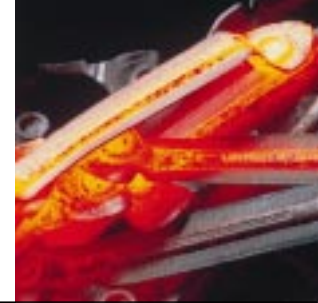


EUROTOOLS, S.A.

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



Newsletter

March 2002

GRUPO **Snap-on**



Quality of the environment

Inside

- Wilmonda's great success in the market 2
- At the wheel of the demonstration vans 4-5
- Interview with Juan José Aurtenetxea, managing director of Aurtenetxea, S.A. . . 7

Eurotools has been awarded the ISO 14.001 certificate for its plants in Irún and Vitoria-Gasteiz after successfully passing the audit on its safety, hygiene and environmental systems, all of which are now backed up by the certifying body Det Norske Veritas.

Implementation of this standard implies not only a reduction in the adverse impact on the environment but also a positive repercussion on business as it leads to improvements in the management of aspects like savings in energy and raw materials. Likewise, it involves applying a practical policy of respecting the environment, a firm commitment of Eurotools', which has been making improvements as regards environmental impact for many years in all its plants and processes.

A will to excel

Since the last issue of our newsletter, we have witnessed several international events which were, on the whole, negative. The attacks of September 11 and their negative impact on the US economy, the worsening of the economic depression in Argentina or the slowing down of the German and Japanese economies have contributed to the growing general pessimism in the economic world. And, on top of all this, the changeover to the euro.

However, in line with the will to excel which led to the founding of Herramientas Eurotools, S.A. in 1995, we are still developing ambitious plans in all our business fields which will allow us to strengthen the position of our distributors.

The reorganization and extension of our consignment warehouse, with an outlay of over 2.5 million euro, will enable us to improve our current levels of service while meeting the ever-increasing demand for a growing range of products.

The consolidation of the Z-Irimo project, begun in 2000 with the purchase of the second largest company in France in the

automotive sector, has enabled us to agglutinate under this brand name all the specific tools associated with this sector. Our new Irimo catalogue for 2002 includes an entire chapter on this range of tools with an aim to becoming one of the most reliable names in the European market.

The renewal or broadening of our range of tools in such diverse products as pliers, bench vices, ratchets, sockets, trowels, carpentry and building tools, as well as investment plans for machinery implying over 2 million euro, will help us to better satisfy the needs of the user of our tools while contributing to the development of our distributors' businesses.

We are sure that all these new develop-



Eurotools Financial Managing Team.

ments and projects will be positively reflected in Eurotools' yearly balance, and will, moreover, contribute to reinforcing our distributors' offer and competitiveness. Our mutual collaboration is thus a guarantee for success in 2002.

*Jesús Arregui
Chief Finance Officer
Eurotools, S.A.*

Wilmonda's new range is a winner on the market

Success is based on the product's quality, Eurotools' total guarantee, and its price



Wilmonda products have been highly successful on the market, Eurotools' sales expectations for 2001 and the first quarter of 2002 having been surpassed. Wilmonda launched a range of semi-professional tools last September, directed at a market sector calling for good quality tools but at a lower price than Eurotools' top brands. Wilmonda entered the market with an offer of three socket sets with 31, 61 and 95 pieces in attractive plastic boxes.

"Success is based on the product's good quality, its good price range, and, above all, on the fact that the product comes with the full guarantee of Eurotools", states Mikel Arrazola, Eurotools' marketing manager.

2002 is expected to be a good year for Wilmonda, and Eurotools intends to bro-

aden the brand's range with new and attractive products for its customers.

Wilmonda is a brand of great prestige on the French market. It was registered in 1936 and subsequently purchased by Z International, a company which became part of Eurotools in 2000.



Eurotools is awarded the **ISO 14001** for its plants in Irún and Vitoria-Gasteiz

Eurotools has been awarded the ISO 14001 certificate for its plants in Irún and Vitoria-Gasteiz after successfully passing the audit on its safety, hygiene and environmental systems, all of which are now backed up by the certifying body Det Norske Veritas.

Apart from a commitment to the environment, the implementation of an Environmental Management System as per ISO 14001 is an important factor for competitiveness in the present international market. Aware of the fact, Eurotools has made a great effort in this field and has consequently been awarded the ISO 14001 certificate for its plants at Irún and Vitoria-Gasteiz.

