ROYAL TEN CATE

Press Release

Investor Relations

TenCate net profit grows by 15% to € 6.0 million in the first quarter

- **Corporate sales € 191 million (Q1 2006: € 189 million)**
- **EBIT € 10.9 million (+ 26%)**
- **Net profit € 6.0 million (+15%)**
- **Substantially increased order position as of 31 March 2007**
- **Sharp rise in sales of safety fabrics (American army orders and growth of European market)**
- **Restrained American economy produces lower sales of geosynthetics in the US; slight recovery is visible**
- **Growth in sales of Grass group of 18%; lower margins as a result of product mix (intensified seasonal pattern); increase in capacity operational as of the second quarter**
- **Impact of acquistions is limited: Roshield included in the figures as of mid-February. Mattex included in the result from the second quarter**
- **Expected growth in net profit of at least 25% for the whole of 2007 (apart from the result of divestments)**

General performance

Trend in sales

In the first quarter of 2007 sales amounted to € 191 million. There was a 7% autonomous rise in sales. The currency effect amounted to –4%, as a result of the lower US dollar.

Considerable growth was generated in the area of safety fabrics. The deliveries of American army orders reported earlier contributed significantly to this.

Although the Aerospace & Armour Composites cluster showed an autonomous decline in sales, the outlook in these markets continues to be favourable. In the first quarter there was a delay here in a number of important government orders.

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The growth in sales in the Geosynthetics & Grass sector was depressed by the restraint in the American Geosynthetics market. The demand for Geosynthetics related to the construction industry stagnated in this market. There is, however, a good demand from the remaining geographical markets.

Grass group sales rose by 18% in respect of the first quarter of 2007. The acquisition of Mattex had not yet been able to make a contribution to this, due to its consolidation as of 31 March 2007.

TenCate Enbi showed a decline in sales of approximately 7%.

Operating result (EBIT) and net profit

The increase in the operating result (EBIT) to € 10.9 million (2006: € 8.6 million) can be ascribed to a significant extent to the strong autonomous growth in safety fabrics. The autonomous EBIT growth amounted to 26%. The currency effect amounted to -9%.

As a result of seasonal influences, in the Geosynthetics & Grass sector both the level and the composition of sales in the first quarter were unrepresentative. This sector realized a relatively low EBIT and margin.

Due to the sharp rise in market demand, there has been an expansion of capacity at the artificial grass activities for the second consecutive year. This will be ready for production from the second quarter, as a result of which the operating result and the margin have come under pressure. Also the supply of high-grade and customized artificial grass products was still not fully available during the first quarter.

Net profit increased by15% to € 6.0 million. The tax rate decreased from 33% to 31%.

Financial position

Following the announced acquisitions of Roshield (antiballistic vehicle protection) and Mattex (artificial grass), a share issue of approximately € 51 million (after costs) was successfully placed. The number of shares issued consequently increased to a total of 23,169,621 units as of the end of March.

Furthermore, a new credit facility to the amount of € 250 million was taken out with a banking syndicate. TenCate thus has sufficient self-financing capacity for further acquisitions as part of its buy & build strategy.

The need for investment for 2007 is expected to remain at a relatively high level of well over € 60 million for the year as a whole.

As of the end of March 2007 the net interest-bearing debt amounted to € 230 million.

The net cash flow for acquisitions and divestments amounted to - € 21.8 million in the first quarter (Q1 2006: - € 20.4 million).

Outlook
In view of seasonal influences and the considerable increase in the order position, the outlook is favourable.

We repeat the expectation that for the whole of 2007 net profit, adjusted for results on divestments, will increase by at least 25%, barring unforeseen circumstances.

Performance by sector

Advanced Textiles & Composites

(x € 1 million)	**Quarter 1 2007**	Quarter 1 2006
Net sales	**83.2**	77.9
EBIT	**8.0**	5.9
EBIT margin	**9.6%**	7.6%

Sales in the Advanced Textiles & Composites sector showed continuing growth to € 83.2 million. Autonomous growth in sales amounted to 10% for the first quarter.

In both America and Europe there has been a sharp increase in demand in the field of safety fabrics, with exceptional growth resulting from the (partial) delivery of the orders for the American army announced in October 2006 and March 2007. These orders will continue to determine sales also into next year.

Although the Aerospace & Armour Composites group had a sluggish start to the year, particularly in antiballistic applications, the market outlook remains favourable. The antiballistic market is project-based, resulting in fluctuations in the level of sales. In the first quarter there were some delayed orders.

In the field of vehicle armouring (Roshield) multi-year orders to the value of € 20 million had been announced earlier, which will become visible in the course of the year. The order portfolio has increased, but there is some uncertainty about the timing and final volume of deliveries.

