement
2. Consolidated balance sheet
3. Important dates for 2007 and 2008

Annex 1 - Consolidated income statement

Consolidated income statement (EUR million)	Q3 2007	Q3 2006	period ended 30-9-2007	period ended 30-9-2006	2006
Revenue	146,0	137,2	455,2	418,0	568,5
Other operating income	1,2	0,4	3,7	2,8	3,2
	147,2	137,6	458,9	420,8	571,7
Changes in inventories of finished goods and work in progress	0,4	(1,0)	(2,3)	(0,8)	(1,6)
Raw materials and subcontracted work	92,2	86,4	284,6	260,2	352,5
Staff costs	29,5	27,2	93,4	85,7	114,6
Depreciation and amortisation	3,3	3,4	9,8	10,1	13,5
Other operating expenses	17,2	16,3	52,8	46,8	67,6
Results from operating activities	4,6	5,3	20,6	18,8	25,1
Finance income	0,2	0,4	0,5	0,4	0,7
Finance expense	(2,1)	(1,8)	(5,6)	(5,0)	(6,8)
Net finance costs	(1,9)	(1,4)	(5,1)	(4,6)	(6,1)
Share of profit of equity accounted investees	-	-	-	0,4	0,4
Profit before income tax	2,7	3,9	15,5	14,6	19,4
Income tax expense	(3,9)	(1,2)	(7,4)	(4,1)	(5,1)
Profit for the period	(1,2)	2,7	8,1	10,5	14,3
Attributable to:					
Equity holders of the company	(1,2)	2,7	8,1	10,5	14,3
Minority interest	-	-	-	-	-
Profit for the period	(1,2)	2,7	8,1	10,5	14,3
Basic earnings per share (EUR)	-0,12	0,26	0,79	1,02	1,39
Diluted earnings per share (EUR)	-0,12	0,26	0,79	1,02	1,39

- Unaudited figures -

Annex 2 - Consolidated balance sheet

Consolidated balance sheet as at:
(EUR million)

	30 September 2007	30 September 2006	31 December 2006
Assets			
Property, plant and equipment	75,3	66,3	69,2
Intangible assets	15,7	14,9	16,1
Other investments, including derivatives	3,5	3,4	3,3
Deferred tax assets	18,0	20,1	20,9
Total non-current assets	112,5	104,7	109,5
Inventories	84,4	75,9	74,7
Current tax assets	2,0	2,4	0,9
Trade and other receivables	114,7	107,1	100,3
Cash and cash equivalents	3,2	3,7	5,5
Assets classified as held for sale	-	-	0,6
Total current assets	204,3	189,1	182,0
Total assets	316,8	293,8	291,5
Liabilities			
Equity			
Share capital	20,6	20,6	20,6
Share premium	75,2	75,2	75,2
Reserves	(12,0)	(27,0)	(26,5)
Retained earnings	8,1	10,5	14,3
Total equity attributable to equity holders of the company	91,9	79,3	83,6
Minority interest	0,2	0,2	0,2
Total equity	92,1	79,5	83,8
Liabilities			
Loans and borrowings	80,2	83,0	76,7
Employee benefits	7,2	8,7	7,2
Government grants received in advance	0,1	0,1	0,1
Provisions	3,0	3,9	3,5
Deferred tax liabilities	3,9	3,9	3,8
Total non-current liabilities	94,4	99,6	91,3
Bank overdraft	22,9	7,4	9,2
Loans and borrowings	0,2	9,1	7,1
Current tax liabilities	3,0	2,9	2,1
Trade and other payables	104,2	95,3	98,0
Total current liabilities	130,3	114,7	116,4
Total liabilities	224,7	214,3	207,7
Total equity and liabilities	316,8	293,8	291,5

- Unaudited figures -

Annex 3 – Important dates for 2007 and 2008

2007 financial year

Publication of 2007 full-year figures	Tuesday, 26 February 2008	Before start of trading
Press conference / analysts' meeting	Tuesday, 26 February 2008	10:00 / 11:30 a.m.
General Meeting of Shareholders	Monday, 7 April 2008	2:30 p.m.

2008 financial year

Publication of Q1 2008 results	Wednesday, 7 May 2008	Before start of trading
Publication of H1 2008 results	Tuesday, 26 August 2008	Before start of trading
Press conference / analysts' meeting	Tuesday, 26 August 2008	10:00 / 11:30 a.m.
Publication of Q3 2008 results	Tuesday, 4 November 2008	Before start of trading