The company was given the certificate after successfully passing the audit on its safety, hygiene and environmental systems, the said systems now being endorsed by the certifying body Det Norske Veritas.

The ISO 14001 is not merely concerned with compliance with environmental laws. This standard promotes the systematic examination of all areas of the organization affecting the environment, and opens up the possibility of obtaining economic advantages from consequences such as a reduction in waste and power consumption and use of raw materials.

Respect for the Environment

The implementation of this standard has extremely positive consequences, both for the company and the area in which the business activity is being developed. In this sense, it implies a reduction in the adverse effects on the environment and also a positive repercussion on business as it gives rise to improvements in the management of aspects like savings in energy and raw materials. Likewise, it involves applying a practical policy of respect for the environment.

Improvements in environmental policy at Eurotools were first implemented before 1999 with the installation of purifying plants for treating liquid and oil and drill waste as well as systems for extraction and cleaning of toxic gas. The company has followed along the same lines with the incorporation



The Irún plant (right), and a view of Eurotools plant in Vitoria-Gasteiz (top).



Implementation of the Standard benefits both the company and the locality.



A pair of storks on the roof of the plant in Irún.

of a more innocuous nickel-chrome plating bath line.

Likewise, Eurotools has been working for many years in the development of environment friendly PET blister packaging and

cardboard packaging, easily separable for recycling, clips in a recyclable plastic material and cardboard boxes carrying a green point. What's more, the company recently decided to stop using skin pack as it was not possible to recycle the materials used due to the difficulty in separating the plastic from the cardboard.

Other acknowledgements

The Eurotools plant in Irún, the most modern of all of the company's plants in Spain and France, was, last year, awarded first prize in the I Bidasoa-Txingudi Competition for Clean Production, organized by the Irún Town Council and the Bidasoa Development Agency (Adebisa) with an aim to raising the awareness among the region's companies of the environment and increase their respect for it. Eurotools was considered deserving of the said award due to improvements in environmental policy applied in the Irún plant with an aim to maintaining and improving the quality of the environment for both the community and future generations.



At the wheel

The demonstration vans are a fundamental part of Herramientas Eurotools's commercial strategy. The company uses these specially adapted vans to present its products to its customers. The latter are given the opportunity to become familiar with, and test, the tools which they are most interested in. In addition, experts in the field provide their assistance and advice.

"We always look forward to the arrival of the van"



Acesa has a demonstration van in Spain and another in Portugal. They visit customers and

end-users and back up the work of representatives and dealers in the area.

Jose Ramón García, a specialized instructor, admits that "travelling in the van is not easy as you have to spend many hours away from home.

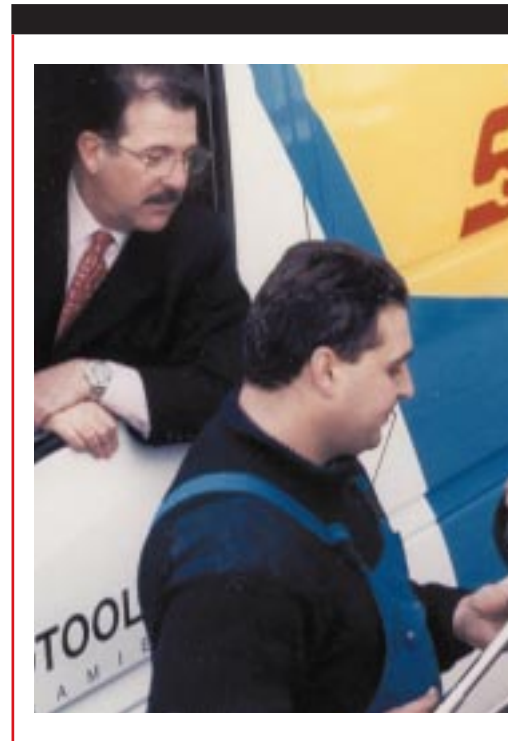
However, the work you do is very important and that makes up for it". For García it is very gratifying to give a demonstration, "especially when you see the end-user's surprise when they realise that it is just what they need". You know that you have helped somebody to do their work better and in a shorter time, and that helps you to keep going".

The Acesa dealers are extremely satisfied with the many advantages of Acesa demonstration vans.

