

materials that make a difference



US Defense budget consequences

- TenCate Defender™ M historic and future sales trends
- Outlook for armour and protective fabrics



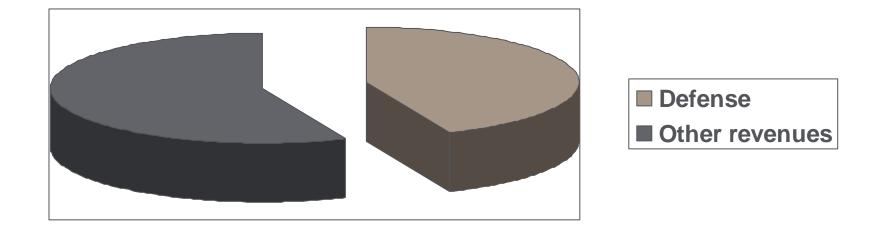
Position TenCate in defense related markets

- All producs of TenCate (fabrics and armour materials) relate to safety, protection and extension of comformt and mobility
- Focus TenCate on army modernization
 - Increased personal protection
 - Combining functionalities
 - Light weight, incresed comfort
 - Fuel savings ,incresed mobility
- Dominant position of US army in total defense related sales
 - Increase sales outside US as from 2012 after introduction period
 - Initial focus on US sales (exeptional high volumes)
- Dominant position of TenCate Defender™ M portfolio in total sales
 - Broad spectrum of products
 - TenCate Tecasafe® Plus and other spin-off products will be added for military use
- Total Armour sales nine months 2011 US and EU at the same level:
 - Armour composites sales FY basis slightly higher then aerospace composites sales
 - US budget cuts for armour composites USA not to be overstated
- Defense related sales concentrated within sector TenCate Advanced Textiles & Composites



TenCate Advanced Textiles & Composites

(indicative defense related revenues)

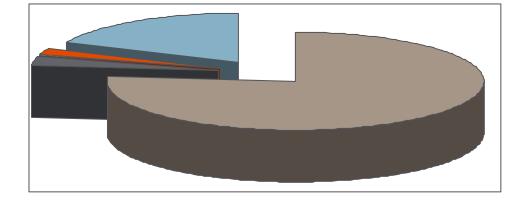


All aerospace composites considered to be non-defense



TenCate Protective Fabrics Europe

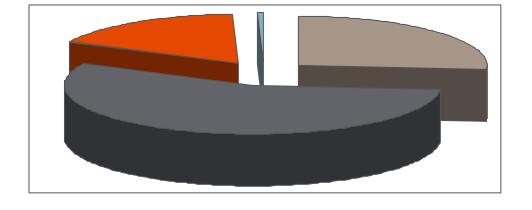
(indicative sales split)





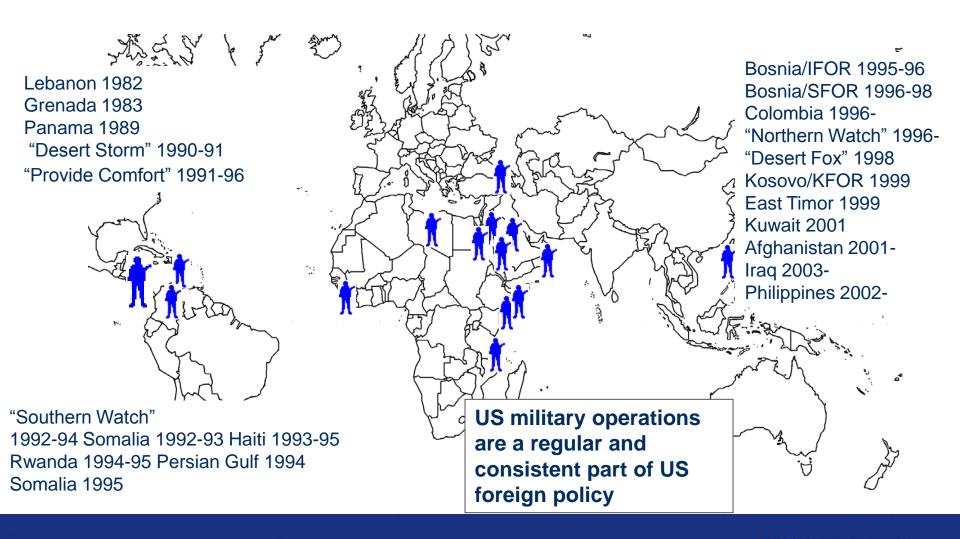
TenCate Protective Fabrics Americas

(indicative sales split)

