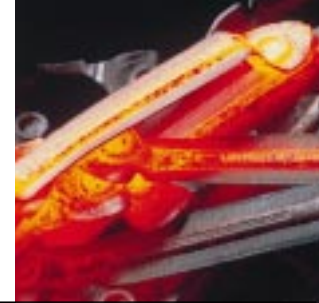


EUROTOOLS, S.A.

H E R R A M I E N T A S



Newsletter

September 2000

GRUPO *Snapshot*



PALMERA



In Good Hands

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Eurotools S.A., leader in the Spanish market in professional hand tools, was once again present at Ferroforma, which opened its doors on the 23rd of September at the Bilbao International Exhibition Centre. Participation in Ferroforma 2000 coincided with the purchase of the French automotive tool manufacturer "Z International", a transaction which will provide numerous opportunities for the consolidation of Eurotools in this important market. Ferroforma 2000 was likewise witness to other significant business moves made by Eurotools such as the launching in the market of new and advanced ranges of screwdrivers, pliers and adjustable wrenches, all of which were favourably received by customers.



Presentation

An excellent opportunity for consolidation

In recent years, Eurotools, S.A. has consolidated its position as one of the leading manufacturers of professional hand tools in Europe. Internal flexibility, high professional qualifications, the necessary vision for designing new products, agility in business and customer service, together with the invaluable support of a world leader as is Snap-on, are the main factors contributing to our growth.

In line with its plan for expansion, Eurotools has just concluded the transaction leading to the purchase of the French company "Z International", the second most

important manufacturer of automotive tools in the French market. The purchase of the Bourges based company, set up in 1920 by Jules Gimonet, means that Eurotools is in a strong position to successfully take on the European automotive market. Moreover, following this international transaction, it is Eurotools' aim to become a European leader in the field of tools, maintenance and technical solutions for garages.

Coinciding with this expansion stage, steps have been taken for the creation of this new magazine which will be publis-

hed every four months with the aim of providing up-to-date information on Eurotools. We wish this new communication tool to be the meeting point for all individuals and companies, from the workers themselves right through to the customers, suppliers and agents of the sector, who contribute to the company's growth and its future projection.

Ramón Iriondo
President

Prize for environmental respect goes to Eurotools' plant in Irún

1st Competition for Clean Production in the Bidasoa-Txingudi region

The Irún Town Council and the Bidasoa Development Agency (Adebisa) awarded Herramientas Eurotools first prize in the 1st Bidasoa-Txingudi Competition for Clean Production. The objective of the said Competition is to raise the awareness of the region's companies to environment and increase their respect for it.



With the help of this newly created competition, Irún Town Council and Adebisa acknowledge the work carried out in the past year by the companies of the Bidasoa-Txingudi region in an effort to improve the relationship between production and the environment. The measure seeks to support such companies as have striven to improve the environment throughout 1999, as well as motivate and encourage the region's business sector to implement corrective measures which respect the environment.

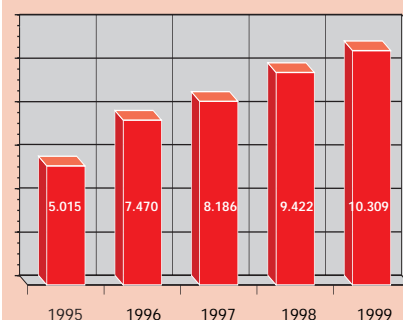
Eurotools was considered deserving of said award due to the modifications in regard to the environment in the productive processes of its Irún plant with an aim to maintain and improve the quality of the environment, for both the community and future generations.

An increase of 9,4% in sales figures in 1999

The 10,000 million mark has been topped

Eurotools, S.A. had a total turnover of 10,309 million pesetas in 1999, a figure which shows an increase of 9.4% on the 9,422 million reached the previous year.

