

# LANKHORST EURONETE NEWS

1 April 2010

Dear readers,



It is with great pleasure that I present the very first edition of the Lankhorst Euronete News. With this newsletter we intend to share the activities of our group with all of our customers and employees. We would of course welcome any suggestion to improve our newsletter.

We just finalized a very difficult year. The recession we went through in 2009 - due to lack of demand and trust in the different markets - forced us to make several adjustments in the organization of our group in order to prepare it for the future.

Although we seem to have the worst part of the recession behind us, it is almost impossible to make viable and stable prognoses of the economical developments. Since the beginning of the year there are signals of some recovery. Whether this process will continue however, and whether we will see a real recovery, is difficult to say. A possible recovery will, in my opinion, be very slow and with some possible setbacks. Nevertheless our activities and results in the first three months of 2010 show an improvement. Hopefully this development will continue.

The Board of the Royal Lankhorst Euronete group has a new operational structure as per April 1, 2010:

CEO and President of the Board	-	José Luis Gramaxo
CFO	-	Eef Bos
CCDO	-	Lurdes Gramaxo

The nomination is to be adopted at the next shareholders' meeting in May 2010.

I would like to wish my new Board colleagues success and I am convinced that we will form a very motivated and dedicated team aiming to achieve further growth of the Royal Lankhorst Euronete group.

José Luis Gramaxo  
President

## MARITIME & OFFSHORE ROPE DIVISION



### New type of splice

Lankhorst Ropes have invented a completely new type of splice. This A3® splice (patent pending) is revolutionary in three different ways:

- It has a 100% efficiency, thus no strength loss due to splicing.
- No doubling of the rope or splice stiffness in the mainline.
- It will diminish the abrasion vulnerable area of splice covering.

This invention is cost saving for users and will improve safety on board. The new A3® splice is presented at the ITS in Vancouver, the OTC in Houston and the SMM in Hamburg.

### New fibre rope testing machine installed

Lankhorst Ropes Offshore Division has installed a new fibre rope testing machine at their Póvoa de Varzim factory in Portugal. The test machine can break test ropes up to 1,200 tonnes in strength. It can also conduct tension-tension fatigue testing of ropes to any fatigue regime specified by clients and certified verification authorities.

The test facility is unique in the fibre rope industry in that it can test samples of 20 metre lengths.

Contracts for deepwater mooring ropes are mostly custom designed and require proto-type ropes to be tested in accordance with various industry standards such as APL, ABS and DNV rules, before manufacture can commence. Until now proto-type samples have been sent to external test houses which is costly and time consuming. With Lankhorst Ropes' new in-house facility, they will be able to offer a faster service. It will also benefit Lankhorst's R&D programs in bringing new products to market more rapidly. Lankhorst plan to offer this test facility on a commercial basis to industry for proof-loading, break and tension-tension fatigue testing of ropes and other strength member components. Designed and fabricated in Portugal, it enhances Lankhorst Ropes' leading position in the design and manufacture of deepwater mooring tethers and single point mooring hawsers for the offshore oil & gas industry.



Offshore team in front of the new test machine

## ENGINEERED PRODUCTS DIVISION

The Engineered Products Division is a fast growing division of the Royal Lankhorst Euronete group with production facilities in the Netherlands (Sneek and Born) and a sales office in the UK (Worsley). Our main activities are development, production and sales of high quality products made from recycled plastics. Over the past years, the Engineered Products Division has become the European market leader in its field.

Innovation is the strategic spearhead and of major importance when developing new products and technologies – for our own needs as well as at the request of our clients. Lankhorst Engineered Products have experienced project managers and an in-house R&D department with the right know-how. Using recycled plastics as raw materials enables us to be considerate with regard to the environment, to save costs and to upgrade materials such as agricultural film and packaging waste, bottle caps and beer crates to higher-level applications.

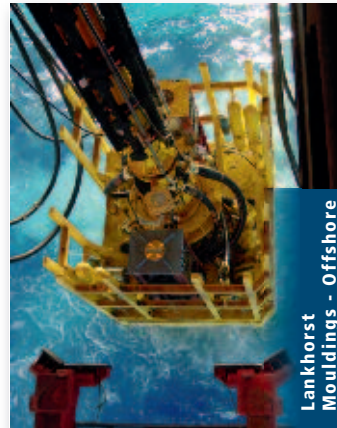
Engineered Products Division manufactures - among others - products for ground and marina constructions, playground equipment, offshore oil & gas exploration, logistical applications, storage systems for heavy industry and industrial applications. Know-how of materials, production processes and applications is the basis for the product recipes and at the same time a guarantee for consistent quality.



