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# Disclaimer

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# Strengthening Royal Ten Cate's global marketing position in the production of artificial grass fibers

## *Acquisition of Mattex Leisure Industries*

Mr. L. de Vries, CEO  
12 February 2007

# Agenda

- **Royal Ten Cate overview**
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# Mission Royal Ten Cate: who we would like to be and how we will achieve our ambition

- **Leadership in growing global niche markets for specialistic and functional materials**
- **Broad technological base and high-grade knowledge conditional for client specific functional demands**
- **Systems approach: creating solutions which are progressive and realize incremental benefits**
- **Creation of added value for customers leading to profitable growth and value creation**



# Market positions: who we are and where we currently stand

- **Protective Fabrics: nr. 1 worldwide**

- Firefighters / Army / Police
- Process industry, Utilities



- **Aerospace & Armour Composites: within top 3**

- Leader in thermo-plastics for aerospace
- Dedicated to aerospace and armour markets



- **Geosynthetics: nr. 1 worldwide**

- Infrastructure, water management & environmental solutions (dewatering)



- **Grass: nr. 1 supplier of synthetic fibers worldwide**

- Sport: Am.Football, rugby, soccer, hockey, tennis, golf etc.
- Landscaping



# Sectors for financial reporting

## Advanced Textiles & Composites



## Geosynthetics & Grass



Buy and build

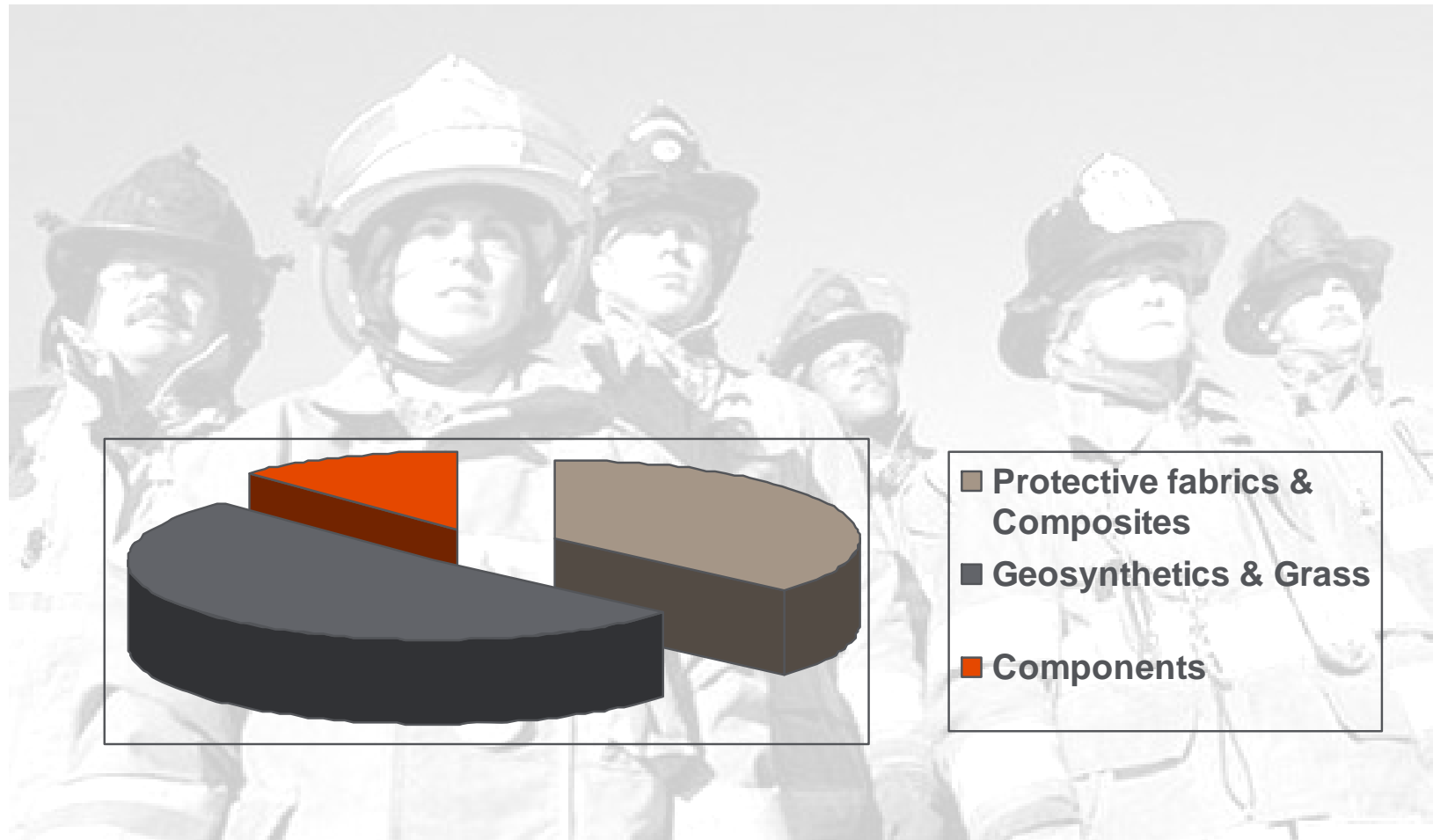
## Technical Components & Participations (50% Synbra)



