



materials that make a difference

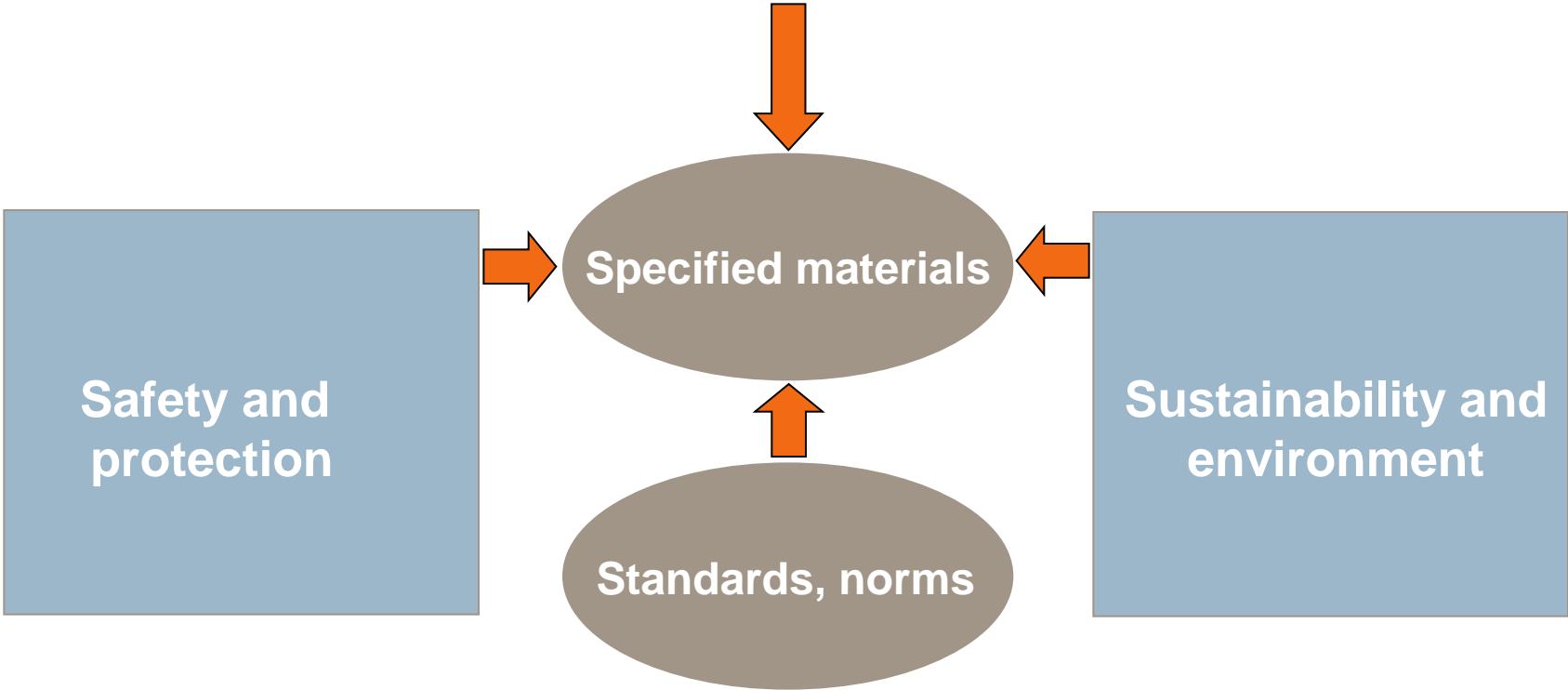
Royal Ten Cate

Benelux conference Kempen
London, 25 november 2010

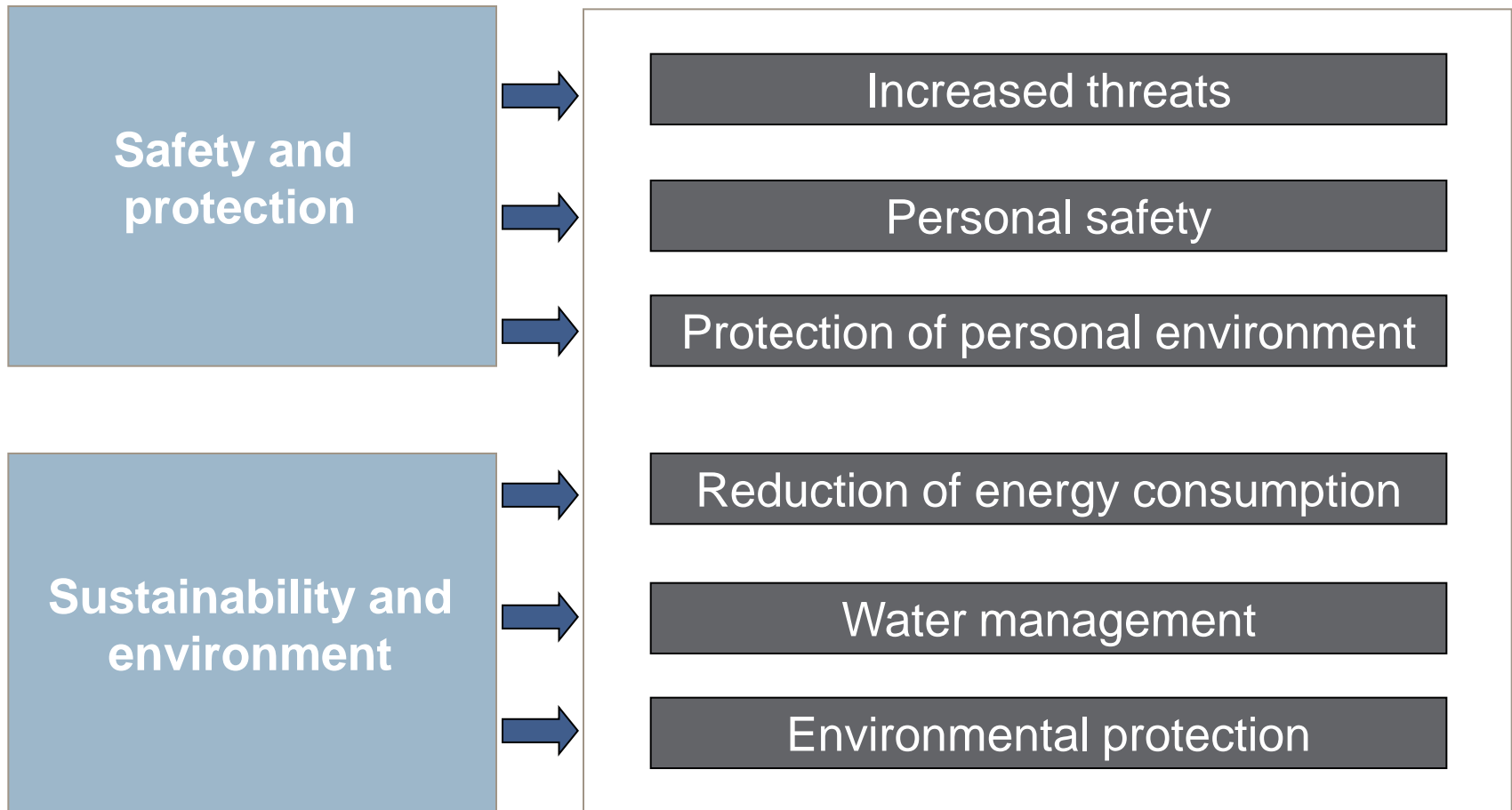
Agenda

- Profile and market themes
- Key activities and organisation
- Financial highlights first half 2010
- Important market developments first half 2010
- Developments per segment
- Outlook 2010
- International Advisory Board

