

Press release

investor relations

TenCate acquires controlling interest in Xennia Technology

TenCate has reached an agreement to purchase 75% of the issued share capital of Xenia Technology Ltd., a Cambridge based leading specialist in the area of inkjet technology for the development of inks / coating fluids and related steering technology (software). The company owns a strong intellectual property portfolio and a number of key technology platforms for both inks / coating fluids and hardware. TenCate already works closely together with Xennia in connection with the Digitex project, a subsidized EU Framework development project for digital textile finishing. The joint patent position will form the basis for future developments in the area of surface nano technology in technical textiles.

For TenCate this technology driven acquisition is important to own and jointly develop key knowledge for the application of coatings and related chemicals on textile materials and other substrates, enabled by a (digital) technology that works on nano scale. Xennia is a worldwide leader in this field, for other applications outside the technical textiles sector.

Cambridge is the centre of excellence for inkjet technology. Xaar plc., also based in Cambridge, is the other industrial shareholder in Xennia. Xaar is a leading specialist in inkjet printheads (nozzles). Xaar is partner in the Digitex project as well. The management of Xennia will retain 16% of the shares.

Xennia

Xennia, founded in 1996, is based in the UK and also has a technology team in the United States of America. It is currently involved in contract R&D and develops and manufactures inks and fluids for a diverse range of specialty applications. Inkjet is increasingly being seen as more than just a printing technique. It can also be an accurate and precise deposition manufacturing tool, suited to produce a vast array of materials for various applications.

Xennia's customers include global "blue chip" companies, equipment companies, and high-tech innovative start ups. In 2005 Xennia launched its Xenjet® brand for its hardware and ink products. The average sales growth of Xennia has been 35% in the last three years with a level of approximately GBP 7 million in 2007.

Digitex project

TenCate announced earlier a revolutionary development in connection with textile finishing called the Digitex project. The purpose of this development is to produce functional textile materials (smart textiles, innovative technical textiles) with functionalities and qualities that could not be produced in the traditional way. This method of production is to a large extent based on inkjet technology in order to

apply coatings on substrates at a nano scale. For this new technology hardware, software and chemicals / fluids need to be developed. Also, massive environmental cost savings will be created as a result of this new technology and machine configuration.

At the moment the development reaches a point that production on lab scale shows feasible results, which also forms the basis to acquire this strategic interest in Xennia. The project now enters into a phase of developing commercial applications for textile finishing. These activities will take place with TenCate in the Netherlands.

Xennia is actively involved in several projects for a variety of industries, amongst others packaging, product decoration and printed electronics. TenCate will not broaden its scope of activities and will only secure its position in the Digitex project, which is of large importance for its textile finishing activities.

Other information

Xennia will not change its strategic focus after the acquisition of a majority share in the company by TenCate. Xennia wants to make a significant impact in the emerging industrial inkjet sector. Through TenCate, currently also the technical textiles sector has come into the scope of Xennia's activities and reached a significant technological leap forward with this joint technological development. Since projects, amongst others Digitex, are still in a development stage no further details will be made public at this stage.

The activities of Xennia do not have an overlap with the activities of TenCate Enbi, a producer of (technical) rollers for mainly desktop printers. TenCate Enbi is mainly an OEM supplier of technical rollers for laser and inkjet printers.

Royal Ten Cate
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For further information:

Frank Spaan
Director corporate development & investor relations
Tel: +31 546 544 338
Mob: +31 6 12 96 17 24
e-mail: f.spaan@tencate.com
www.tencate.com

Website Xennia: www.xennia.com
Website Xaar: www.xaar.com