Sales trends



millions of pesetas

Eurotools buys the French automotive tools company Z International

The transaction is a clear opportunity for the consolidation of the sector in the European market

The recent purchase of Z International, the second largest company in France in the automotive tools market, has given great impulse to Eurotools' plans for expansion. The company, based in Bourges and founded in 1983, has a staff of 60, a network of 1,000 dealers throughout the French territory and has a fleet of 15 vans on which their distribution policy is based. The company showed sales of over 10 million euros (1,600 million pesetas) in 1999. This purchase, part of the expansion programme envisaged by the company, is the first made by Eurotools outside Spain, and implies a clear opportunity for consolidation in Europe in the automotive market. This transaction illustrates Eurotools determination to become one of the strongest companies in Europe in the field of tools for maintenance and garages.

The automotive market

Eurotools has grown spectacularly in the automotive market in recent years, especially since, in 1995, it became part of the Snap-on group. The brands Snap-on and Irimo joined forces to offer the market a more complete range in car tools, with the support of 10 vans. This system is in operation throughout Spain.

Z International has now joined the tandem formed by Snap-on and Irimo, with a range of over 3,000 tools specially for the automotive sector.

Z International's wide experience and their familiarity with users' needs have led them to develop highly specialized tools which are unique in the market, and mean that they are constantly developing products which adapt to the needs arising day after day in the world of the automobile.

All this has led to Z International's being, today, one of the highest-ranking companies in the world in the automotive sector. The Bourges based company sells repair tools (over 3,000 different references, which go from a lift to a brake fluid tester) and deals with essential tool manufacturing for Renault, among others.

The automotive sector has, in recent years, become one of the sectors of reference, which drives the economy. The strict quality demands and the high degree of innovation existing in this sector inevitably



make it a market of reference for other manufacturers. This is why Eurotools has made it its objective to maintain the highest of standards in quality and innova-



Z International employs 60 people and has a turnover of over 10 million euros

tion, in order to continue to provide professional solutions in such a highly demanding and constantly evolving market as that of engine technicians.

There is no doubt that the purchase of Z reinforces Eurotools position in the market.

The key

Its origins date from 1920

Z International's origins date from 1920 when Jules Gimonet, grandfather of the present president of the company, set up the "Décolletage Florentais", a small mechanics and screwcutting business. In 1983, his grandson Jean-Claude Gimonet took control of the family business, went into partnership with the Wilmonda Company, a manufacturer of special tools for car repairs, and launched the brand Z International. Initially, the company's workshops and shop were located in Saint Florent Sur Cher, a small town near Bourges, while the Wilmonda division was located in Paris Les Lilas. This situation led to a lack of efficiency.

In 1987, the company decided to pool together all its services in La Chapelle Saint Ursin, an industrial area located 10 km. from Bourges.

2000 has so far been a year of innovation for Eurotools, since many of its projects have materialized in the last six months. The leading company in the Spanish hand tools market took advantage of its presence at Ferroforma 2000 to present the design and development of its new products.

Bimaterial Screwdrivers

Design and resistance

The new bimaterial screwdrivers incorporate significant improvements. The new blades are of high quality Vanadium Molybdenum Chrome, with a hardness of 60 Hrc. The matt finish and "vapour blast" treatment applied to the tip guarantee optimum protection against corrosion. The product's size and code are engraved on the blade using laser technology, ensuring indelible marking which is quickly and clearly visible. The handle made from two kind of materials, elastomer and Rudolit, guarantees the ideal combination of strength and ergonomics. Rudolit ensures the optimum union of the blade and handle and affords the screwdriver high resistance



to impact, while the elastomer guarantees maximum torque transmission with the minimum effort. The torque achieved with Eurotools' bimaterial screwdrivers is far greater than that required by the strictest of standards.

The special design of the handles is the result of thorough research into the behaviour of the different points of the hand when working with a screwdriver. The design, based on rounded edge-free lines, affords the screwdriver the maximum score in ergonomics, ensuring that the work is done with the greatest comfort and least effort. All the screwdrivers come with their own individual bar code.