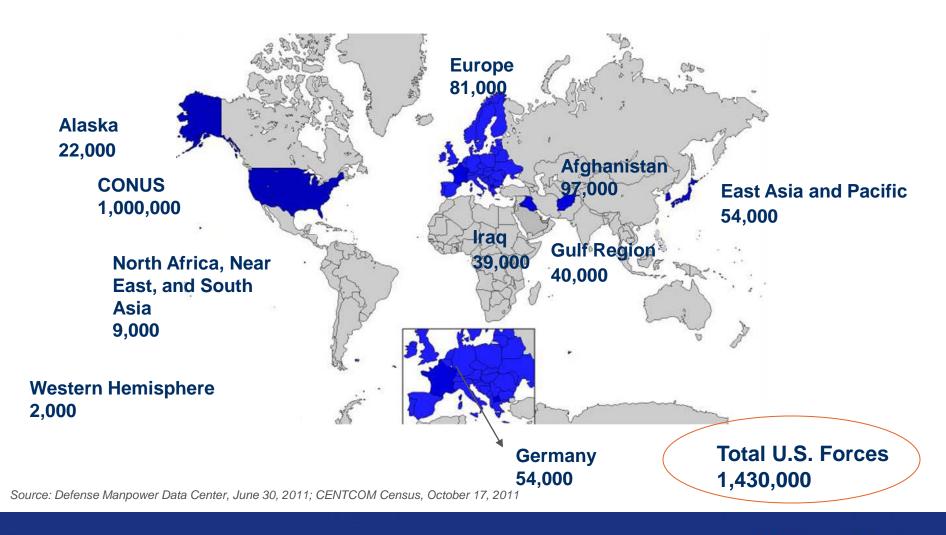




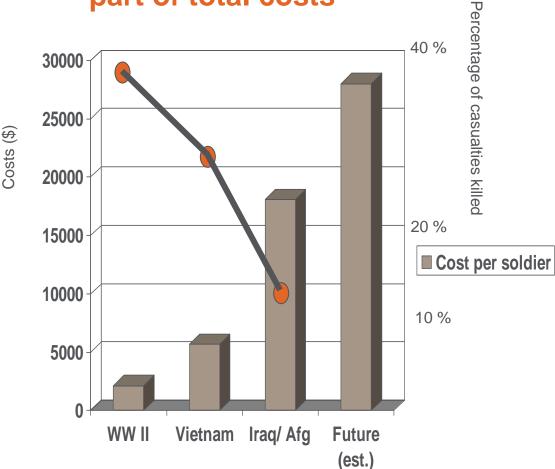
Not too much focus on Afghanistan



US Force Posture and Positioning today



Protection is a relatively minor part of total costs



Constant 2011 US\$/ Sources: Dept. of Defense Manpower Data Center,
Defense News, "Cost of Some US Soldier Gear May Quadruppe. Feb 2011,
Congressionsl Reseach Service, "American War and Military operations Casualties , "Feb. 2010"



TenCate Defender M: hyperfragmentation Military Uniforms with TenCate Fabrics

 FR ACU (FR Army Combat Uniform) A2CU (Army Aviation Combat Uniform) Baclava Advanced Combat Pant 	Army
 IPK (integrated patch kit) FROG (FR Organizational Garment) IWCS (Inclement Weather Combat Shirt) 	USMC
 Shipboard Jacket Bunk Curtains Navy Electrical Garment FR CE (FR Combat Ensemble) 	Navy
 Navy Flight Deck Trouser FR ABU (FR Airmen Battle Uniform) AFSAC TFDU (Tectical Flight Duty Uniform) 	Airforce
)

Trends in defense budget and (FR) protection

- US Defense budgets increased 80% during 2001-2011
- Even with reductions US budget will be significantly above past averages
- November 23 will be crucial: Can Sequestration of funds be avoided?
 - Secr. of Defense has been vocal about the needs of the Defense Dept. and the importance of the industrial base
 - OCO funding exempted from sequester activity
- Larger US military presence in Asia
- US Army one of the most sophisticated force in connection with personal protection levels (" US troops deserve the best protection")
- US Defense Department continuing to expand applications of FR garments throughout Military Services- Army, Airforces, Navy & Marine Corps
- Increased FR protection requirements also outside theatre
- FR Protection in uniforms is only a minor part of total costs per soldier

Sources: TenCate, Cohen Group, US public statements



TenCate FR Uniform Platform fabrics dominated by TenCate Defender™ M product range

Defender M

18% predicted body burn at 4 seconds of Flash fire exposure.

MENCATE

Tecasafe plus

15% predicted body burn at 3 seconds of Flash fire exposure.

Aramid camouflage

Meets MilSpec 83429B for AF Flight Suits (3 seconds burn)

Proven Performance
Inherent Flame resistace
Good Durability
Maximum comfort
Exeptional Value
Fiber blends

Proven Performance
Inherent Flame Resistance
Exeptional Durability
Good Value
100% Aramid



Future sales trends FR fabrics

- TenCate Defender™ M sales will follow US troop deployment levels
- Growth international markets for FR protection (defense and industry)
 - > 10 wear trials currently under way in connection with major military units
- Blends offer the best value proposition (protection, durability, comfort, costs) and will continue to win market share over 100% aramid based and FR treated fabrics (TenCate #1 world wide in blended fabrics)
- Market penetration through continued end-user efforts (increase international sales network)
- Local presence through partnerships
- Continued innovation to develop the "next generation" of FR Fabrics
- Expansion of Tecasafe™ Plus portfolio creates higher market penetration
- Higher portion of industrial sales vs. defense related sales (change in salse mix)



Conclusions

- The year 2011 will show record sales due to re-stocking effect (change camo-print TenCate Defender™ M)
 - Primairily during H1 2011
 - Sales 2012 not comparible on a quarterly basis
- 2012 revenues TenCate Defender M will decrease in line with reduced US deployment levels
 - In part compensation from new programmes
 - Conversion from non-FR to FR protection also ousite crisis areas
- Increasing international sales (Defender M) and further growth of TenCate
 Tecasafe™ Plus sales will largely compensate decreased US deployment figures in
 the mid-term
- Reduced Irak and Afganistan deployment not to be overstated:
 - International military presence will remain (several areas of military attention)
 - Increased emphasis on protection is positive
- Outlook armour revenues: no material adverse change due to budget cuts
 - Growing aerospace armour business for Composites-group
 - ABDS™ system has large potential for TenCate's position in armour markets
 - Shift composites sales towards aerospace and industrual applications





materials that make a difference

