



VELCRO INDUSTRIES N.V.
CASTORWEG 22-24, WILLEMSTAD, CURACAO
NETHERLANDS ANTILLES

TRANSFER AGENTS AND REGISTRAR

COMPUTERSHARE INVESTOR SERVICES INC.
MONTREAL, CANADA

MELLON INVESTOR SERVICES, LLC
RIDGEFIELD PARK, NEW JERSEY, USA

SECOND QUARTER INTERIM REPORT

SIX MONTHS ENDED

MARCH 31, 2009

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**VELCRO
INDUSTRIES N.V.**

REPORT TO SHAREHOLDERS:

Sales for the first six months of fiscal year 2009 were \$121,380,000, which was a 17% decrease from 2008. Sales for the second quarter were \$61,351,000, which was a decrease of 20% from the comparable period last year.

There was an operating loss for the six months of \$1,894,000, compared to an operating profit of \$10,536,000 for the comparable period last year. For the quarter, there was an operating loss of \$811,000, compared to a profit of \$6,665,000, for the second quarter of 2008.

The declines in sales and operating profits during the second quarter and for the first six months reflect ongoing adverse global economic conditions, particularly with regard to consumer spending and the North American automotive business. The Company is vigorously pursuing growth opportunities and cost containment measures.

As more fully explained in Note 4, on January 8, 2009, the Company commenced a cash tender offer to purchase all outstanding shares of its common stock. This tender offer expired on February 10, 2009, at which time the Company repurchased 478,232 shares. In March 2009, these shares were cancelled.

As more fully explained in Note 5, on April 6, 2009, the Court of first instance of the Netherlands Antilles rendered a default judgment in the proceeding by Cohere Limited to acquire all outstanding Velcro Industries N.V. common shares not held by Cohere Limited.

Investment activities for the first six months of fiscal year 2009 resulted in a loss of \$26,140,000, compared to \$5,393,000 of investment income for the first six months of last year. The investment loss for the second quarter was \$4,562,000, compared to \$342,000 of investment income for the second quarter of last year. These results reflect the steep stock market decline during the first six months of fiscal year 2009. This decline resulted in the Company recording additional impairment losses of \$20,754,000 and \$2,797,000 during the first and second quarters, respectively, on assets held in the Company's investment portfolio.

The above factors resulted in a net loss of \$30,230,000 (\$1.11 per share) for the first six months of fiscal year 2009, compared to a net profit of \$11,229,000 for the same period in 2008. The net loss for the quarter was \$5,916,000 (\$.22 per share), compared to a net profit of \$4,310,000 for the second quarter of last year.

For the Board of Directors



Robert W. H. Cripps
Chairman



Wil de Hollander
President and Chief Executive Officer

May 14, 2009

VELCRO INDUSTRIES N.V. and Subsidiary Companies UNAUDITED CONSOLIDATED CONDENSED BALANCE SHEET At March 31, 2009

	Mar. 31, 2009 US\$'000	Sept. 30, 2008 US\$'000
Current Assets	116,663	143,290
Current Liabilities	(42,767)	(52,847)
Net Current Assets	73,896	90,443
Non Current Assets	204,870	229,480
Non Current Liabilities	(26,175)	(20,199)
NET ASSETS	<u>252,591</u>	<u>299,724</u>
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS' OF THE COMPANY	<u>252,591</u>	<u>299,724</u>

The notes to the unaudited consolidated interim financial statements are an integral part hereof.

VELCRO INDUSTRIES N.V. and Subsidiary Companies
UNAUDITED CONSOLIDATED CONDENSED INCOME STATEMENT
Six Months Ended March 31, 2009