Profile



Marktthemes based on social / environmental trends

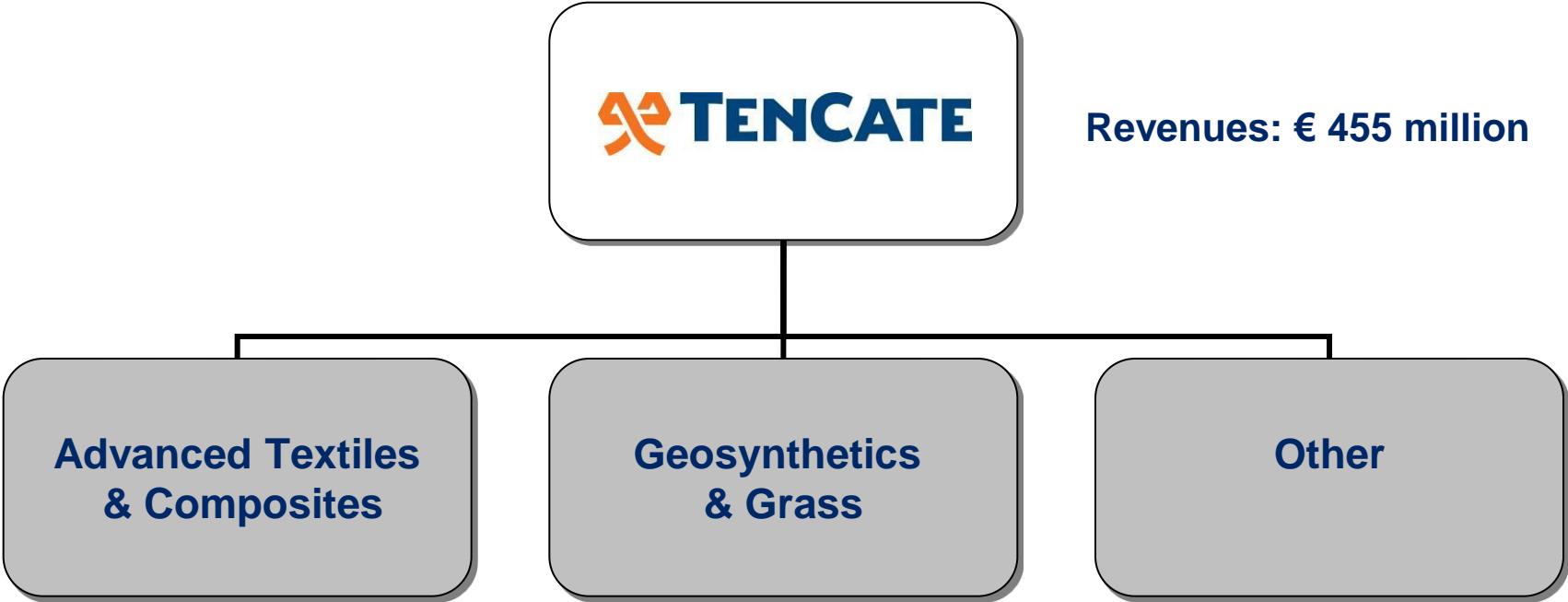


Core activities

- Protective fabrics
 - Military
 - Industry and emergency services
 - Outdoor segment
- Space and aerospace composites
- Armour composites
 - Vehicles
 - People
- Geosynthetics
 - Infrastructure
 - The environment and water management
- Synthetic turf
 - Sport and landscaping



