

## Press Release

investor relations

---

### Trading update TenCate concerning first quarter 2009

#### Focus on cost savings and cash management

- First quarter not representative; as from March recovery after slow start
- Ongoing favourable development defense market
- Debt/EBITDA ratio 2.71 (covenant 3.0); net interest bearing debt € 330 million (2008: € 318 million)

x € million	First quarter 2009	First quarter 2008
Sales	203	209
EBITA	7.5	13.4
Net profit	1.8	7.3
Cash earnings	4.8*)	8.4

\*) Before deduction of restructuring costs of € 0.7 million

#### Most important developments per market group:

- **Protective fabrics**
  - Significant development in sales TenCate Defender™ M and TenCate Gen2 material (fire-resistant protection army uniforms US);
  - Significant fall in demand from the professional wear market (industry-related).
- **Space & Aerospace Composites**
  - Sales aerospace composites stayed behind caused by reduction of working capital within European aviation industry (OEMs and suppliers). No structural drop in demand;
  - The building of small private aircraft is stagnating;
  - Good development in demand from space programmes.
- **Advanced Armour**
  - Strong order position; as yet only a few large projects delivered;
  - Large projects for vehicle armour in the US in the pipeline.
- **Geosynthetics**
  - Hesitant start worldwide; volume remains low, particularly in the US. Compared with 2008, sales in first quarter lag behind. Reduction in production output;
  - Good prospects for the public sector (infrastructure-related);
  - Stimulation monies are showing the first positive effects in the market (start of projects in second half 2009).

- **Grass**
  - Careful start to the year (season begins end April). Effects of stringency in financial markets are noticeable in stockpiling and payment behaviour in the sector. Increased control of working capital TenCate Grass / deferred production;
  - Position of orders with core relations is strong. Good performance expected in second and third quarters.

Ir Loek de Vries, CEO TenCate, on the developments: 'On the whole sales remain practically the same, but the result shows a drop. What is positive is that the added value has risen, which is the result of favourable price developments in the market against the fall in raw material costs.

Following on from the fourth quarter of 2008, there is a sharp focus on controlling the working capital, and production, particularly within the sector Geosynthetics and Grass, was deferred. This resulted in a loss owing to underutilization. Traditionally this sector builds up stocks for the summer season.

An evident recovery in sales and result has been visible for the whole of the company since March. So we see the focus of profit development as lying in the second half of the year. It is expected that during this period the production capacity will be fully utilized.

The protective materials for defence applications continue to perform strongly. These markets are less recession-sensitive because the products relate to safety and protection of soldiers in risk areas, which has a high priority. These sales therefore form a solid basis.

As regards the other activities, the current economic developments in the world had an oppressive effect on sales in the first months, chiefly through the fact that business relations reduced inventories.

By and large the markets in which we operate offer good prospects and stimulation plans of governments are already showing the first positive signs. Consequently, with our durable geotextiles and geo-systems – such as TenCate Geotube® – we will be able to score heavily in infrastructural projects worldwide, especially in the areas of water management and road-building.

The prospects for our synthetic grass activities are favourable and alliances with market parties offer new opportunities for reinforcing our market position.

Despite the opportunities open to us in the present circumstances, controlling cash flow and cost control has the highest priority'.

**Financial**

The credit lines of TenCate are largely sufficient. The cash flow from company activities amounted to € 14.7 million (2008: - € 14.3 million).

The debt/EBITDA ratio amounted to 2.71 (covenant banks 3.0).

**Other information**

The stake in the synthetic grass company TigerTurf announced in February 2009 has now been finalized.

**Outlook**

Within TenCate, measures have been implemented to neutralize as far as possible the adverse effect of lower sales on the result. The effects of this will have a positive impact on the rest of the year.

The prospects for the various markets, with the exception of the industrial markets for protective fabrics and components for printers and copiers, are stable to favourable (synthetic grass and defence-related markets).

In view of the expected development in sales over the whole year, the financial position (debt/EBITDA ratio) of TenCate will improve in relation to last year.

**Royal Ten Cate**

Almelo, Wednesday 29 April 2009

---

**For more information:**

Drs F.R. Spaan, director investor relations & corporate development

Telephone : +31 546 544 977

Mobile : +31 612 96 17 24

E-mail : [f.spaan@tencate.com](mailto:f.spaan@tencate.com)

Internet : [www.tencate.com](http://www.tencate.com)

**Royal Ten Cate** (TenCate) is the multinational company which combines textile, chemical and material technologies in the development and production of functional materials with distinctive characteristics. Systems and materials from TenCate come under four areas of application: safety and protection; space and aerospace; infrastructure and the environment; sports and leisure. TenCate occupies world leading positions in protective fabrics, composites for space and aerospace, antiballistics, geosynthetics and synthetic turf. TenCate is listed on NYSE Euronext.