Lankhorst Recycling Products



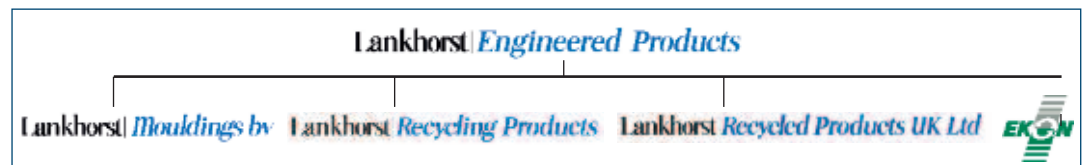
Ekon



Lankhorst Mouldings - Offshore



Lankhorst Mouldings - Steel



## YACHTING DIVISION



### Lankhorst Taselaar ready for the new yachting season

The new yachting season will start shortly. After a long and cold winter many boat owners are preparing themselves for hopefully a beautiful and long summer to enjoy their boats. During the winter period the team of Lankhorst Taselaar, the leading wholesaler in yachting products in the Netherlands, Germany and Belgium and one of the key players in many other European countries, prepared themselves to turn the coming yachting season into a big success.

We attended many exhibitions such as: Hanseboot Hamburg, Helsinki Boatshow, Boot Düsseldorf, London Boatshow, Copenhagen Boatshow and Hiswa Amsterdam. In addition customers were invited to visit our headquarters in Lelystad for the "open house days". During these days we organized tours

through the company and customers participated in a large number of product workshops. The large range of new products that was added to the portfolio of Lankhorst Taselaar is considered very important. With this increased range of products, the company expects to be able to serve its customers,

chandlery and also shipyards, and service and maintenance companies even better than before.

The most important new product lines are a large range of high quality Dyneema ropes, the revolutionary Facnor Flatdeck rolling reef system and the

Jabsco waste water systems. Also Talamex, Lankhorst Taselaar's private label range, is expanded with a number of interesting products, for example night vision binoculars, new inflatable boats, folding bikes and several hardware products.



## PURE COMPOSITES DIVISION

Lankhorst Pure Composites is the youngest company of the Royal Lankhorst Euronete group and a direct spin off from the yarn production activities of the group. It produces tapes and sells semi-finished products such as fabric and sheet material based on the patented PURE® technology.

PURE® is a 100% polypropylene thermoplastic composite material with ultimate properties. More specific, PURE® is special due to its very low density and high impact resistance even at very low temperatures. In addition it is a fully recyclable material.



PURE® containing anti-ballistic panel, level II Stanag 4569

The PURE® fabric can be used in moulding processes to produce 3D moulded parts. The development was started to create an environmental friendly alternative for glass reinforced thermoplastics (GMT) for application in the automotive industry.

Once it was developed and tested, it turned out that the material offered many more opportunities.

Nowadays the material is successfully applied in the anti-ballistic market. Other interesting markets for PURE® are luggage, sports and marine applications.



PURE® backpack frame

If you are interested to meet us and discuss your ideas for possible applications, please contact us. Our representatives will be present at the Eurosatory show (June 2010), in Paris, France.

## FISHING DIVISION



The worldwide crisis we faced during the last year affected almost all economic sectors and the industrial fishing sector had already felt it for some years. First there was the pressure to reduce fishing quantities around the world with cuts on the quotas and boat decommission, and then there was the high fuel price, followed by a strong decrease of fish prices in conjunction with a lower demand.

The Fishing Division of the Royal Lankhorst Euronete group, headed by Euronete, was forced to make some adjustments with special relevance to the production structure; however, with a minor impact on the work force. Despite this scenario we didn't have to cancel or postpone any of our investment projects and neither have our customers changed their attitude towards their needs for high quality products. The financial crisis did not create a special need to change or adapt our products.

As world market leader in netting production, Euronete continues to invest in its exclusive Euroline Premium Plus netting; soon the "fifth generation" netting will become a reality. Last September, during the World Fishing Exhibition in Vigo, we also presented our most



Back from left to right: Thomas Dalsgaard, Rui Faria, Mafalda Gramaxo, Bondie Sciarone, José Gramaxo, Thorsteinn Benediktsson, Marc Altana  
Front from left to right: Miguel Gramaxo, Edgard Silvera, Steve Emmerson

recent product: the Eurotech® rope. This new product was designed and produced with the aim to substitute the trawl wire rope in fishing vessels. For this application we offer a 7 strand wire rope construction made of a high strength fibre. Due to full strand contact of the wire rope constructions instead of inter crossing strand contacts, this construction outperforms braided constructions in

bending fatigue applications, such as running over sheaves and reversed-bending over fairlead rollers. For the Fishing Division all products are of extreme importance. We continuously invest in our production systems and high quality products which enable us to achieve the high standards required by our clients and to remain market leader. The World Fishing Exhibition in

Vigo last year was an extremely important opportunity to be next to the market and to welcome customers from all over the world. Exchanging experiences and knowledge was one of the most important aspects. In spite of the crisis we had visitors from all continents and it was with satisfaction that we could review our business partners, discuss and update all innovations in the fishing market.