Synbra sold in Q3 2006  
( €39 mln. book profit)

Fix it - exit

## Sectors for financial reporting / Revenue split

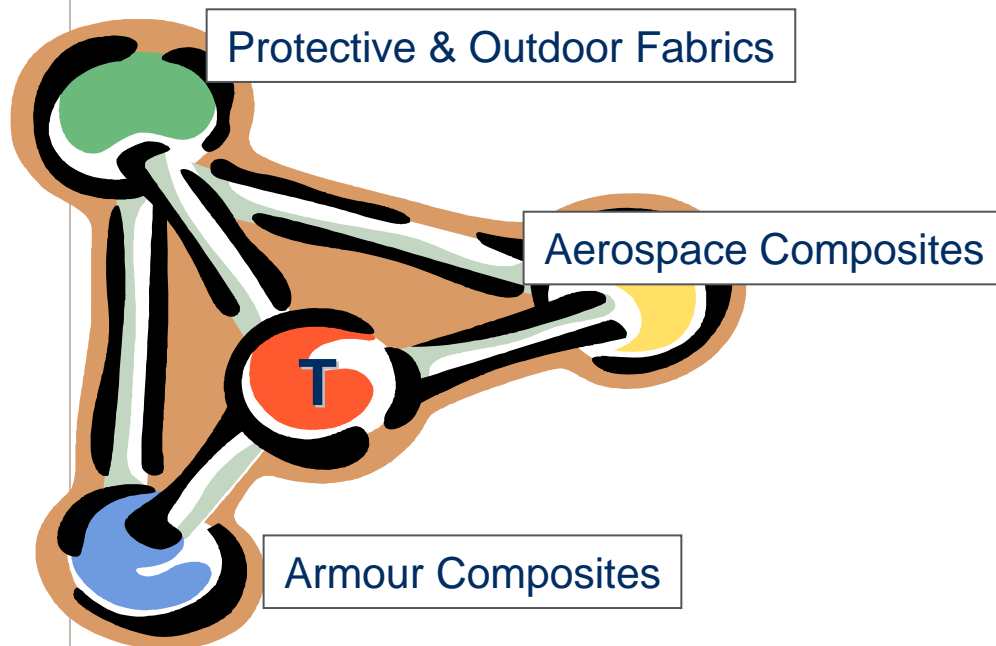


The above chart is indicative for the 2006 sales figures, which will be published on March 1, 2007.

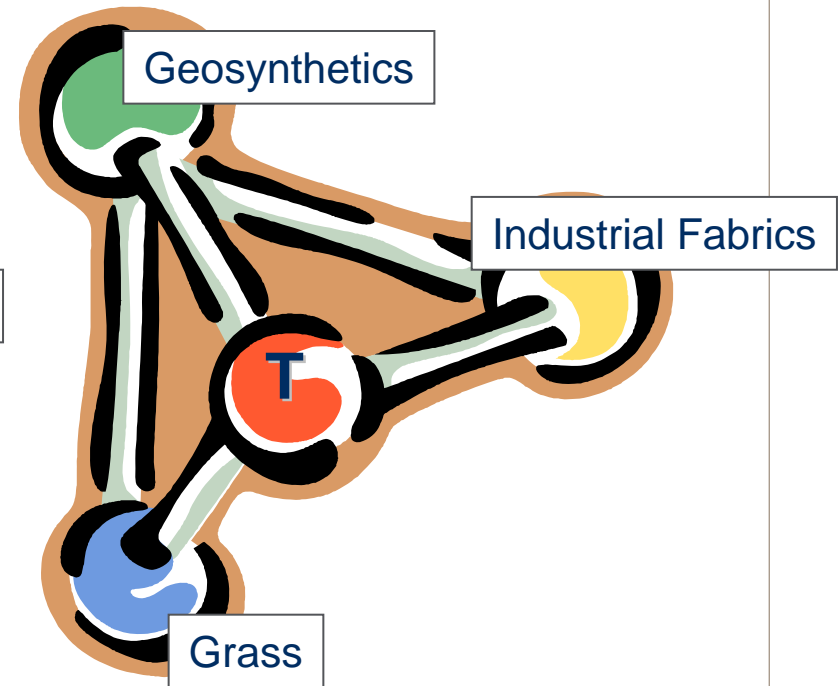


# Technology as binding factor: how does Ten Cate position itself in the market

- Our technology and know-how merges textile technology and chemical process technology



