

## Press release

investor relations

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### **Xennia successfully develops new applications for industrial inkjet market**

**In January 2008 TenCate acquired 75% of the shares of Xennia Technology Ltd. near Cambridge (UK). The main reason for this acquisition is primarily to accelerate the opportunity to use inkjet technology to produce technical textiles. Inkjet technology has the potential to replace existing finishing and coating technologies and create new materials for the technical textiles sector.**

Within the Digitex R&D project, which is subsidized by the EU Commission, TenCate, Xennia, Xaar and other companies and institutes have worked together in order to use inkjet technology to create breakthrough innovations in technical textiles for the European sector.

A number of important inkjet developments carried out by Xennia in recent years have also generated valuable applications in other industrial sectors like product decoration, packaging, material deposition and specialist printing. Inkjet deposition of functional materials is a key area for Xennia's business and is expected to grow strongly over the next few years. Xennia offers an extensive portfolio of functional chemistry and inkjet printer platforms that can be customized for specific industrial applications. Xennia can integrate fixed or scanning XenJet print engines into production equipment in order to jet chemical materials on many different substrates.

#### **Recent developments**

An example of one important recent development is Xennia's commercial launch of a fixed array single pass industrial printer for ceramic tile decoration. This machine has been developed for Creta Print (Spain). The print process gives a random and natural look and feel to ceramic tiles, which can replace marble, granite etc. There is already a large interest in this system and Xennia plans a global launch with their OEM partner. More than 10 orders of this system are expected during this first year of launch. The outlook and forecast for orders in the coming year indicate a substantial growth of this innovative solution for the ceramic tile industry.

Xennia also have other significant opportunities for its print engines and inks in applications such as labeling, packaging, production line product decoration and materials deposition, Material deposition systems can be used for printed electronics such as solar cells, antennas, semi-conductors and active displays.

Market estimates inkjet printing of electronics will reach a level of approximately € 3 billion in the next five years.

#### **Importance for TenCate**

TenCate sees opportunities for inkjet technology for its protective fabrics and outdoor fabrics activities and will launch new products with new or improved functionalities in the near term, leading to the production of "smart textiles". For TenCate, this development will also create large cost savings, such as environmental and energy costs, in the next five years period. Xennia is well positioned to provide solutions in this emerging market.

Besides the importance of inkjet for the coating and finishing of fabrics TenCate also sees opportunities for synthetic turf, and composites activities. Coating of these materials on a nano-scale can create new functionalities. For synthetic turf it can create better sliding performance, a more natural look and feel and for composite materials it can add sensing and monitoring of the material. R&D projects in these areas have been started.

TenCate will not explore opportunities outside its core markets. Through Xennia, which will commercialize its solutions through leading OEM's, it will indirectly benefit from developments in other sectors. Xennia will continue its operation as before the acquisition, but will be able to benefit from the global network of TenCate.

Inkjet technology has been given a special position as an innovative technology by the national Dutch Innovation Platform. TenCate has formed an alliance with the existing consortium (High Prints), with leading Dutch industrial parties like Océ, in order to join forces in this technological area in connection with open innovation. TenCate will apply this technology only for its core activities in functional materials. Other industries will be enabled to apply the knowledge base of Xennia / TenCate on a license basis.

In the current year Xennia will give a limited positive contribution to the results of TenCate. Results are estimated to grow substantially in the coming years. Inkjet technology has the potential to have significant impact on profitability for the protective fabrics activities in particular, over the next five to seven years.

#### **Additional information regarding inkjet technology**

Inkjet is increasingly seen as more than a printing technique, although until now it is largely associated with desk-top printing. The important benefits of inkjet to an industrial environment will be to:

- Simplify manufacturing processes
- Increase productivity
- Reduce operating costs
- Mass customization
- Flexibility of design and creation of miniature devices

**Xennia**

Xennia is a world leading independent industrial inkjet technology company. It has integration, chemistry, engineering and hardware knowledge and creates inkjet solutions for several industrial applications. The company supplies high performance XenJet printers and proprietary inks.

Xennia has an extensive portfolio of chemistry formulations (inks / fluids), like ceramic, conductive materials, textile pigment and dyes, metal solutions and dispersions, magnetic materials and UV cure inks. Xennia has built a vast accumulated knowledge during a decade of inkjet development and holds several patents. It includes ink formulations, application processes, system and component design.

The company has strong partnerships with leading companies in the market, like Xaar plc, Hewlett - Packard and FujiFilm Dimatix (print head manufacturers).

Besides the industrial shareholders TenCate and Xaar, the management holds 16% of the share of the company.

Xennia is located near Cambridge (UK).

**TenCate**

TenCate is a multinational company which combines textile technology and chemical processes in developing and manufacturing specialist materials.

Its materials can be divided into four areas of application: safety & protection, space & aerospace, sport & leisure and environment & infrastructure.

The company has world leading positions in protective fabrics, space and aerospace composites, armour composites, geosynthetics and synthetic turf.

TenCate is listed on NYSE Euronext

**Royal Ten Cate**

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