To celebrate this event in which more than 200 people - customers, suppliers and collaborators - participated, Euronete organized a great night with dinner, music, dance and raffle prizes. After the exhibition, all Euronete managers participated in our Fishing Division meetings in Portugal to discuss all important concerns and ideas related to the fishing market, trends and future opportunities.



Euronete stand at World Fishing Exhibition in Vigo/Spain

## YARN DIVISION

### Investments in Chinese FIBC market start to give returns

In 2006 Lankhorst Yarns started to position themselves in the Chinese market as supplier of sewing thread for Flexible Intermediate Bulk Containers (FIBC), also called big bags.

In the light of the rapidly rising labor costs, quality and efficiency are increasingly important to big bag manufacturers in China. While 4 years ago it was almost impossible to break into this market as the local producers of sewing yarns were able to sell their lower quality sewing yarn at very low prices, based on their low labor costs, especially the last year we see a shift in thinking.

The stitching with polyester yarn (70% of the total production) is becoming less popular because exports impose stringent demands in terms of recycling. Most European countries now require that the big bags are made of 100% polypropylene materials.

The sewing yarn of Lankhorst Yarns is recognized worldwide as one of the highest quality PP yarn.

Lankhorst Yarns have benefited a lot from the support by the Lankhorst Euronete office in Beijing that has setup contacts with two of the largest manufacturers of big bags in China (approximately 6 million FIBC per year).

The added value of our sewing yarn is increasingly recognized by Chinese FIBC manufacturers. More and more companies are willing to test our yarn in their production. Sales of our sewing yarn has thus increased significantly since the beginning of this year. Another product of Lankhorst Yarns for use in the FIBC market is conductivity tape.



Mr Martin Piersma in discussion with Chinese FIBC manufacturers during a FIBC symposium

## FROM THE EDITORS

The next edition of Lankhorst Euronete News will be published in September 2010.

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Big bag

This weakly conductive tape is used in the so-called Type C big bags. The deployment of this tape must ensure that any static electricity generated

during use is carried away through the bag itself. This prevents dust explosions, which could cause enormous damage. Type C big bags are used in the chemical industry and the automotive sector. In the last two years the number of Type C bags has tripled in China. Again we observe a marked increase in sales of our conductivity yarn.

The investments of the Royal Lankhorst Euronete group in the Chinese market during recent years now clearly start to pay off.

## EXHIBITIONS 2010



### Maritime & Offshore Rope Division

- |                             |   |
|-----------------------------|---|
| 27 – 29 April               | Construction & Shipping Industry (CSI)<br>Gorinchem/NL                      |
| 3 – 6 May                   | Offshore Technology Conference (OTC)<br>Houston/USA                         |
| 17 – 21 May                 | International Tug & Salvage Convention and Exhibition (ITS)<br>Vancouver/CA |
| 18 – 20 May                 | Navalia, International Shipbuilding Exhibition<br>Vigo/ES                   |
| 7 – 10 September            | Shipbuilding, Machinery & Marine Technology (SMM)<br>Hamburg/DE             |
| 30 November -<br>2 December | Deep Offshore Technology (DOT)<br>Amsterdam/NL                              |

### Fishing Division

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|----------------|--|
| 17 – 20 August | Nor-Fishing<br>Trondheim/NO                |
| 7 – 9 October  | Maritime and North Sea Fish Expo<br>Urk/NL |

### Engineered Products Division

- |                   |   |
|-------------------|---|
| 3 – 6 May         | Offshore Technology Conference (OTC)<br>Houston/USA |
| 29 – 30 September | Kunststoffenbeurs<br>Veldhoven/NL                   |
| 26 – 30 October   | EuroBlech<br>Hannover/DE                            |
| 16 – 18 November  | Infra Relatiedagen<br>Gorinchem/NL                  |

### Yarn Division

- |                 |                           |
|-----------------|---------------------------|
| 12 – 15 October | Hortifair<br>Amsterdam/NL |
|-----------------|---------------------------|