"We always look forward to the van's visit as it helps us get more familiar with the catalogue and the new products, but it is particularly interesting for our customers, the



end-users, as they can see the whole range of tools without losing a great deal of time", states Enrique Vicente, managing director of the Barcelona company Mior. "For a hardware store like ours, where great importance is given to service and where most customers use the phone, fax or e-mail in their dealings with us, rather than coming to the store, the fact that we can show the complete Acesa range is very beneficial", says Vicente. "We use the van's visits to promote certain items", he adds, "and this is very popular with professionals in the field. What's more, the instructor is of great help when demonstrating how the less known tools in the catalogue work".



In one year, one of Eurotools' vans can do:

- 50,000 km.
- 1,000 visits to users (garages, electrical workshops, agricultural workshops, public works machinery, companies in general).
- 1,000 demonstrations of tools.
- 200 solutions for technical problems.
- 150 days on the road.
- 100 visits to customers.
- 10 visits to educational centres.



“Improving the brand’s image”



Palmera has two demonstration vans which complement representatives' work by displaying the latest developments and giving advise on how to best use the tool. Visits are always made in the company of the dealers in the area.

“When you visit a workshop or garage, all you have to do is persuade the professional to get into the van, which at first they are usually unwilling to do. Once in the van, their faces change, they

relax and start to enjoy themselves and are surprised at the wide range and prime quality of the tools we have on view”, states José Luis San Segundo, an instructor with Palmera. His colleague Antonio Cano adds that “it is funny but they always end up thanking us for the visit. Its very gratifying for us to know that our work in the van does a lot to help improve the brand’s image among end-users. What’s more, it is only on rare occasions that we do not receive any orders following a visit”.

“Very often the catalogue is insufficient for dealers and end-users to take in the latest developments and products”, explains Alfredo Sáez, Palmera’s representative in Zaragoza. With the assurance that “in our van end-users find tools which they believed were exclusive of other brands”, Alfredo Sáez believes that “everybody should take advantage of the opportunity to visit our vans when they are in their area”.

“Many end-users are pleasantly surprised”



Irimo, Z-Irimo and Snap-on’s sales network is based on van demonstrations. In fact, most of the representatives have one. There is a total of

11 vans throughout Spain. Irimo has a vehicle in Portugal, and Z-Irimo has 15 in the French market.

“When a professional who appreciates good quality tools visits one of our vans he behaves like a child entering a toy shop”, explains Juan Rubido, representative in Galicia. “The van –he adds- helps to sell. There’s no doubt about that. Everybody likes to see what they are buying”.

For Asier Hidal-

go, representative and instructor in Andalusia, “continual visits to workshops and garages is a very enriching experience. It brings us closer to the customer’s needs and helps us to go on developing the best tools”.

“The work done with the van is indispensable, especially for Snap-on products, as people have no idea that there are so many different tools for their different technical problems”, adds Casildo Fabián, representative at Irimo for 4 years. In his opinion, “users always expect the van to solve some problem or other, as there is always one to be solved. It gives you great satisfaction when you manage to solve it, and you know that the end-user in question will always be willing to receive you when you are in the area”. Fabián, who now works in the sales department, says that “many end-users are surprised at how quickly certain jobs are done if using the appropriate tool, and they buy it, no matter how expensive it is!”.

“Sales with the van keep me in permanent contact with the end-user and allow me to establish a link based on service and trust. It arouses interest in the latest developments. In addition, there is great satis-

faction for us and our dealer when good sales are made”, states Carlos Jiménez, a representative of Irimo and instructor in Catalonia.

José Antonio Aparicio, at Aparo Diez, S.L. (Irimo dealer), also believes that “the van is a perfect link between the end-user and the manufacturer”. From his point of view, “the dealers feels they are receiving more support from the manufacturer, who backs up the hardware dealer’s commercial activity with the visits. The same occurs with the user, who sees a strong manufacturer behind the brand and one committed to the business. There is no doubt that the van helps increase sales, the end-user can appreciate the effort and the work of the instructor, and that always brings its rewards”.

“If you want to keep up to date with the latest developments, you need the van to visit the garage,” according to José Riñones, of Talleres Begoauto. For this professional in the automotive sector, “it is not the same to see a product in a catalogue as being able to touch it, try it, and see how it really works. This work is indispensable”.



A good pair of Aces

The pliers and screwdriver are two of the catalogue's star products



Day after day, Palmera demonstrates that its tools are of the highest quality. The pliers and screwdriver are two of its catalogue's star products, and require great effort in R & D within the Snap-on group.