Organization



Revenues: € 455 million

Advanced Textiles & Composites

Revenues: € 193 million

Market groups

- TenCate Protective Fabrics
- TenCate Outdoor Fabrics
- TenCate Space & Aerospace Composites
- TenCate Advanced Armour

Geosynthetics & Grass

Revenues: € 227 million

Market groups

- TenCate Geosynthetics
- TenCate Industrial Fabrics
- TenCate Grass

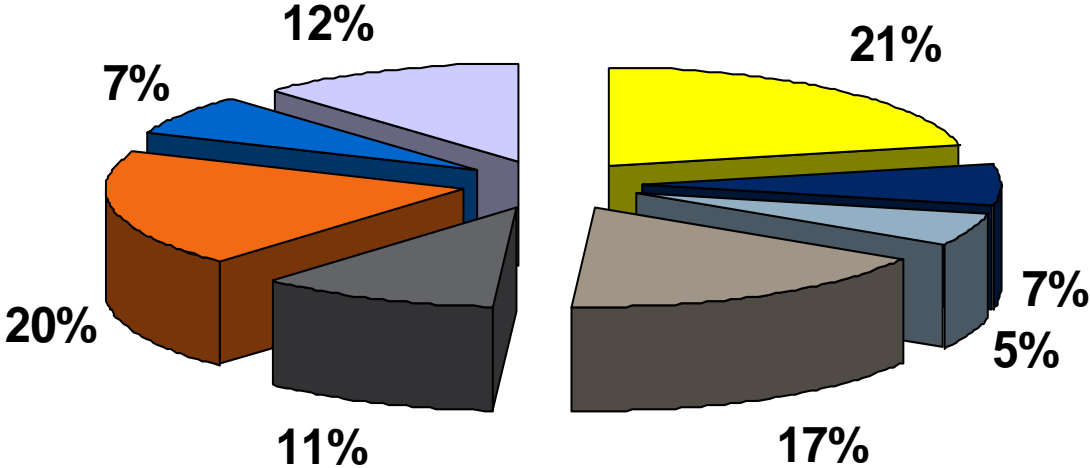
Other

Revenues: € 35 million

Business units

- Xennia Technology
- TenCate Enbi
- Holding & Services

Revenue split by end market



(Indicative percentages)

Financial highlights first half 2010

- Revenues first half 2010: € 455 million (+5%)
 - Organic growth: +4%
 - Currency effect: +1%
- EBITA first half 2010: € 38.2 million (+83%)
 - Organic growth: +89%
 - Currency effect: +7%
 - Acq. / divestments: -13%
- Net profit first half 2010: € 19.6 million (H1 2009: € 15.2 million)
 - + € 5.2 million (net) extraordinary results (book profit divestment, impairment minority interest) in result H1 2009
 - Operational profit doubled
- Cash flow from operational activities € 17 million (H1 2009: € 42 million)
 - Investments in fixed assets € 9.0 million (H1 2009: € 8.1 million)
 - Ongoing decrease of debt to € 238 million (H1 2009: € 287 million)