**Technology:** spinning, weaving, coating/finishing, laminating



**Technology:** extrusion, weaving, coating non-woven technology

# Strategic framework: how does Ten Cate position itself in the value chain



- **Focus on added value / external exposure and solution driven systems**
- **Create distinctive positions in value chain: “buy and build”**
- **Leading market positions**
- **Pull marketing through end user marketing and brand strategies**
- **Technology driven organization, innovation driven attitude**

# Trading update\*)

## Fourth quarter

- Lower sales in US due to economic circumstances
- Impact mainly on sector Geosynthetics & Grass
- Revenues €171 mln. (Q4 2005: €159 mln.)
- EBIT €9.7 mln. (+50%)
  - including extraordinary result of approx.€4 mln.
- Net profit €6.5 mln. (Q4 2005: €6.3 mln.)

€ mln.	Operational Net Profit	Sale of companies	Reported Net Profit
Q4 2006	7.0	- 0.5	6.5
Q4 2005	4.6	+ 1.7	6.3

## Annual figures

- Revenues €770 mln. (organic growth + 4.9%)
- EBIT €50 mln.(+ 30%)
- Net profit €76 mln.
- Result on divested companies €42 mln.
- Organic growth net profit 9%



\*) All amounts are preliminary, unaudited and may change

## Forecast 2007

- **Strong growth revenues and profits**
- **Expected net profit growth (results on divestments not considered) at least +25%**
- **Acquisition of Mattex expected to have a significant positive effect on net profit**
- **Above average growth in protective fabrics (fire resistant fabrics for US military)**
- **Armour protection (vehicles) strengthened through Roshield acquisition**
- **Composites sales will increase further due to announced new projects in aerospace (Airbus, Boeing, Embraer)**
- **The order book for Geosynthetics is developing well due to strong position in project markets**

## Acquisition Mattex: Company profile

- **Ten Cate to acquire Mattex Leisure Industries (Mattex) by means of an assets deal for a consideration of US\$ 178 mln.**
- **Mattex mainly specialized in monofilament (MF) grass fibers, produces the largest volume globally of MF fibers for synthetic grass**
- **Mattex is located in Dubai and has a major market share in the European soccer market**
- **Mattex expects to realize sales of approx. US\$ 70 mln. in 2007**
- **Above average net profit level due to low cost base and tax climate**
- **MF is the fastest growing segment in the synthetic grass fibers market ; total market growth approx. 15% annually.**

## Acquisition rationale Mattex

- **Increase capacity in MF fibers fast (quantum leap)**
  - Increase market share in MF markets
- **Cost effective production for volume driven markets**
  - Increase market share in volume business
- **Enhancing value chain management**
- **Complementary marketing strategies**
- **Broaden product range immediately**
- **Acceleration of acceptance in soccer market through cost effective fibers**
- **Mattex (TenCate Thiolon Middle East) fully integrated in TenCate Grass group**
  - Benefit fully from synergies

# Overview of the combination in the market

- **TenCate / Mattex combination**
  - #1 worldwide in all segments
  - Leading both in volume terms and technology
  - Increased critical mass
  - Local management team, apart from General Manager, will stay (GM will act as advisor in the integration process)
- **Optimized product portfolio**
  - MF and tape fibers
  - In balance with demand
- **Widest product range in both volume products and performance fibers**
- **All possible applications of synthetic turf**
- **Well positioned to meet growth of the global market**
- **Best partner for leading distributors of synthetic grass**

## Results & Synergies

- **Expected revenues TenCate Thiolon Middle East 2007: US\$ 70 mln.**
- **Expected major net profit contribution in 2007**
  - **Favourable tax climate**
  - **Low cost base**
- **Enhanced profitability of Grass group (synergies)**
  - **Efficiency benefits**
  - **Economies of scale**
  - **Reduction of future investment programme (capacity)**
  - **Shared services (procurements, R&D etc.)**



# Strategy going forward

- **Full integration in TenCate Grass group**
  - Optimize group synergies
  - Harmonize marketing and sales organization
- **Production split**
  - Cost driven production – high volumes (Dubai)
  - Customer specific products / specialties (Europe/US) / systems
- **Emphasis on systems (sports markets)**
  - Increase standards
  - Performance guarantee
  - New developments (4th generation)
- **Strengthening technology positions**
  - Patents
  - Global R&D center
- **Partnerships with marketing companies**

*Possibility for a brief Q&A session.*

*For more information:  
[www.tencate.com](http://www.tencate.com)*