	Quarter Ended March 31,		Six Months Ended March 31,	
	2009	2008	2009	2008
	US\$'000	US\$'000	US\$'000	US\$'000
Revenue from Sales	61,351	76,714	121,380	145,452
Operating Expenses	(62,162)	(70,049)	(123,274)	(134,916)
Operating Profit/(Loss)	(811)	6,665	(1,894)	10,536
Interest Income	31	148	112	398
Interest Expense	(276)	(222)	(607)	(385)
Results from Investment Activities	(4,562)	342	(26,140)	5,393
Profit/(Loss) before Income Taxes	(5,618)	6,933	(28,529)	15,942
Income Tax Expense	298	2,623	1,701	4,713
Profit/(Loss) for the Period Attributable to the Equity Holders of the Company	<u>(5,916)</u>	<u>4,310</u>	<u>(30,230)</u>	<u>11,229</u>
Average Number of Shares Outstanding During the Period	27,162,558	27,446,115	27,307,386	27,959,891
Basic and Diluted Earnings/(Loss) Per Share (in US\$1)	(.22)	.16	(1.11)	.40
Dividends Per Share (in US\$1)	---	---	.20	.32

The notes to the unaudited consolidated interim financial statements are an integral part hereof.

VELCRO INDUSTRIES N.V. and Subsidiary Companies
UNAUDITED CONSOLIDATED CONDENSED CASH FLOW STATEMENT
Six Months Ended March 31, 2009

	Six Months Ended March 31,	
	2009 US\$'000	2008 US\$'000
Cash Flow from Operating Activities	(3,071)	7,067
Cash Flow from Investing Activities	(8,392)	35,045
Cash Flow from Financing Activities	(13,092)	(49,927)
Net Decrease in Cash and Cash Equivalents	(24,555)	(7,815)
Cash and Cash Equivalents at Beginning of Period	49,785	42,180
Effect of Exchange Rate Fluctuations on Cash Held	351	671
Cash and Cash Equivalents at End of Period	<u>25,581</u>	<u>35,036</u>

The notes to the unaudited consolidated interim financial statements are an integral part hereof.

SELECTED EXPLANATORY NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Accounting Standards

Consistent with the most recent annual financial statements for the year ended September 30, 2008, the interim financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and its interpretations as adopted by the International Accounting Standards Board.

2. Dividends

The dividend of US\$0.20 per common share was paid on February 13, 2009 to shareholders of record as of January 13, 2009.

3. Marketable Securities

As noted in the 2008 Annual Report, the Company's holdings are diversified and have volatility similar to the overall market. As such, the Company's marketable securities would react similarly to the S&P 500 index. The S&P 500 index fell by twenty-two percent during the first quarter and eleven percent during the second quarter of fiscal year 2009. As a result of these declines, impairment losses of \$20,754,000 and \$2,797,000 were recorded during the first and second quarters, respectively.

4. Share Transactions

On January 8, 2009, the Company commenced a cash tender offer to purchase all outstanding shares of its common stock for cash at a purchase price of US\$21.00 per share. The tender offer expired on February 10, 2009. Upon expiration of the offer, 478,232 shares were validly tendered, all of which were repurchased by the Company for a total purchase price of approximately US\$10.4 million, which included costs directly attributable to the tender offer. Cohere Limited did not tender any shares pursuant to the offer.

On March 4, 2009, the Company cancelled the 478,232 shares of its common stock which had been acquired at the conclusion of the tender offer. The Company no longer holds any Treasury shares.

5. Subsequent Event

On April 6, 2009, the Court of first instance of the Netherlands Antilles sitting in Curaçao (the "Court") rendered a default judgment (the "Default Judgment") in the proceeding by Cohere Limited ("Cohere") to acquire all outstanding Velcro Industries N.V. common shares not held by Cohere. Pursuant to the Default Judgment, the shareholders of Velcro Industries N.V., other than Cohere, have been ordered by the Court to transfer their shares to Cohere in exchange for payment of US\$21.00 per share plus interest by Cohere.

6. Segment Information

For management purposes, the Company is organized on a world-wide basis into two business segments, manufacturing and sales and investments. Business segment information is summarized as follows:

	For the Six Months Ended March 31, 2009		
	Manufacturing & Sales US\$'000	Investments US\$'000	Consolidation US\$'000
Segment Revenue:			
External Sales	121,380		121,380
Investment Income/(Loss)		(26,140)	(26,140)
Segment Results	(1,584)	(26,338)	(27,922)

	For the Six Months Ended March 31, 2008		
	Manufacturing & Sales US\$'000	Investments US\$'000	Consolidation US\$'000
	145,452		145,452
		5,393	5,393
	11,071	5,256	16,327