Tool trolleys

A new more versatile range

Irimo and Acesa have broadened their range of trolleys with the incorporation of new trolleys with side opening which adapt to the modular tray system. The Irimo trolley with side opening comes with Teflon® guides, 100 mm. diameter wheels and a custom-built interior for taking up to 5 modules.



The Acesa trolley has steel bearing guides, an intermediary module with plastic boxes and a tool drawer. It has a tray on the inside, which allows for the addition of two T8 sized modules with maximum accessibility. Furthermore, given the favourable reception of the MODUsystem, Irimo has decided to broaden its Serie 2000 range, with a 5-drawer tool trolley. Its telescopic bearing guides, ABS plastic work surface, anti-tilt wheels and the double-framed wall make this trolley the star on the market.

Likewise, Acesa has launched a range of three new carts of great versatility at a very competitive price.

Eurotools "sta



Pliers

Quality and precision

The new design of Eurotools pliers adds great value to the tool, given the fact that its basic functions have improved considerably.

The new fine toothing of the jaws ensures an excellent grip on the part to be worked, and the increase in the size of the lever arm minimizes the shearing stress. It is apparent that with the new design cutting requires less effort. Furthermore, thanks to the head's more streamlined design, the pliers are ideal for use in areas of difficult access. Eurotools new Numerically Controlled Centres mark the difference in machining. Quality as well as precision in cutting, noses and joints are guaranteed. The pliers can be used with just one hand thanks to their gentle, light movement.

The general hardness of the pliers is 45-50 Hrc. The cutting section, however, requires additional resistance, due to the great stress its edges are subjected to. The hardness reached in this area is 62 Hrc., achieved by means of a special induction treatment in the cutting area. The pliers come in two finishes, black or chrome-plated, with two different types of grips.



Hands out" at ferroforma

Tools for electricity and electronics

Safety for low voltage work

Palmera has increased its range with new products in its series of safety tools for low voltage work: a new range of pliers and cutting tools with sheaths, four sizes of 4-way wrenches, an insulating mat, insulating gloves, four knives and a wide and complete range of 1/2" long sockets. In addition, Palmera

has incorporated a range of 6 electronic pliers with a bimaterial dissipative/antistatic handle, a range which complements the already existing selection.

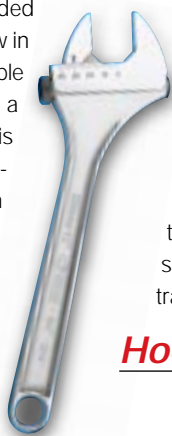
Acesa and Palmera have also included a plastic gun-type pipe cutter with a capacity for 42 mm.

A side screw adjustable wrench



The "reinvention" of a classic tool

Since 1960, when Irimo was awarded the gold medal at the Inventors Show in Brussels, the side screw adjustable wrench has become a star tool, a symbol of the professional tool. This wrench has become the unquestionable leader in sales in the Spanish market and, after 40 years, has over 1,600 loyal dealers and innumerable loyal users. For the new millennium, it was Irimo's wish to modernize the wrench and include significant improvements: the side screw adjustable wrench has a more streamlined design with finer heads and tips for increased accessibility, a more ergonomic and comfortable handle with a millimetre scale at the top to adjust to the required measurement, a head oriented to 15° for optimum access when dealing with hexagonal nuts and fasteners, greater capacity or greater opening



of jaws so that the same wrench can be used with nuts of a larger size, and the addition to the range of a 30" - 750 mm. wrench forged in one single piece. As well as all these advantages, there is also the guarantee of a resistance and strength greater than those required by ISO Quality standards and those provided by central adjustable wrenches.

Hoes



Tools for the plasterer

Stainless steel

In keeping with its policy to increase its offer of building tools, Acesa now provides stainless steel one-hand and two-hand plastering trowels, as well as curved and straight rails for joints and touching up with the use of plaster. Its range of combs for the tiling of walls and floors has also been widened.