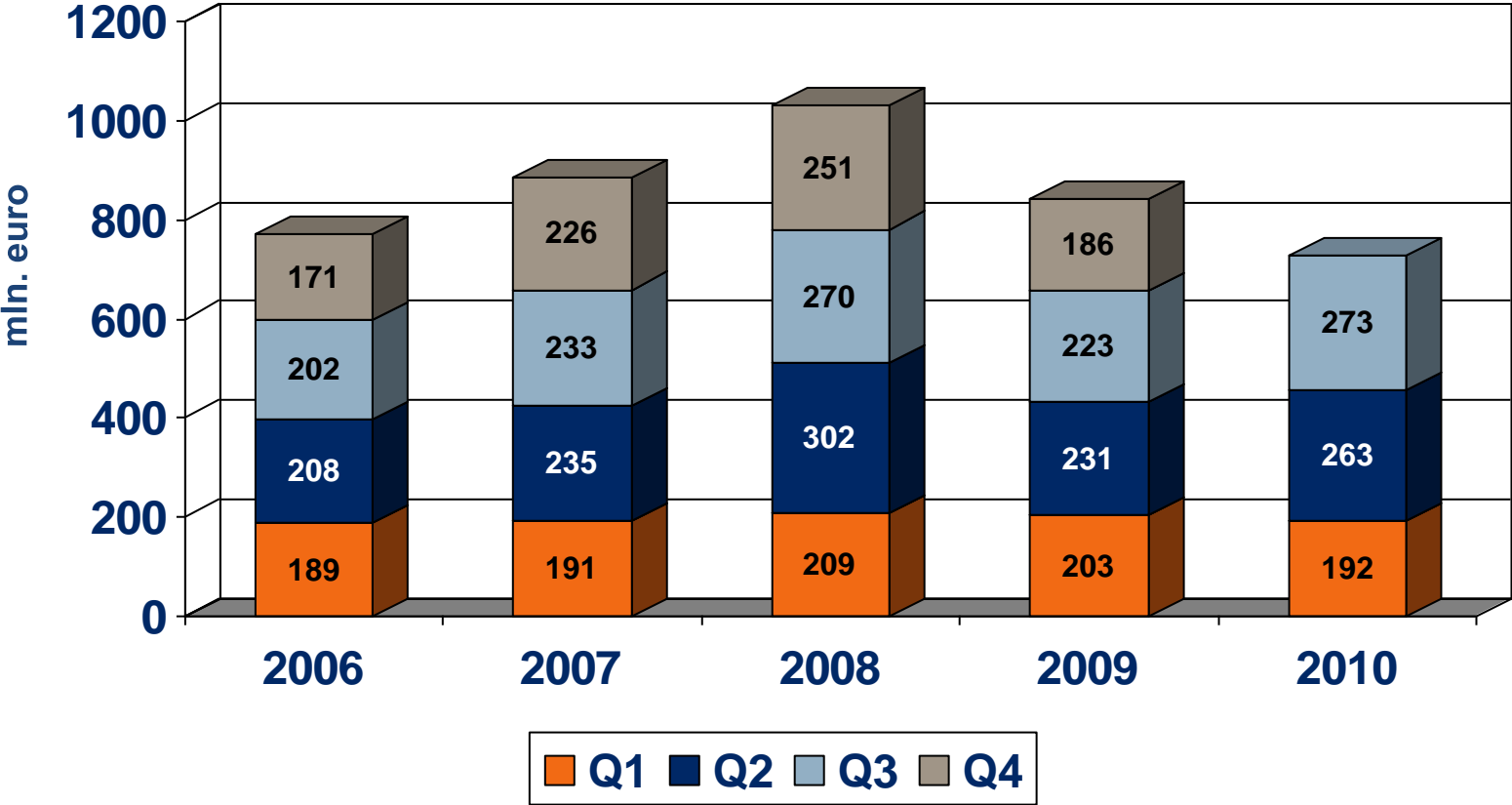
Important market developments (1)

- Shift to new camouflage print completed
 - Temporary decrease revenues in TenCate Defender™ M and TenCate Gen2™ products for American army
 - Revenues TenCate Defender™ M during second half 2010 back on original level
 - New applications TenCate Defender™ M within defense market (new projects)
- Positive developments in industrial market for professional workwear
 - Broadened product portfolio is successful (among other products TenCate Tecasafe™ Plus)
 - Applications for TenCate Defender M developed outside defense market
- Reluctant European market for aerospace and armour composites
- Growth composites activities in US market

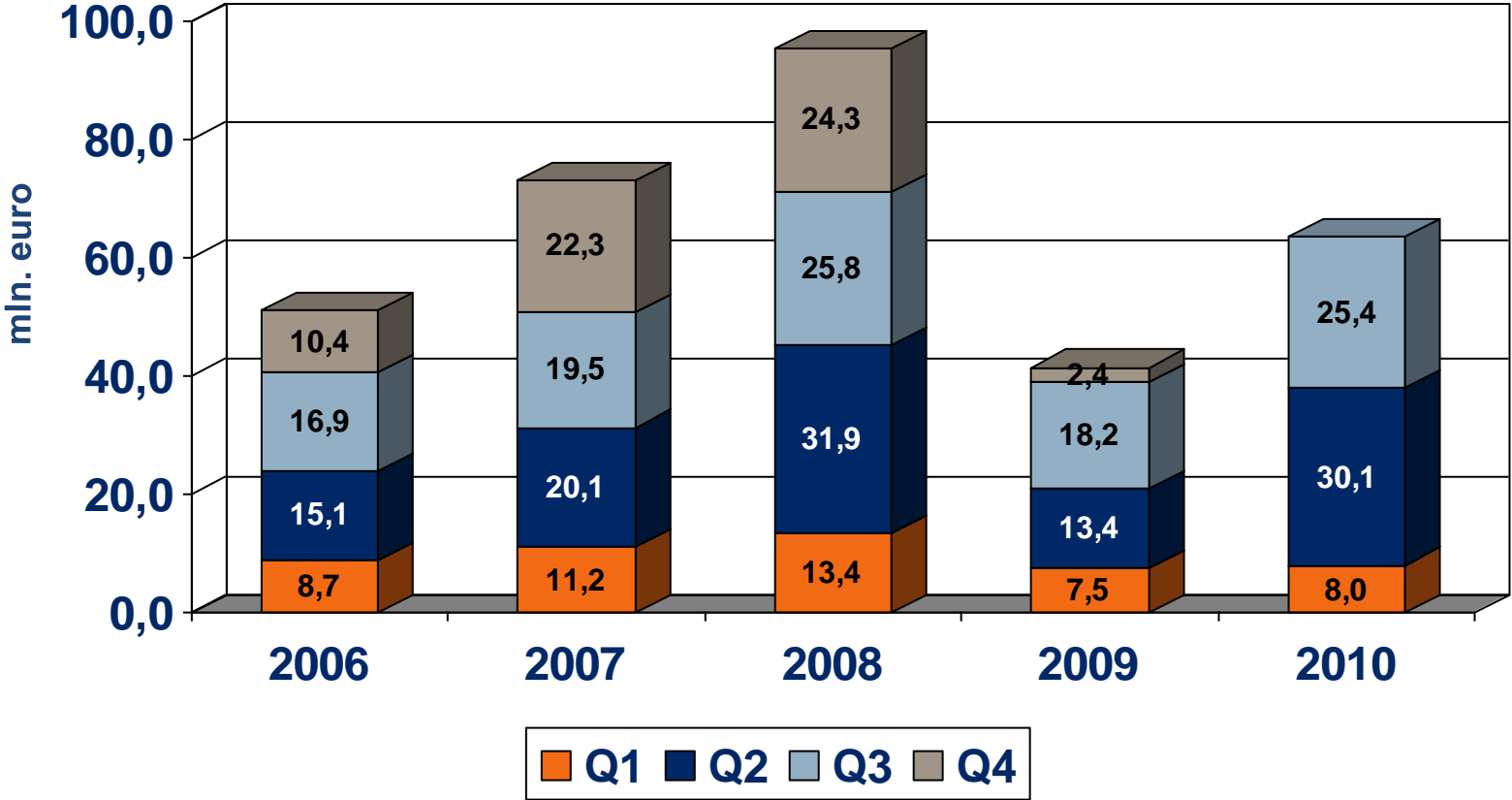
Important market developments (2)