In the case of the pliers, both the play and cutting capacity (soft wire cut at diagonal cutting pliers and hard wire at high leverage diagonal cutting pliers) have improved appreciably, and currently boast one of the highest levels of performance on the market. An as-

pect to which great care has been given is the finish, with sharper laser marking and cleaning treatment being incorporated, all of which improve the product's aspect.

In the case of the screwdriver, worthy of mention is the fact that the blade is made of chrome-molybdenum-vanadium steel, which, following numerous trials and essays, was found to be the best material for the manufacture of screwdriver blades. The handle design was the result of a detailed study of the behaviour of the muscles of the hand, with the result that the screwdriver is highly ergonomic. Many years of experience and research, and the continuous effort on the part of the work teams ensure that Palmera products improve in quality day after day.



Permanent sharp

The new range of handsaws is here



The new range of Permanent Sharp handsaws from Acesa come in practical cardboard boxes and are

one of the star products on offer from this brand.

The tempered teeth of Acesa's new range ensure that the cutting edges stay sharp longer (the sharpness lasts five times longer than sharpenable teeth). The universal tothing allows you to saw both with and against the fibre and the canted tothing increases the cutting capacity. The grips have angles of 45° and 90° for marking out, and Acesa's entire new range comes with a tothing protective cover in black plastic with a side window revealing the type of tooth. Each handsaw carries the relevant and necessary information for the user on the strap (reference, length, no. of teeth per inch, tooth geometry, uses of the handsaw and the bar code), as well as a hole for hanging it up.

Unbeatable performance

Ref. 1022, with a grip in two kinds of material and fastened by screws, is perfect for all kind of semi-hard materials (plywood, plastic) and sawing in general.

The new Acesa back saw, Ref. 1072, has a steel back for greater rigidity and is ideal for delicate jobs and ones demanding precision. This saw, 12" long and with a distance of 2 mm. between each tooth (13 teeth per inch) is perfect for very fine materials, such as agglomerates, plastics and aluminium and, above all, for mitre sawing.

The unbeatable performance of Acesa's new range of saws make choosing your tool easy: maximum sharpness, superior cutting performance and long lasting.

A complete catalogue for 2002

Over 650 new tool codes for automobiles



As mentioned in our previous newsletter, Z-Irimo's new range was presented at the Motortec fair in June, 2001.


Considerable work has been done since then, and Irimo's new catalogue for 2002 now incorporates the entire range of Z-Irimo products in two new chapters. No less than 100 new pages, with over 650 new codes for tools to be used in the automotive sector and 100 new codes for pneumatic tools.

Irimo's customers were astonished at the extremely wide range of tools currently offered by Irimo, and at the high performance and good results shown by the new additions to the catalogue, among which worthy of mention are the portable starters or boosters (see picture). And that is not all. The offer is shortly due to be widened to include recycling and loading air conditioning units.



In the customer's opinion

“Quality products are more cost-effective”

 **Aurtenetxea, S.A. has had a very close relationship with Eurotools for 40 years. The level of mutual confidence is such that Eurotools has chosen this Biscayan company, dealing in Snap-On products, as exclusive distributor of the Palmera brand for several countries in the north of Africa. The recently created foreign trade department and On-Line sales are, together with the demonstration vans, the best ways to reach the customer, according to its managing director Juan José Aurtenetxea.**

When did your relationship with Eurotools come into being and how were the first contacts made?

Aurtenetxea, S.A. began to deal with Eurotools, S.A. approximately 40 years ago. Today we put our trust in Eurotools as we formerly did with Acesa, Irimo and Palmera. Do not forget that we were shareholders in Juan Volmer, S. A., Palmera's former leading company. Our business relations came into being following contacts at that time with the Goyeneche brothers, Palmera representatives; Mr. Fernández Pecos from Acesa, and Mr. Uriarte from Irimo.

Aurtenetxea fue accionista de Juan Volmer, antigua cabecera de Palmera

What do you think Aurtenetxea's success is based on?

Aurtenetxea, S.A.'s success, if it exists, is due to the day-to-day work of many years, attending to our customers and certified suppliers, in a very personal way and with the greatest of deference.

To what extent does the back-up provided by a demonstration van help in the sale of hardware products? How necessary is it?

For us the demonstration van is extremely important as it helps us to present the entire range of tools in the customer's home. They can then choose the tool which best suits their needs. You have to understand that it is the best Itinerary Exhibition possible at this time.

Juan José Aurtenetxea
Managing Director
of Aurtenetxea, S.A.



Which are the key factors in Aurtenetxea's future growth?