The decline in sales of composite materials (CETEX®) in relation to Airbus was entirely compensated by new orders in the field of aerospace and industrial applications. There continues to be strong growth In the aviation industry and aerospace applications.

The operating result of the Advanced Textiles & Composites sector rose to € 8.0 million. There was an autonomous increase in the EBIT of 39% in this sector. The currency effect amounted to -8%.

Geosynthetics & Grass

(x € 1 million)	**Quarter 1 2007**	Quarter 1 2006
Net sales	**88.5**	79.5
EBIT	**2.5**	2.4
EBIT margin	**2.8%**	3.0%

Sales by the Geosynthetics & Grass sector increased by 11% to € 88.5 million in the first quarter. The consolidation of Geofabrics Australasia as of 1 July 2006 was of influence here. Sales showed an autonomous increase of 9% in the Geosynthetics & Grass sector.

The American market for geosynthetics displayed continuing restraint. Some recovery is expected here in the course of the year. The remaining geographical markets are developing favourably as regards volumes.

The share of sales in the projects market is expected to increase in the course of the year on the basis of the current order position. This will have a positive effect on the margin.

Grass group sales increased by 18%. Within the product mix there was a higher share of artificial grass for landscaping applications. This has a seasonal background and is not representative of the year as a whole. The positive growth in margin as a result has fallen short of expectations. During the course of the year the share of sales will increase from the sport market.

The EBIT remained on balance at virtually the same level as a result of the consolidation of Geosynthetics Australasia; it showed an autonomous decline of 30%. This decline is mainly the effect of the above-mentioned product mix and the result of underutilization at Geosynthetics (USA). At Grass there is new production capacity which is still in the development phase. This relates mainly to capacity for the production of the more high-grade products and is a temporary effect.

For the remainder of the year the profit contribution of Mattex (artificial grass) should also be taken into account as of 1 April. Mattex has been included in the balance sheet with effect from 31 March 2007.

Technical Components / Holding & Services

(x € 1 million)	**Quarter 1 2007**	Quarter 1 2006
Net sales	**19.2**	31.8
EBIT	**0.4**	0.3

With effect from 2007 the figures for the Technical Components sector will no longer be shown separately but be included under ‘Technical Components / Holding & Services’. As already known, Plasticum and Business Key were sold in April 2006 and February 2007 respectively.

TenCate Enbi showed a decline in sales of approximately 7%, as a result of which the operating result also decreased slightly. The increase in the share of sales in the replacement market for laser printer cartridges is still sluggish, although there remain opportunities here for the future. Enbi is seeing a growth in sales also outside the office machinery market.

Almelo, 2 May 2007
Royal Ten Cate

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You can find the appendix with figures on www.tencate.com

Conference call

We would like to offer analists the possibility to participate in a conference call. The conference call will start at 9.30 CET.

Frank Spaan, director Investor Relations, will present the Q1 figures. After the presentation you will be able to ask questions.

The telephone number for the conference call is +31 20 713 27 56. An operator will welcome you and explain the procedure.

Information for the press

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KEY FIGURES	**January-March**		
In € mln	**2007**	**2006**	
Revenues	190.9	189.2	0.9%
EBITDA	16.9	14.4	17.4%
EBIT	10.9	8.6	26.7%
Net profit	6.0	5.2	15.4%
Profit per share	0.28	0.25	12.0%

Key figures per sector

In € mln		**January-March**		
Advanced Textiles & Composites		**2007**	**2006**	
Revenues		83.2	77.9	6.8%
EBIT		8.0	5.9	35.6%
EBIT margin		9.6%	7.6%	26.3%
Investments		3.7	2.3	60.9%
Depreciation and amortisation		1.9	1.5	26.7%
Net capital employed		138.4	121.9	13.5%
Return on capital employed		23.4%	19.2%	21.9%
Number of staff-years (ultimo)		1,221	1,191	2.5%
Geosynthetics & Grass				
Revenues		88.5	79.5	11.3%
EBIT		2.5	2.4	4.2%
EBIT margin		2.8%	3.0%	-6.7%
Investments		10.5	13.6	-22.8%
Depreciation and amortisation		3.6	3.2	12.5%
Net capital employed	*)	368.1	228.9	60.8%
Return on capital employed	**)	4.5%	4.4%	2.3%
Number of staff-years (ultimo)	**)	1,648	1,636	0.7%
Technical Components / Holding & Services				
Revenues		19.2	31.8	-39.6%
EBIT		0.4	0.3	33.3%
Investments		0.1	0.9	-88.9%
Depreciation and amortisation		0.5	1.1	-54.5%
Net capital employed		65.0	73.6	-11.7%
Number of staff-years (ultimo)		741	917	-19.2%

