

Press release

TenCate finalizes acquisition of Compositex (USA)

Following the press release of December 11, 2007, Ten Cate Advanced Composites USA announces the closing of the acquisition of Compositex Co. (Newark, Ohio, USA).

Compositex is a market leader in the growing armor market in the United States. Compositex produces advanced armor solutions from composite and ceramic materials for the protection of humans and vehicles, ships and aircraft. Amongst others, Compositex currently supplies US Government contractors with armor solutions for high profile military programs such as the Up Armored Humvee (HMMWV), Mine Resistant Ambush Protected Vehicle (MRAP) and the Stryker Light Armored Vehicle.

The purchase price is approx. US\$ 70 million with potential for additional incentives tied to the financial performance of Compositex in 2008 & 2009. The level of investment that TenCate considers necessary for the further growth of the company in the years ahead has been one of the determining factors in the takeover price.

Total revenues 2007 for Compositex were in excess of US\$ 100 million and it is expected that Compositex will provide an immediate accretive benefit to TenCate's earnings in 2008. Compositex' EBIT margin is comparable to that of TenCate's other composites companies. The acquisition will be financed through the credit facilities of TenCate.

As a result of the acquisition of Compositex and the acquisition earlier in 2007 of Roshield (Denmark), TenCate succeeded in its strategic intentions to build a strong vehicle armor position within the USA and other global markets for vehicle armor. Furthermore the synergistic effect between the personal and vehicle armor businesses of Ten Cate Advanced Composites and Compositex strengthens Ten Cate's market position considerably in the strategically important USA Armor market, as well as in the European and Asian Armor markets

TenCate stands by its statement for 2007 made earlier that net profit (adjusted for the result on divestments) is expected to increase by at least 25%, barring unforeseen circumstances.

Royal Ten Cate
Almelo, 1 February 2008

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