



Press release

Alkmaar, August 24, 2004

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2004 AUG 26 P 3:49

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OFFICE OF INTERNATIONAL
CORPORATE FINANCE

Airspray: Healthy volume growth first half 2004

SUPPL

- The number of dispensers sold increased 15%
- Sales up 4% to EUR 16.9 million, at constant exchange rates sales grew 15% (1H 2003: EUR 16.2 million)
- Net result up 1 % to EUR 2.6 million (1H 2003: EUR 2.5 million)
- Strong growth in the U.S. with Procter & Gamble added as new customer
- Management maintains its expectation of double digit local currency and volume growth for the full year 2004

Results

With the reported good start of the year, Airspray was able to continue its solid growth, realizing volume growth of 15% for the first half of the year. Due to the exchange rate effect sales revenue grew 4% to EUR 16.9 million, at constant exchange rates Airspray would have shown 15% sales growth. As a larger percentage of the cost of sales, as opposed to turnover, is realized in euros, the gross margin declined to 40% (H1 2003: 44%). There was no margin decline due to increased margin pressure. Airspray intends to increasingly mould and assemble the products for the U.S. market in the U.S., thereby creating a natural hedge.

In volume, Airspray grew significant in the U.S. capitalizing on the growing economy. In euros, North America realized 60% of the turnover, Europe 35% and other 5%.

The net result grew 1% to EUR 2.6 million for the first half of 2004. The earnings per share were stable at EUR 0.48 compared to 2003.

During the first six months Airspray invested EUR 1.3 million primarily in new moulds and assembly equipment. Airspray's balance sheet remains very strong with a solvability of 83%, which is at the same level as last year.

Operational review of first half 2004

Airspray was able to capitalize on the strong economic growth in the U.S.; large customers ordered more, new projects got started and/or materialized and small customers reordered. In

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Europe we experience solid growth in the UK and France while Germany and Italy were lagging in line with overall economic circumstances. The most visible introductions were Procter & Gamble's Pantene Pro-V Hair conditioning foam and Dial Tone Hand soap in the U.S. Mini foamers and the Water resistant family are continuing to grow most significantly.

Airspray continued its product development of the new Dual Foamer and Symplicity lotion pump for launch later this year. Designs have been finalized and production moulds ordered.

Turnover per segment

The **skin care segment** in the total mix of Airspray's turnover still accounted for 32% in the first half of the year. Intimate hygiene, which is part of the skin care segment, continues to grow with leaps and bounds. The share of the **hand soap** remained 27% of turnover. Despite P&G's Pantene volumes **Hair care's** share slightly declined to 20% while the newly identified **Sun care** segment grew to 13%. Segment **other** was 8%.

Two fast growing subsegments are commercial soap dispensers and intimate hygiene. Commercial foaming soap dispensers started sales in 1998 but are continuing to increase in annual volume, number of customers and an increased number of development projects. Intimate hygiene, which initially took off in Italy is now growing in many geographic markets.

IFRS

Like all other public companies in Europe, Airspray is scheduled to start reporting according to IFRS accounting standards beginning of next year. In anticipation, already since 2001, Airspray decided to capitalise and depreciate development cost of new products. In addition, remaining carry forward losses in the United States were capitalized. Both these changes are mandatory under IFRS.

The only change with an effect on the financial result, which will take place in 2005, is the estimated cost of granted options in the profit and loss statement. The effect of this change on the net result will be limited.

Also, effective 2005, deferred tax liability will be stated at nominal versus present value. This change will be executed in accordance with IFRS in the opening balance for 2005 without an effect on the result.



Other information

In relation to the ongoing lawsuit filed by SBS/DEB against Gojo, in which Airspray is also involved, Gojo has signed an agreement with Airspray that it will take care of the legal case and expenses.

In relation to the company's intention to purchase its own shares, Airspray obtained approval from its shareholders during the AGM in May to withdraw up to 5% of its outstanding shares during the course of 2004.

In view of the limited beneficial effect, Airspray has decided to exit the Nextprime segment of Euronext.