*) included Mattex Leisure Industries
**) excluded Mattex Leisure Industries

CONSOLIDATED PROFIT AND LOSS ACCOUNT

In € mln	first quarter 2007	2006
Revenues	190.9	189.2
Changes in inventories of finished products and work in progress	11.7	11.4
Raw materials and manufacturing supplies	-106.7	-104.0
Work contracted out and other external expenses	-8.8	-9.0
Personnel costs	-44.5	-47.1
Depreciation and amortisation	-6.0	-5.8
Other operating costs	-25.7	-26.1
Total operating expenses	-180.0	-180.6
Operating result (EBIT)	10.9	8.6
Net financial expenses	-2.1	-1.6
Result before tax	8.8	7.0
Profit tax	-2.7	-2.3
Result after tax but before result from associated companies	6.1	4.7
Result from associated companies	-	0.5
Result after tax	**6.1**	**5.2**
Atributable to:		
Shareholders of the company (net profit)	6.0	5.2
Minority interests	0.1	-
Operating result as a % of sales	5.7%	4.5%
Return on capital employed *)	10.6%	8.8%
Weighted average number of shares outstanding (x 1.000)		
- basic	21,591	20,579
- diluted	22,285	21,149
Per € 2.50 share		
- cash flow	0.56	0.54
- net earnings	0.28	0.25
- diluted net earnings	0.27	0.25
Number of staff-years *)	3,610	3,744
of which in the Netherlands	971	1,135

*) included Mattex Leisure Industries

CONSOLIDATED BALANCE SHEET
In € mln

	March 2007		end of 2006		March 2006	
Fixed assets						
Tangible fixed assets	204.6		165.8		170.9	
Intangible fixed assets	142.8		12.4		13.3	
Associated companies	1.3		1.3		17.4	
Long term receivables associated companies	-		-		0.5	
Other Long term receivables	5.0		5.1		4.2	
Deferred tax receivables	12.0		11.9		12.6	
Total fixed assets		365.7		196.5		218.9
Current assets						
Inventories	170.7		157.7		163.4	
Receivables						
- Trade debtors	145.0		109.0		120.7	
- Tax receivables	2.3		4.7		2.0	
- Other receivables	14.8		14.5		15.0	
- Cash and Cash equivalents	7.0		6.7		4.5	
Total current assets		339.8		292.6		305.6
Total assets		705.5		489.1		524.5
Equity						
Share capital	57.9		52.7		52.0	
Share premium reserve	51.9		6.3		7.0	
Statutory reserves *)	-3.7		-2.0		31.7	
Other reserves *)	181.0		105.7		91.2	
Undistributed result	6.0		76.0		5.2	
Equity attributable to shareholders	293.1		238.7		187.1	
Minority interests	0.2		0.2		-	
Group equity		293.3		238.9		187.1
Long-term liabilities						
Long-term debts	211.0		63.5		129.9	
Pension liabilities	31.2		31.8		40.5	
Provisions	11.8		11.8		17.8	
Deferred tax liabilities	0.9		0.2		0.5	
Total long-term liabilities		254.9		107.3		188.7
Short-term liabilities						
Banks, current accounts	17.8		29.1		44.8	
Repayment of long-term debts	0.7		1.3		0.9	
Trade creditors and other payables	130.7		103.1		99.7	
Provisions	4.8		5.8		2.9	
Tax payable	3.3		3.6		0.4	
Total short-term liabilities		157.3		142.9		148.7
Total liabilities		412.2		250.2		337.4
Total group equity and liabilities		705.5		489.1		524.5

*) March 2006: Adjusted for comparison purposes

OVERVIEW OF CHANGES IN EQUITY
In € mln

		2007	2006
As at 31 December 2006 respective 2005		238.7	181.8
Plus:	Result 2007 respective 2006	6.0	5.2
	Issued 2.106.329 number of shares	5.2	-
	Premium on issued share capital	45.6	-
	Share based payments option rights	0.3	1.4
	Delivered own shares in connection excercised of options	0.3	0.1
		296.1	188.5
Minus:	Exchange differences subsidiaries	-3.0	-1.4
As at 31 March		293.1	187.1