Handscrews and clamps for cabinetwork and formwork

A broader range

Acesa now offers a new range which is more extensive than its previous one, with stronger clamps which come with a hardened brake ensuring stronger clamping and a selection to suit the user's wish and/or needs. Two handles to choose from: T-shaped wooden or metallic.



One piece forging

Acesa presents a range of the more common spades and hoes, made from top quality steel and forged in one piece. The cutting area is hardened to 40/46 HRC and the size of the holes corresponds to usual market standards.



On the road is the new demonstration van for the building sector

Very favourable reception by users



Acesa now has a new demonstration van directed especially at building tools.

This vehicle carries the latest novelties in tools for the sector, among which of special significance are the new range of forged trowels, the wide range of files and trapezoidal levels. The remainder of Acesa's offer of tools is also contained in this new van as its attractive display includes spades, hammers, trowels, pipe tools, and a wide array of Acesa's industrial tools. Customers favourably received the new demonstration van during its first months on the road, visiting Catalonia, Valencia and Madrid.



The mexican market opens its doors to basque tools

Irimo attends Expo Nacional Ferretera and Automechanika trade fairs



Irimo's presence was particularly relevant at two of the most important professional trade fairs in Latin America, held recently in Mexico: Expo Nacional Ferretera and Automechanika.

The company had a stand at the XI edition of Expo Nacional Ferretera, a leading trade fair in this sector in the Mexican market

and one of the most important in the world. The trade fair took place in the city of Guadalajara from September 22 to 24. At the fair,

which boasted almost 700 participants, Irimo shared a stand with Bahco, a brand of great prestige for many years and with a notable presence in the Mexican market. Participation in the fair not only provided Irimo with the necessary impulse to become consolidated in this market, but it also served to persuade dealers that Mexico is

one of the most important foreign outlets for Eurotools. Likewise, Irimo was afforded the opportunity at this fair to display its broad range of professional tools for the industry, as well as to advertise its large supply of specialist tools for the automotive industry.

Following some years of recession, the Mexican economy has recovered. To be precise,

the hardware sector has doubled its turnover in the last five years, making Mexico one of the most attractive markets in the American continent.

Irimo also took part from the 12th to the 14th of last July in the City of Mexico in Automechanika, considered to be the most important fair in Latin America for the automotive, spares and garage equipment market.

300 companies exhibited at the fair from a total of 16 countries. Here, Irimo shared a stand with Snap-on.

The Mexican market is a priority for the Eurotools group

Official recognition for Palmera's insulated ratchet

Recognition of quality



One of the tools which meets with the greatest difficulty when applying for official recognition from the different laboratories of prestige is the ratchet, due to the tool's special characteristics. In fact, there are only three manufacturers in the world, among whom are Eurotools with the Palmera brand, who have actually been awarded official recognition by the German laboratory VDE for this tool. Having achieved this prestigious recognition, Palmera offers one of the widest ranges in insulated tools with the European certificate EN60900.

In the customer's opinion

Valentín García, I. Bringas García and
J. A. García de Vinuesa
Grupo Redondo y García, S.A.

**"Eurotools is clearly
concerned with
customer service"**



The Redondo and García Group is an obligatory reference in the sector of industrial supply, with 60 years experience and a significant presence in Spain and international markets. The company is now tackling its expansion and changes in the market under the management of Valentín García, José Antonio García de Vinuesa and Ignacio Bringas, who speak to us in this interview of the group's projects and their relationship with Eurotools.



When and how did you first come into contact with Eurotools?

Our relation with Eurotools, and more precisely with the brands, ACESA, IRIMO and PALMERA, is an extremely close one and has been so since the founding of the company, back in 1941.

What aspects contribute to the success of the Redondo y García, S.A. Group?

