HAGEMEYER

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Press Release

Hagemeyer enters into a standstill agreement

- **Standstill until November 9, 2003, can be extended to February 9, 2004**
- **Advanced stage of financial restructuring**
- **Substantial dilution for shareholders expected**

Hagemeyer N.V. announces that it has entered into a standstill agreement with virtually all of its lenders. This agreement allows for the continuation of the existing credit lines and waives certain defaults which have occurred in various credit facilities. The agreement provides access by the Company to liquidity to support normal working capital and trade credit.

The standstill agreement formalises the process of extending waivers within which the Company has been operating since July. Since then it has been developing and reviewing strategies with its worldwide creditor group to refinance the Company and to secure the required liquidity. Several alternatives are in advanced stages of consideration. The standstill agreement is valid until November 9, 2003, and aims to provide the Company with the necessary time to complete the plans of a permanent restructuring of its capitalisation. The agreement can be extended to February 9, 2004, if agreed by the Company and the relevant lenders.

Strategies being considered include restructuring existing debt, new equity capital, possibly including a third party investor, and other solutions. Most of the alternatives would involve substantial dilution for the Company's current shareholders. "Our objective is to implement a recapitalisation of the Company which provides the necessary operating flexibility and financial strength for our operating companies to execute their business plans and which is fair to all our stakeholders," commented Rob ter Haar, CEO of Hagemeyer.

Key terms and conditions of the standstill agreement are summarised in Exhibit I. As soon as specific information about the refinancing is available, this will be published.

Naarden, October 10, 2003
HAGEMEYER N.V.
Board of Management

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Exhibit I

Key terms and conditions of the Hagemeyer standstill agreement

A. The standstill agreement covers all facilities provided by the group of lenders, including letters of credit, and is based on the situation as per August 4, 2003.
B. Duration:
   - initially to November 9, 2003 and if agreed by the Company and the relevant lenders the standstill can be extended to February 9, 2004.
C. Interest cost and waiver fee:
   - Total interest cost will increase from 5.5% per annum as per January 2003, to approximately 7.0% of net debt.
   - The waiver fee equals 25 basis points of the amount of the standstill for the period up to November 9, 2003.
D. Key conditions to be met on or before November 9, 2003:
   - Reporting on progress on specific business and working capital improvements.
   - Reporting on progress towards completion of the overall refinancing plan.
E. Financial covenant:
   - During the standstill period Hagemeyer must meet a minimum current ratio[1] of 1.0 (note: the current ratio as per June 30, 2003 was 1.05).

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[1] 'Current ratio' means the ratio of current assets (calculated as the sum of (1) net inventories [gross inventory less inventory provision], (2) net trade receivables [gross trade receivables less provision for bad debts], (3) other receivables and prepayments, and (4) cash and deposits) of the Group to the current liabilities (calculated as the sum of (1) trade payables, (2) other current liabilities and (3) all debt under the existing facilities other than the subordinated loan facility agreement).