CONSOLIDATED STATEMENT OF CASH FLOWS
In € mln

	2007		2006	
Operating profit	10.9		8.6	
Depreciation and amortisation	6.0		5.8	
Share-based payment transactions settled in equity instruments	0.3		-	
Change in provisions	-1.5		0.6	
Cash flow from operating activities before change in working capital		**15.7**		**15.0**
Change in inventories	-8.6		-7.4	
Change in receivables	-20.0		-14.6	
Change in short-term liabilities	8.8		5.1	
Changes in working capital		**-19.8**		**-16.9**
		-4.1		**-1.9**
Interest paid		-1.9		-2.0
Profit tax paid		-1.8		0.4
Cash flow from operating activities		**-7.8**		**-3.5**
Income from sale of tangible fixed assets	0.3		0.1	
Interest received	-		0.1	
Divested activities less cash	7.0		-	
Receipt of long-term receivables	0.1		0.1	
Acquisitions of operating companies less cash acquired	-172.8		-	
Investments in intangible fixed assets	-0.2		-	
Capital expenditures	-14.1		-16.8	
Increase in long-term receivables	-0.1		-0.4	
Cash flow from investment activities		**-179.8**		**-16.9**
Proceeds from the issue of repurchased own shares	0.3		0.1	
Issue of 2.106.329 shares	50.8		-	
Drawdown of long-term debt	201.4		0.2	
Repayment of long-term debt	-54.5		-0.6	
Cash flow from financing activities		**198.0**		**-0.3**
Change in cash *		**10.4**		**-20.7**
Cash on 1 January		-22.4		-21.3
Currency differences in cash		1.2		1.7
Cash as at 31 March		**-10.8**		**-40.3**

* Cash includes cash and cash equivalents minus banks, current accounts.
The cash flow summary has been drawn up according to the indirect method.

EXPLANATORY NOTES

General information
The consolidated interim report of Royal Ten Cate (the company) for the first quarter of 2007 relates to the Company and its operating companies (referred to collectively as the Group) and the Group's interests in associated companies (non-consolidated) and a joint venture.

Statement of compliance
This abridged consolidated interim report has been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 *Interim financial reporting*. It does not contain all the information that is required for full financial statements and should be read in combination with the Group's 2006 consolidated financial statements.

This abridged consolidated interim report was approved by the Supervisory Board on 1 May 2007.

Accounting policies and determination of results
For the accounting policies and determination of results, reference is made to pages 75 to 85 of the 2006 financial statements.

Estimates
The preparation of interim reports requires judgement by the management, who make estimates and assumptions that affect the application of policies for financial reporting and the reported value of assets and liabilities and the amounts of income and expenditure. The actual results may differ from these estimates.

Unless otherwise stated, in preparing this abridged consolidated interim report, the significant judgements made by the management in applying the Group's policies for financial reporting and the key sources of estimation are the same as those applied to the consolidated financial statements for the 2006 financial year.

Acquisitions and sale of operating companies

Acquisitons

On 15 February 2007 the Group acquired the shares of Roshield A/G, Odense, Denmark for a cash payment of € 35 million.

On 29 March 2007, the Group acquired the assets and liabilities of Mattex Leisure Industry for a cash payment of $ 178 million.

The acquisitions are entered in the books according to the "Purchase accounting method" (IFRS 3). The amounts of the acquisitions have been allocated to the identified acquired assets and liabilities, which are as yet based on estimates.

The preliminary effect of the above-mentioned acquisitions on the assets and liabilities was as follows:

	Stated Values	Provisional market value adjustments	Book values
Tangible fixed assets	31.7	4.6	27.1
Intangible fixed assets	20.6	20.6	-
Deferred tax receivables	0.5	-	0.5
Inventories	8.7	-	8.7
Trade and other receivables	21.2	-	21.2
Cash and cash equivalents	0.2	-	0.2
Deferred tax liabilities	-1.3	-1.3	-
Interest-bearing loans	-0.1	-	-0.1
Banks, current accounts	-0.9	-	-0.9
Trade creditors and other payables	-20.5	-	-20.5
Balance of identifiable asstes and liabilities	60.1	23.9	36.2
Goodwill on acquisition	112.0		
Purchase price paid in cash	172.1		
Cash acquired minus short-term bank debts	0.7		
Cash outflow	172.8		

Divestment

Business Key, Barcelona Spain was sold on 16 February 2007. The proceeds of this amounted to € 7 million, (including debts), which was virtually identical to the book value.

Outstanding shares

On 12 February 2007, 2,106,329 shares were issued at a price of € 24.50.

As of 31 March 2007, the number of outstanding shares amounted to 23,169,621 (as of 31 Mach 2006: 20,784,472).

Repurchased shares

In the first quarter of 2007, 25,800 shares were issued through the exercise of options. As of 31 March the number of repurchased shares was 483,146.

Dividend

At the Annual General Meeting of Shareholders the dividend was set at € 0.70 per ordinary share of € 2.50. On 27 April 2007, the dividend was made payable in cash or as a stock dividend at a ratio of 2 new shares for 83 dividend rights.

Liabilities not shown in the balance sheet

As of 31 March 2007, the Group entered into contractual liabilities for the purchase of tangible fixed assets to an amount of € 37.9 million (2006: € 26.0 million). Of this, € 21.9 million has already been pre-paid and included under tangible fixed assets.