Outlook

Taking everything into account, management maintains a forecast of double-digit local currency and volume growth for all of 2004.

Profile Airspray

Airspray is a leading producer of high value-added, innovative dispensers. Airspray is market leader in mechanical instant foam dispensers. Airspray sells its products to producers of consumer products who include multinationals like Procter & Gamble, Unilever, Wella, Colgate, L'Oréal, Henkel-Schwarzkopf and Johnson & Johnson. Currently Airspray employs over 115 people. Airspray is a 'technology-driven' enterprise. During its 21 year existence, Airspray has developed expertise in R&D, in bringing innovative dispensing solutions to mass production and in their worldwide marketing. Airspray now has several dispenser types that all operate without gas propellants. Airspray has been listed on the Euronext Amsterdam since 28 May 1998. In the U.S., the company is traded over-the-counter ("AYAKY").

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For more information:

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CONSOLIDATED PROFIT AND LOSS ACCOUNT at June 30
 In EUR. x 1,000

	2004	2003	growth%
Net sales	16.879	16.159	4%
Cost of sales	<u>- 10.124</u>	<u>- 9.005</u>	12%
Gross margin	6.755	7.154	-6%
Selling expenses	- 323	- 323	
G & A expenses	<u>- 2.453</u>	<u>- 2.899</u>	
	<u>- 2.776</u>	<u>- 3.222</u>	-14%
Operational result	3.979	3.932	1%
Financial charges	<u>- 73</u>	<u>- 50</u>	
Result before tax	3.906	3.882	1%
Tax	<u>- 1.347</u>	<u>- 1.339</u>	1%
Net profit	2.559	2.543	1%

RATIOS

In EUR.

Earnings per share (ave.)	0.48	0.48
Cash flow per share (ave.)	0.66	0.65
Equity per share (end)	5.10	4.66

In %

Return on equity (ave.)	19%	20%
Gross margin	40%	44%
Operational margin	24%	24%

Number of shares (average)	5.287.842	5.280.485
Number of shares (end)	5.287.842	5.280.485



CONSOLIDATED BALANCE SHEET
In EUR. x 1,000

ASSETS	30-06-2004	31-12-2003
FIXED ASSETS		
Intangible fixed assets	1.904	1.610
Buildings	3.824	3.896
Operating assets and other tangible assets	12.125	11.556
Financial fixed assets	<u>1.823</u>	<u>2.322</u>
	19.676	19.384
CURRENT ASSETS		
Inventories	3.687	2.727
Receivables		
Debtors	5.364	6.340
Other receivables	<u>1.688</u>	<u>1.271</u>
	7.052	7.611
Cash	2.169	3.517
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Total assets	32.584	33.239
	=====	=====

LIABILITIES	30-06-2004	31-12-2003
Shareholders' equity	26.953	27.553
Long-term debts	2.327	2.366
Short-term debts		
Trade creditors	1.801	1.702
Other liabilities	<u>1.503</u>	<u>1.618</u>
	3.304	3.320
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Total liabilities	32.584	33.239
	=====	=====



CONSOLIDATED CASH FLOW STATEMENT

In EUR x 1,000

First half year

Cash flow from operational activities

	2004	2003
Net profit	2.559	2.543
Depreciation	<u>908</u>	<u>886</u>
Cash flow generated	3.467	3.429
Increase of working capital	<u>-417</u>	<u>-942</u>
Cash flow from operations	3.050	2.487

Cash flow from investment activities

Investment in intangible assets	-310	-329
Investment in tangible assets	-1.329	-1.935
Investment in financial assets	<u>499</u>	<u>414</u>
Cash flow from investment activities	-1.140	-1.850

Cash flow from financing activities

Dividend paid	-3.331	-2.640
Change in long-term debts	<u>-39</u>	<u>-117</u>
Cash flow from financing activities	-3.370	-2.757

Net cash flow -1.460 -2.120

Exchange rate and conversion difference 112 -240

Change in financial resources -1.348 -2.360

Cash begin of period 3.517 2.848

Cash end of period 2.169 488