- Growth on all geographical geosynthetics markets
 - Asia continues its strong market growth; new growth market in South America
 - Recovery American market mainly the result of stimulus money
- Significant sales growth in synthetic turf (+35%)
 - Changed commercial policy (focus on cash management)
 - Product and system warranties support quality image
 - Close cooperation with leading marketing companies
- Slight market recovery supportive for turnaround TenCate Enbi

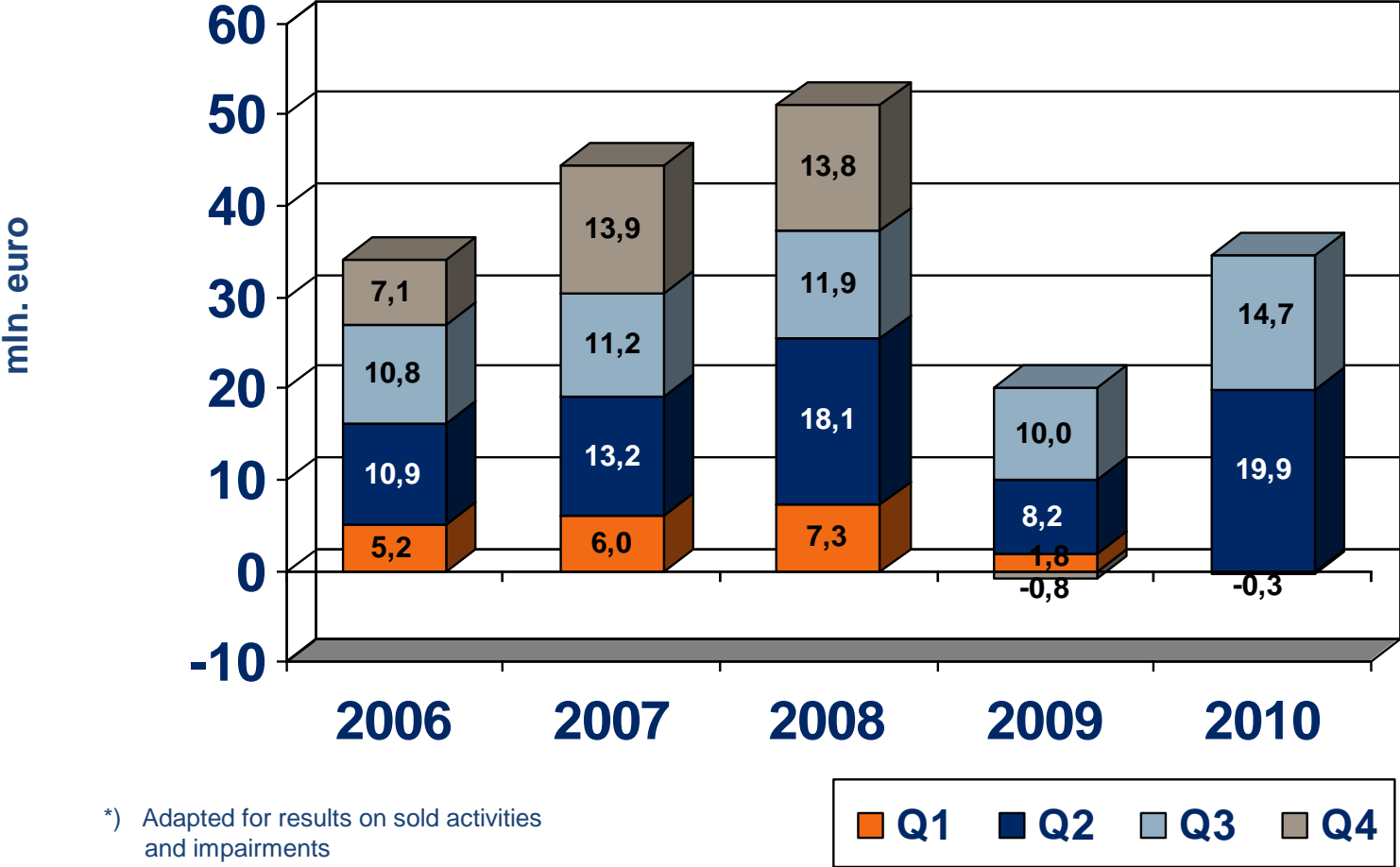