In order to promote our growth, among other projects, we have created a Foreign Trade Department, which seems to be working. We have been involved in operations which would have been very difficult to obtain on the domestic market due to their volume or location.

Proof of this work on the foreign market is that Eurotools has named us the exclusive dealers of Palmera for several northern African countries. We personally presented the brand's products at a local trade fair which was held last April. We are very grateful to Eurotools for the confidence they have shown in us with this acknowledgement.

How do you see the future of the business?

We believe that the outlook is good for the business, but we are aware of the great competition. Consequently, to maintain our position and, if possible, to get ahead, we need to make a daily effort to reach our objectives.

How is the sector affected by new information technology like Internet, B2B, etc.?

What we have done with new technology is take it on, and, through internet, we now do electronic trading (On-Line). It has already been presented to our main customers and some of them have already opted for this means to make their purchases. It is of course more economical.

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

In the main, our customers demand a good price although certain important sectors ask for quality. Company philosophy is to show that quality products are more cost-effective, and, by choosing them, you improve your purchases. We always opt for quality.

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

For us working with Eurotools means availing of the most important brands of tools on the market, with four of what we consider the most extensive catalogues, and, if we add to that the fact that we are Snap-On authorized dealers, it means we have the best quality tools at our disposal to offer to our customers.

Profile

Name: AURTENETXEA, S. A.
Year of foundation: 1963
Sales points and geographical location: at home and abroad.
No. of employees: 26
Aspect of the business worthy of mention: integral supply of machinery, tools, accessories, etc. for industry in general, automotive sector, civil construction, public works, etc.

Next issue:
Antonio Vargas,
Managing director of TORSESA

“Those wonderful years”

Since 1934, the Eurotools plant in Irún has been a reference point in the city. In the sixties it was employing 1,300 people, which meant that nearly all the residents knew someone or had a family member working at the company. Among the new generations of employees are young people whose grandfathers also worked at the “La Palmera”, as the people from Irún still call the plant.

José Igartua joined Palmera in 1942 and worked with the company until 1974. Today, at his 93 years of age, he is in great health and fondly remembers his years at Palmera. He informed us that the company was even then the most important business in the area, and he remembers that, although the vast majority of the workers were from Irún, there were quite a few employees from Catalonia. He worked for 32 years in the hardening section, of which he was foreman and in which all kinds of spanners, knives, pliers nail files and hairpins passed through his hands, even tools for fruit picking: orange clippers. He remembers many anecdotes from his time at Palmera, and he loves to talk about them with his granddaughter Estibaliz, who, in one of life's coincidences, joined Eurotools' marketing department last year.



Estibaliz told us that both her grandfather and herself were delighted when they heard that she was to work at Eurotools. She is aware of the fact that, if one day she were to invite her grandfather to visit the new plant in Irún – inaugurated in 1996- , he would be quite astonished, as there have been significant changes in 30 years. Estibaliz has joined a totally different company with 7 manufacturing plants, 6 brands on the market, a considerably higher level of technology and a policy which is much more international. The case of José Igartua and his granddaughter Estibaliz Álvarez is not unique in the Irún plant. Recently we heard about Ernesto Etxeberria whose grandson Ignacio has been working at the Research and Development department for three years. Ernesto Etxeberria, who is now 94, joined



Top: Ernesto Echevarria with his grandson Ignacio. Left, José Igartua and his granddaughter Estibaliz. Two generations of employees of a company established in Irún since 1934.

Palmera in 1941 and worked in the company until 1969. He worked as a driver and spent most of the day driving a lorry carrying material from supply sources to the plants. José Igartua and Ernesto Etxeberria, despite having contributed to Palmera's development in very different departments, represent two lives dedicated to Palmera, a dedication which continues in the family, with the incorporation of their grandchildren into Herramientas Eurotools.



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The case of José Igartua and his granddaughter Estibaliz Álvarez is not unique in the Irún plant. Recently we heard about Ernesto

With the Cycling Tour of Spain

Ernesto Etxeberria has fond memories of his participation in the cycling queues formed by vans and cars in 12 Cycling Tours of Spain and 7 Tours of Catalonia. With an advertising van, the public-address system up full, he accompanied cyclists through the countryside, encouraging fans to sing one of Palmera's well known songs. Ernesto treasures the autographs he got from some of the best cyclists of the time, including Bahamontes. As a follower in the cycling tour,



he witnessed many cycling feats and proudly claims that the Palmera van was the winner in its category.

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