In our opinion, the fundamental key to our position as leaders in the market lies in our capacity to adapt to the needs of our customers, always offering them the highest levels of quality and service, as well as personalized attention.

How do you see the future of the business?

We are currently involved in a stage of expansion which requires the daily adaptation to new shifts in business and the needs of the market.

How does new information technology like the Internet, B2B, etc... affect the sector?

New technology is gradually creating clear differences between the companies of the sector, picking out those who anticipate its use. The Redondo y García Group cu-

rently has a Website on the Internet and will shortly have a virtual shop.

What are the main demands of the sector in which you operate?

Our sector demands an overall service to the customer, allowing them to find in their supplier the answer to all their industrial supply requirements.

The group will shortly have its own virtual shop

What are the key factors when working with a supplier like Eurotools?

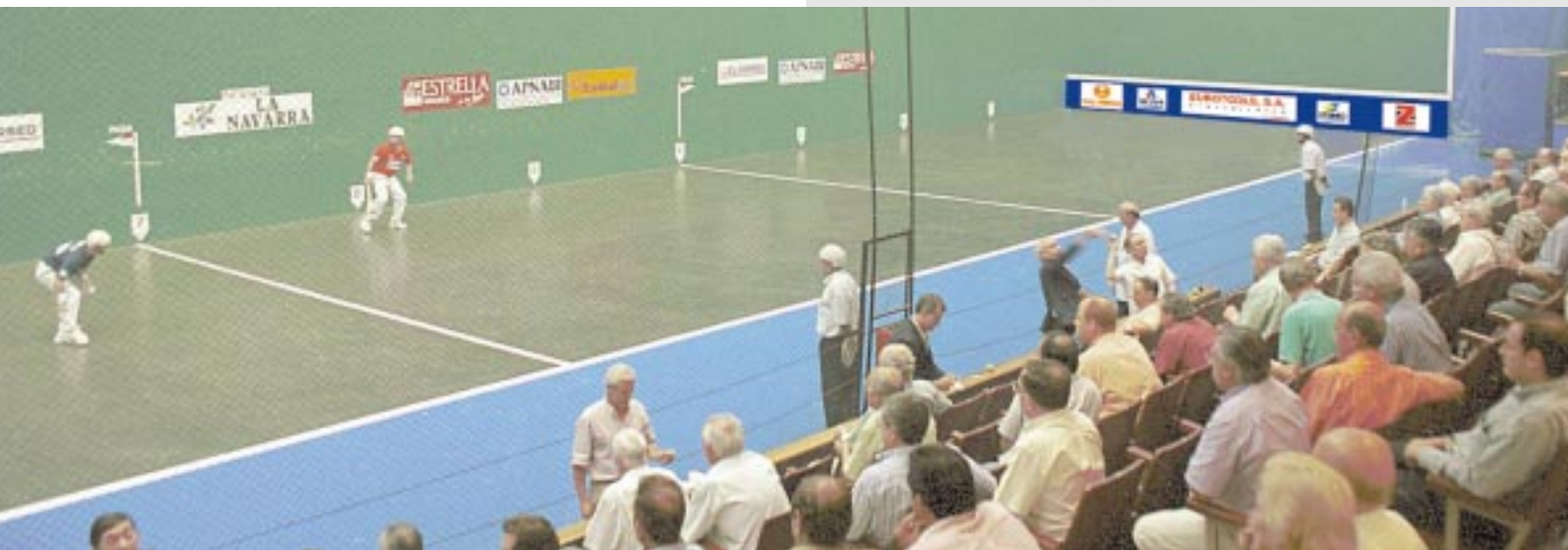
The key is the service. Service should cover speed in answering all the needs that may arise, improvement in the quality of the product, and the continuous and close collaboration between supplier and customer. In this respect, in our experience, Eurotools is the model of company concerned with this type of service.