Revenues per quarter



EBITA per quarter



Net profit per quarter *

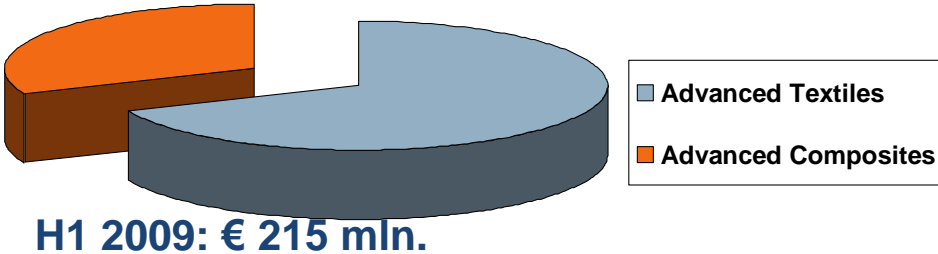
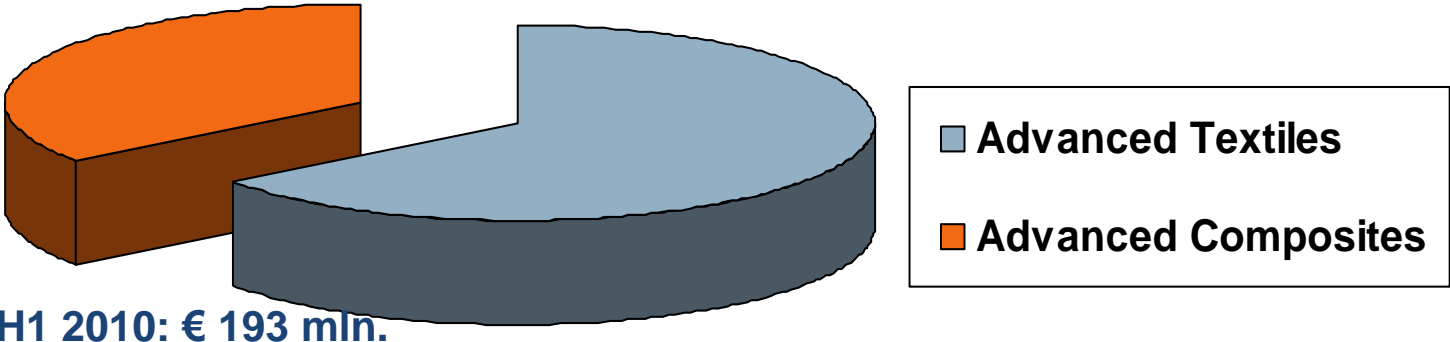


Developments per sector

First half 2010

Revenue split Advanced Textiles & Composites

- Revenues first half 2010: € 193 mln. (-10%).
- Organic: -13%
- Currency effect: +1%
- Acq. / divestments: +2%



Main developments per segment

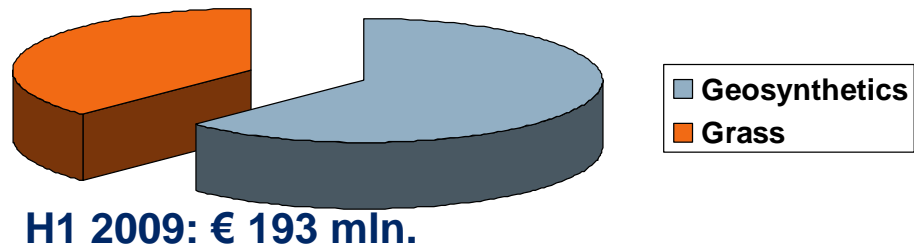
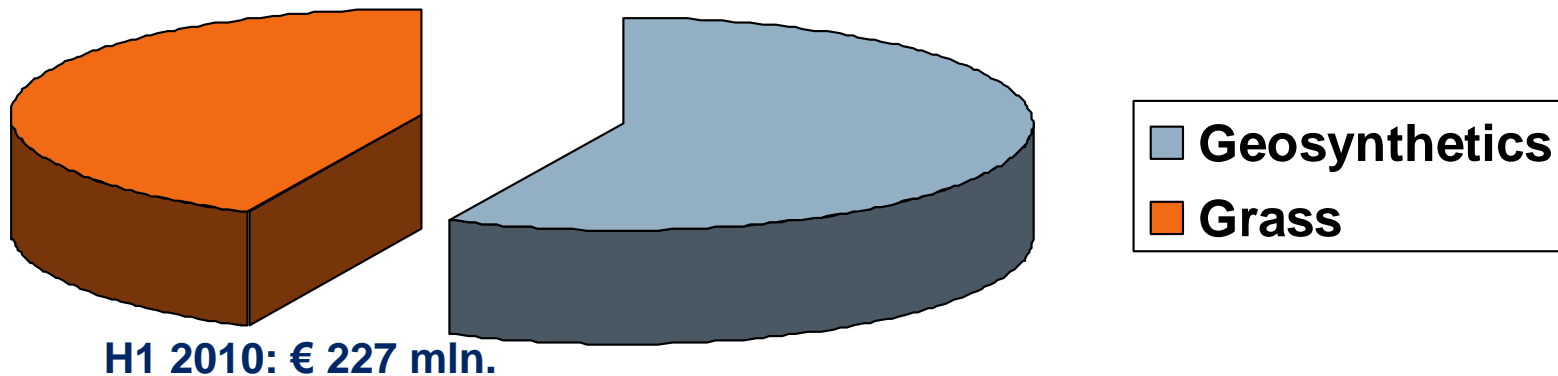
Advanced Textiles & Composites



