HAGEMEYER

HAGEMEYER N.V. RIJKSWEG 69, P.O. BOX 5111, 1410 AC NAARDEN, THE NETHERLANDS
TELEPHONE + 31 (0)35 6957676, FAX + 31 (0)35 6944396, e-mail: press@hagemeyer.com, website: www.hagemeyer.com

PRESS RELEASE

HAGEMEYER TRADING UPDATE: THIRD QUARTER 2005*

Highlights

- **Group revenue of € 1,438 million, organic growth of 4.3% in Q3 2005 (HY1 2005: 3.2%)**
- **Q3 2005 organic revenue growth of 4.8% in PPS business, based on the same number of working days (HY1 2005: 4.5%)**
- **Revenue decline for ACE business reduced from 12.1% in HY1 2005 to 3.5% in Q3 2005**
- **Outlook for 2005 and beyond reconfirmed**

Organic revenue growth[1]

	9 months 2005	Q3 2005	HY1 2005	Q2 2005	Q1 2005	9 months 2004	Q3 2004
Same number of working days							
PPS	4.7%	4.8%	4.5%	4.1%	4.9%	2.6%	3.5%
Not adjusted for working days							
PPS	4.6%	4.9%	4.5%	7.0%	1.9%	3.3%	3.8%
Agencies/CE	-9.1%	-3.5%	-12.1%	-15.5%	-7.6%	4.0%	4.3%
Group total	3.6%	4.3%	3.2%	5.1%	1.2%	3.4%	3.8%

[1] Organic revenue growth: revenue growth compared to the same period of the prior year and excluding the effect of foreign exchange and divestments and acquisitions

Rudi de Becker, CEO:

"Sales growth in our PPS business accelerated from 4.1% in Q2 to 4.8% in Q3. The main contributors to this positive development were Germany, where we continued to gain market share, Spain and North America. In the UK, we decided to postpone major sales initiatives until Q4, and instead to continue to concentrate on improving gross margins, reducing costs and further streamlining our newly restructured logistics. Q3 sales in the UK therefore remained flat. The combination of excellent customer service levels, an increase of the sales force of our main UK operating company by almost 50% and the launch of a spectacular sales campaign in Q4 should lead to improved sales growth in the UK. The skies also seem to be brightening for our Agencies and Consumer Electronics business, where the rate of decline has considerably decreased in Q3. Based on the ongoing positive development of our business during quarter three, we have every reason to remain confident about 2005 and beyond."

* All figures are preliminary unaudited figures.

GROUP REVIEW

Net revenue (in € millions)	**9 months 2005**	**Q3 2005**	HY1 2005	Q2 2005	Q1 2005	9 months 2004	Q3 2004
PPS	**3,801**	**1,334**	2,467	1,292	1,175	3,707	1,278
Agencies/CE	**278**	**104**	173	94	79	323	107
Total net revenue	**4,079**	**1,438**	2,640	1,386	1,254	4,030	1,385
Net senior debt[1]	**277**	**277**	297	297	253	522	522
Subordinated convertible bonds[2]	**285**	**285**	285	285	285	150	150

[1] Net senior debt at the end of the reporting period. [2] Subordinated convertible bonds at nominal value.

REVENUE DEVELOPMENT

In the third quarter of 2005, net revenue for the Group was € 1,438 million (Q3 2004: € 1,385 million). Organic revenue growth was 4.3% or € 58 million.

The net effect of divestments and acquisitions led to a reduction in revenue of € 19 million, mainly due to the divestments of Hagemeyer Asia-Pacific Electronics (HAPE) per 1 April 2005 and of our PPS activities in India in September 2004.

Foreign exchange rate movements increased net revenue by € 14 million.

Organic growth for the PPS business was 4.9% in Q3 2005 (HY1 2005: 4.5%). Germany, Spain and North America were the main contributors to this growth.

FINANCIAL POSITION

The Group's net senior debt decreased from € 297 million as at 30 June 2005 to € 277 million as at 30 September 2005.

This decrease in the net senior debt in the third quarter is mainly the result of the positive cash flow in this period.

OUTLOOK

We reconfirm our outlook for 2005 and beyond.