In our next issue:
Joan Dagas, Managing Director of the BALIUS Group

Profile

Since it was first set up in 1941, the Redondo y García Group has always followed a policy of diversification, expansion and technological innovation, which has led to its present position as leader in Spain, with sales figures of approximately 4,000 million pesetas and a staff of 150. They currently offer an extensive range of products, over 100,000 references, coming from the best brands, from home and abroad. Likewise, they have developed a business policy of continuous training in new technology and products aimed at the broadest array of professional sectors.





Eurotools on court

The Bilbao Club Deportivo's Pelota Court was the scene chosen by Eurotools to bring together all those dealers, customers and friends who attended Ferroforma 2000 with an aim to officially present its Newsletter. The star of the day was Basque pelota.

The company profited from its presence at Ferroforma 2000, held at the Bilbao International Exhibition Centre, in order to organize a festival of pelota with jai alai matches and professional pelota pala matches. A total of eight first class pilotari or pelota players belonging to the Eusko Basque team took part.

In the jai alai form of pelota, the selected pairs of players were Lander Balenciaga - Félix Espilla and Alberdi I - Elicegui, while the García brothers from La Rioja (Daniel and Juan Pablo) and Oscar Insausti - Ricardo Garrido were the pro-

fessional players chosen to participate in the games played with a pala. Between them, they have won in both the amateur and professional fields a total of 48 Championships of Spain, thirteen World Championships and four Olympic titles.

The quality of the spectacle was thus guaranteed. On June 24 last, in Berriatua (Bizkaia), Félix Espilla was recognized as number one in the world in jai alai when he was proclaimed, for the third consecutive time, champion of Euskadi in singles. Espilla was awarded this title when he beat Elicegui, another of the participants in the pelota festival.

The pelota festival organized by Eurotools put the finishing flourish to the company's participation in Ferroforma 2000, where it presented its latest novelties which were favourably received by customers.

The experience

From the Jai Alai court of Florida to Aranguiz

José M^o Ramírez Areta

Ex-pelota player and head of exports to Latin America

From the frontón or pelota court of Palma de Mallorca, where he first came into contact with Basque pelota at the age of ten, to the jai alai courts of Florida, Macao and Milan, José María Ramírez Areta has dedicated the greater part of his life to jai alai. This Vitoria-born forty five year old, current head of exports at Eurotools to Latin American markets, reminisces with a certain amount of nostalgia on his career as a professional jai alai player, especially in the United States, "where we as pelota players were very popular". Having won the sub-championship of Spain in jai alai in 1973, José María took the leap to the courts of Florida in 1976. In those days, Basque pelota was fashionable in the States, where there were up to 15 courts attracting a large number of fans who were keen gamblers. The Basque pelota players' "American dream" has vanished little by little due to the crisis of this sport in the United States where today there only remain three jai alai courts. "Closure of the pelota courts in the States has

led to a drop in the number of jai alai fans and to the absence of new hopes in the sport", points out José María Ramírez, a great admirer of Katxin Uriarte. Ramírez Areta, who ended his professional career as a sportsman in Milan, is the marketing manager of the company in Latin America, a market which is considered strategic due to its great growth potential.



PALMERA (Spain)

Hilanderas, 1
20303. Irún (Guipúzcoa)
Tel.: 34 943 649111
Fax: 34 943 649120
e-mail: palmera@palmera.net

ACESA (Spain)

Antigua carretera de Altube, Km. 5,5
Apartado 307. 01080 Vitoria (Alava)
Tel.: 34 945 269744
Fax: 34 945 260169
e-mail: acesa@acesa.net

IRIMO (Spain)

Ipeñarrieta, 58
Urretxu-Zumárraga
Tel.: 34 943 729179
Fax: 34 943 725493
e-mail: irimo@irimo.net

Z INTERNATIONAL (France)

Z.I. Les Chaumes
18570. La Chapelle Saint Ursin
Tel.: 33 248 265852
Fax: 33 248 264862
e-mail: z.international@wanadoo.fr