- Temporary decrease in sales TenCate Defender™ M and TenCate Gen2™ products
 - Changed camouflage patterns in accordance with Afghan conditions
- Sales growth in industrial markets protective fabrics in Europe, North and South America
- Organic decrease EBITA (-27%) mainly as a result of decreased share of revenues from TenCate Defender™ M en TenCate Gen2™ products
- Good performance American composites market (armour, space, aerospace)
- European armour market reluctant; aerospace market remains on low level

Revenue split Geosynthetics & Grass

- Revenues first half 2010: € 227 mln. (+18%)
- Organic: +18%
- Currency effect: +2%
- Acquisitions / divestments: -2%



Main developments per segment

TenCate Geosynthetics & Grass



- Sales growth on all geographical areas geosynthetics markets
 - US Government support for infrastructure projects
 - Asian activities show strong performance
- Successful implementation new operational and commercial policy in TenCate Grass group
 - Strong sales growth Grass group first half 2010
 - Higher efficiency, lower inventory, production optimized
- Significant increase EBITA first half 2010 to € 18.8 million (+369%)
 - EBITA margin 8.3% (first half 2009: 2.3%)

Main developments per segment

TenCate Enbi / Xennia Technology

- Turnaround TenCate Enbi
 - Market shows some recovery
 - Considerable cost reductions
- Further development market position Xennia Technology
 - Contracts with OEM's and suppliers of components
 - Broadened supply printheads through exclusive contracts with suppliers
 - Acquisition Cametrics (software development company)
 - In-house ink manufacturing started



TenCate business monitor (market outlook H2 2010)

Market group	Market outlook H2 2010	Comments market outlook
Protective Fabrics Defense	USA +++	Restart deliveries American army Strong position TenCate Defender™ M portfolio (USA), differentiated product portfolio
Protective Fabrics Industrial	EU + USA + / ++ Azië +	Higher order intake European market Strong interest for new product portfolio aimed at increased comfort Focus on local Asian customers and large EU customers with local partners
Protective Fabrics Emergency response	VS - / + EU +	No recovery of emergency response market (US Government budgets) New applications for TenCate Defender™ M European market shows great interest for new concepts (blends and multi-layer products)
Composites Aerospace / Space	EU - / + USA +	Slight recovery in the course of H2 2010 Boeing sales increasing
Composites Armour	EU - / + USA +	EU market reluctant, EU sales second half improving; US markets show good performance Position in UK strengthened via acquisition of AML UK (TenCate Armour Composites UK)
Geosynthetics	EU - / + USA - Azië ++	EU stable market on low level US stimuli money (projects), not yet sustainable recovery Asian and South American markets offer considerable growth potential
Grass	EU, USA, Azië ++	New strategy successful, increased market share, higher efficiency

Outlook 2010

- Continuation buy & build strategy on the basis of good financial position and recovery of results
- Continued growth, organic as well as through acquisitions
- Considerable profit growth expected for the second half year 2010 compared to the second half of 2009

International Advisory Board (IAB)

Members and current / former positions (résumé)

- Professor J.G. de Hoop Scheffer
 - Holder of the “Pieter Kooijmans Chair” (International Relations) Leiden / the Hague University
 - Co-President of the Security and Defense Agenda (Brussels)
 - Former Foreign Minister, the Netherlands
 - Former Secretary-General of NATO
- General (ret.) D.L. Berlijn
 - Senior Board Advisor Deloitte
 - Member Supervisory Board Thales Netherlands
 - Former Commander in Chief of the Royal Netherlands Airforce
 - Former Chief of Defence (the Netherlands)
- K. Blekxtoon
 - Aerospace Industry Advisor TATA TCS (India)
 - Senior Associate, Centre for Strategic & International Studies (C.S.I.S.)
 - Former President Stork / Fokker International
 - President The Boeing Corporation (North- and West Europe)

International Advisory Board (IAB) -2-

- The IAB supports and enforces the positioning of TenCate in government related markets based on the market theme Safety and Protection
 - Army modernisation programmes
 - International profile of TenCate
- Stakeholders
 - Local and central governments / Ministries
 - International industrial institutes
 - Universities and R&D institutes
 - End-users / OEM's
 - Political parties (commissions etc.)