- For 2005, we expect:
  - to further grow our net revenue, provided our markets do not deteriorate;
  - to achieve savings in operating costs that will at least offset inflationary and volume-related cost movements;
  - to achieve an operating result before exceptional items of at least € 70 million (HY1 2005: € 10 million);
  - to meet the financial covenants for the senior credit facility as at 31 December;
  - to charge net exceptional items of less than € 15 million in the second half of the year; and
  - to achieve a positive net result (before possible fair value adjustment of the conversion option on subordinated convertible bonds) in the second half of 2005.

- For 2006, we expect a return to profitability (i.e. a positive net result before possible fair value adjustment of the conversion option on subordinated convertible bonds).

- For 2007, the objective for our core PPS business remains a Return on Invested Capital (ROIC) of 9%, versus a current Weighted Average Cost of Capital (WACC) of 8%. The eventual outcome is expected to range between 7 and 10%, depending on the extent to which we will be able to realise our assumed revenue growth of 3 to 5% annually and our gross margin improvement targets.

PROFESSIONAL PRODUCTS AND SERVICES (PPS)

Organic growth[1]	9 months 2005	Q3 2005	HY1 2005	Q2 2005	Q1 2005	9 months 2004	Q3 2004
PPS Europe	**4.2%**	**3.2%**	4.6%	3.6%	5.3%	2.9%	2.9%
PPS Germany	***3.8%***	***5.8%***	*2.6%*	*3.3%*	*1.8%*	*-9.7%*	*-10.0%*
PPS UK	***0.3%***	***-0.2%***	*0.6%*	*-0.2%*	*1.3%*	*5.4%*	*4.9%*
PPS Other Europe	***7.1%***	***4.4%***	*8.2%*	*6.2%*	*10.1%*	*9.2%*	*9.6%*
PPS North America	**7.2%**	**9.8%**	5.8%	7.2%	4.2%	2.9%	5.9%
PPS USA	***6.4%***	***9.4%***	*4.8%*	*5.9%*	*3.7%*	*4.0%*	*8.2%*
PPS Asia-Pacific	**2.1%**	**1.9%**	1.4%	0.1%	4.1%	-0.7%	2.4%
PPS total	**4.7%**	**4.8%**	4.5%	4.1%	4.9%	2.6%	3.5%

[1] Organic growth: revenue growth on a same number of working days basis, compared to the same period of the prior year and excluding the effect of foreign exchange and divestments and acquisitions.

Net revenue in the third quarter for the PPS division amounted to € 1,334 million (Q3 2004: € 1,278 million). Organic growth was € 62 million. On the basis of the same number of working days, organic growth was 4.8% (HY1 2005: 4.5%; Q3 2004: 3.5%). Divestments led to a decrease in Q3 revenue of € 16 million. Foreign exchange rate movements had a positive impact of € 10 million.

Europe

Q3 2005 organic growth was 3.2% (HY1 2005: 4.6%). In Q3 2004, revenue increased by 2.9%.

Germany

Our revenue in the third quarter increased by 5.8%, compared to a decrease of 10% in the same period of last year and an increase of 2.6% in the first half of this year. Throughout 2005, Hagemeyer has been gaining market share in a further declining German electrical wholesale market. Both Construction and Installation (C&I) and Industry have contributed to sales growth. This positive evolution is the result of the combination of outstanding customer service, a considerably strengthened sales force and branch network and the impact of creative marketing and sales campaigns.

UK

Sales in the UK were practically flat in the third quarter (-0.2%), compared to a small growth in HY1 2005 (0.6%). We decided to postpone major sales initiatives until the fourth quarter and to continue instead to concentrate on improving gross margins, reducing costs and further streamlining our newly restructured logistics. The combination of excellent customer service levels, an almost 50% increase of the sales force of our main UK operating company and a spectacular sales campaign planned for Q4 should again lead to sales growth in the UK. Further significant progress is made in other key areas of our UK business. Gross margins are improving and operating expenses continue to go down. We therefore confirm our previous outlook for the UK. This means that, for 2005, we expect to halve the operating loss of 2004 and to return to a positive operating result in 2006.

Other Europe

In the Nordics region, growth in Q3 was 2.9%, compared to 10.7% growth in HY1 2005. This lower growth rate was mainly due to a decrease in telecommunication sales. Sales remain strong in the residential construction and utility markets.

In Spain, our sales in Q3 increased by 9.6%, which meant a further increase in market share. Both our C&I and Industry businesses contributed to this growth.

