

MEMO

TO: The Associates of Linear Composites, Maccaferri, JWH Group

FROM: Alessandro Maccaferri, Luigi Penzo

DATE: June 1st 2006

SUBJECT: **Linear Composites Acquisition**

The Maccaferri Group of Bologna, Italy, is pleased to announce its acquisition of 100% shareholding in Linear Composites Ltd. The purchase was concluded on 31st May 2006.

Linear Composites Ltd, based in Oakworth, West Yorkshire, has been owned by JWH Group Ltd since 1989 and is a manufacturer of geosynthetics and fibre reinforced products used in civil engineering, industrial and military applications.

This acquisition further strengthens the Maccaferri Group's leadership position in providing advanced solutions in the field of civil engineering. It also enhances the Group's diversification strategy, aimed at strengthening its position in key niche markets as well as entering new market sectors that have significant growth potential.

The Maccaferri worldwide organization has been, for a long time, already familiar with the Linear Composites range of geogrids. We have successfully offered them within a broad range of other geosynthetic products, thereby providing the market with a range of specific solutions to suit individual applications.

The Maccaferri Group is fully committed to providing the highest quality products and service to our clients and we will extend our efforts and commitment to the existing Linear Composites Group customers.

We would also like to take this opportunity to welcome our Linear Composites colleagues to the Maccaferri family.

The coming months will see a smooth initial transition towards the successful integration of Linear Composites into the Maccaferri Group. We will endeavour to maximize the potential synergies between our companies to ensure steady market development, strong financial results and secure future growth.