International Advisory Board (IAB) -3-

- Sustainability is a political priority
 - TenCate materials contribute to the safety of people and the environment, fuel savings, water management etc.
- International geographical focus - core areas:
 - The Netherlands and large EU countries
 - Large aerospace and defense markets
 - Gradual expansion into other areas

Growth model

Strategic goals and objectives

Organic growth opportunities (indicative)

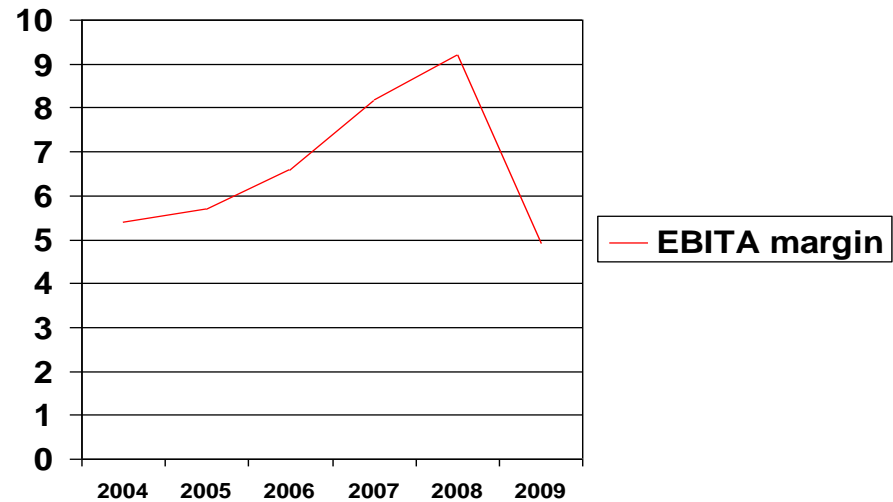
- Protective Fabrics (+8 – 10 %)
 - Further growth TenCate Defender™ M product range
 - Market penetration in industrial segment (TenCate Tecasafe™ Plus)
 - Asian and South-American markets
- Armour Composites (+10 – 12%)
 - Armour modernisation
 - Blast protection (active armour)
 - Eurocopter
- Aerospace, Space (+10 – 15%)
 - Mainly concentrated around developments of Airbus and Boeing
 - Environmental issues and costs are main growth drivers
 - Long term growth based on current + future programmes
 - Alliances (3M, Airbus, Boeing, space programmes, Fuji Heavy Ind.)

Organic growth opportunities (2, indicative)

- Geosynthetics (+5 – 8%)
 - Asia, India
 - Recovery of US market
 - System approach and alliances (Roctest, Ashland)
- Grass (+5 – 10%)
 - Consolidation /integration of the value chain
 - Larger acceptance
 - Priority on margin in stead of volume
- Xennia (+15 – 30%)
 - Growth from a low absolute level
 - Focus is key
 - Developing market

EBITA margin growth

- Financial objective: Consolidated profit margin (EBITA margin) at least 10%
 - System approach
 - Operational leverage
 - Mix effects (high growth rate composites and other high-end materials)



Strategic head lines

- **Value chain management**
 - Innovation linked to technology leadership
 - Stronger market orientation; network company
- **Buy & Build**
 - Product, market, technology combinations
- **Fix it – Exit**
 - TenCate Enbi
 - Minor changes in business portfolio
- **Technological developments / new business development**
 - TPRC (Boeing); TAPAS (Airbus) consortia
 - With Norit: filtration (Ammon project)
 - Geodetect: sensor technology / water treatment technology (waste water)
 - Xennia (Nano-coating process innovation)
 - 4th generation synthetic turf (Changing dynamics in value chain)

Buy-component

- Focus on overlapping product / market / technology combinations
- Priority on composites (mainly complementary technologies and applications)
 - Relatively small revenues in total revenue base
 - High barriers to entry
 - Consolidation of the industry
 - Economies of scale (reducing unit costs)
- Asia strategy
 - Access to local market (focus: protective fabrics and geosynthetics)
 - Local production
- Grass: market access (alignment with marketing companies + contractors)
- Support development of Xennia by creating substance and align with complementary capabilities (develop the value chain)
 - Creating a sizable market in textile printing and finishing inkjet

Financial annexes

First half 2010

Key figures



Royal Ten Cate (x € 1 mln.)	H1 2010	H1 2009
Revenues	454,6	433,6
EBITA	38,2	20,9
EBITA margin (%)	8,4	4,8
EBIT	33,1	16,3
Net profit	19,6	15,2
Investments	9,0	8,1
Depreciation and amortisation	22,3	22,4

Key figures per sector



Advanced Textiles & Composites



Advanced Textiles & Composites (x € 1 mln.)	H1 2010	H1 2009
Revenues	193,0	215,3
EBITA	16,1	20,3
EBITA margin (%)	8,3	9,4
EBIT	13,5	17,7

Key figures per sector



Geosynthetics & Grass



Geosynthetics & Grass (x € 1 mln.)	H1 2010	H1 2009
Revenues	226,7	192,8
EBITA	18,8	4,5
EBITA margin (%)	8,3	2,3
EBIT	17,1	3,0

Key figures per sector

Other activities



Other activities



X € 1 mln.

Technologies / Technical components / Holding	H1 2010	H1 2009
Revenues	34,9	25,5
EBITA 1)	3,3	-3,9

1) Included Holding costs

The logo icon consists of two orange, stylized, interlocking shapes that resemble a knot or a complex geometric pattern.

TENCATE

materials that make a difference