North America

North America showed a strong revenue growth of 9.8%. In the USA, Q3 organic revenue growth amounted to 9.4%. We benefited from a strong market, both in C&I and Industry and from increased government spending towards the end of the federal budget year.

Asia-Pacific

Q3 revenue growth in Asia-Pacific was 1.9%. The residential construction market in Australia remains depressed. Sales to Mining and Industry in general show good growth.

* All figures are preliminary unaudited figures.

AGENCIES/CONSUMER ELECTRONICS

Organic growth [1]	**9 months 2005**	**Q3 2005**	HY1 2005	Q2 2005	Q1 2005	9 months 2004	Q3 2004
Agencies/CE	**-9.1%**	**-3.5%**	-12.1%	-15.5%	-7.6%	4.0%	4.3%

[1] Organic growth: revenue growth not adjusted for working days, compared to the same period of the prior year and excluding the effect of foreign exchange and divestments and acquisitions.

In our Agencies and Consumer Electronics business, the rate of decline has decreased from 12.1% in the first half of the year to 3.5% in Q3. New product launches contributed to this improvement. Revenue for the third quarter was € 104 million (Q3 2004: € 107 million).

Foreign exchange rate movements had a positive impact of € 4 million. The net effect of divestments (the termination of certain agency contracts in Australia) and acquisitions led to a reduction in revenues of € 3 million in the period.

Recently, agreement has also been reached about our withdrawal from the Fuji Film business in the Netherlands, as was announced in a press release dated 25 July 2005. As of 31 October 2005, these activities will be continued through Fuji Photo Film (Europe) GmbH. The financial impact of this transaction will be minimal.

Naarden, 27 October 2005
HAGEMEYER N.V.
Board of Management

Note to the editor:
For further information: Emilie de Wolf
Investor Relations & Group Communications
tel. +31 (0)35 6957676
www.hagemeyer.com
press@hagemeyer.com

Hagemeyer had net revenues of € 4.1 billion in the first nine months of 2005 (full-year 2004: € 5.4 billion) and employs approximately 17,200 employees. More than 90% of Hagemeyer's total revenue is generated by its core Professional Products and Services (PPS) business. PPS focuses on the value-added business-to-business distribution of electrical parts and supplies, safety and other Maintenance, Repair and Operations (MRO) products in more than 25 countries across Europe, North America and Asia-Pacific. The remaining part of Hagemeyer's revenues is realised by its Agencies/Consumer Electronics (ACE) business, which distributes consumer electronics and branded products in the Netherlands and Australia and luxury goods in a number of smaller countries in Asia.

The Hagemeyer Group has its head office in Naarden, the Netherlands.

* All figures are preliminary unaudited figures.

Organic revenue growth[1] - not adjusted for working days

	9 months 2005	**Q3 2005**	HY1 2005	Q2 2005	Q1 2005	9 months 2004	Q3 2004
PPS Europe	**4.1%**	**3.4%**	4.5%	7.2%	1.7%	3.8%	3.3%
PPS Germany	***3.8%***	***5.8%***	*2.6%*	*6.7%*	*-1.4%*	*-8.8%*	*-8.6%*
PPS UK	***-0.2%***	***-0.2%***	*-0.2%*	*3.1%*	*-3.4%*	*5.9%*	*4.9%*
PPS Other Europe	***7.3%***	***4.8%***	*8.7%*	*10.1%*	*7.1%*	*10.3%*	*9.7%*
PPS North America	**7.3%**	**9.9%**	5.9%	7.6%	4.0%	3.5%	6.1%
PPS USA	***6.4%***	***9.4%***	*4.8%*	*5.9%*	*3.7%*	*4.5%*	*8.2%*
PPS Asia-Pacific	**1.3%**	**2.1%**	0.8%	4.0%	-2.6%	-0.3%	1.4%
PPS Total	**4.6%**	**4.9%**	4.5%	7.0%	1.9%	3.3%	3.8%
Agencies/CE	**-9.1%**	**-3.5%**	-12.1%	-15.5%	-7.6%	4.0%	4.3%
Group total	**3.6%**	**4.3%**	3.2%	5.1%	1.2%	3.4%	3.8%

[1] Organic revenue growth: revenue growth, not adjusted for working days, compared to the same period of the prior year and excluding the effect of foreign exchange and divestments and acquisitions

* All figures are preliminary unaudited figures.