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Royal Ten Cate nv
Half-yearly figures 2010

Rabobank

“Made in Benelux” Investor Conference Frankfurt

Thursday 16 September 2010

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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

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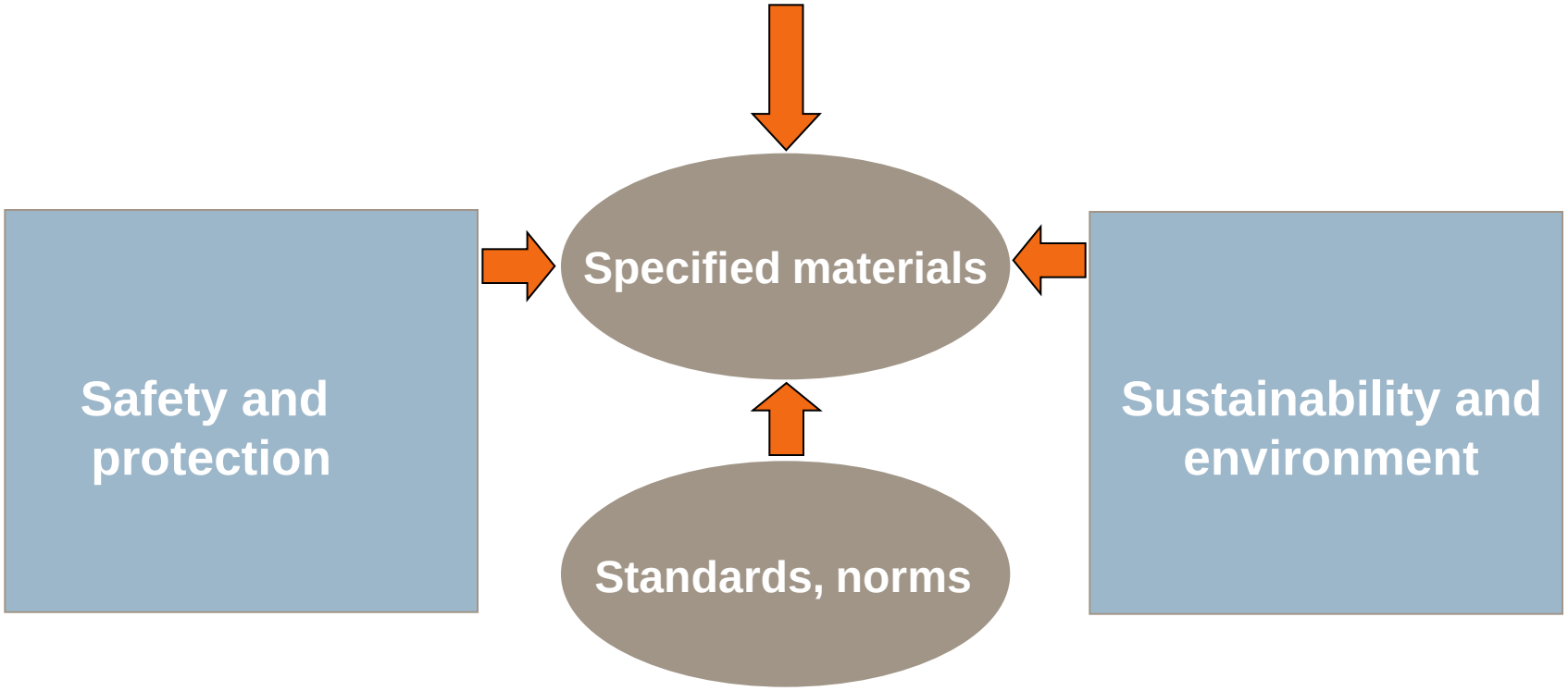
Profile


Specified materials
Safety and protection
Sustainability and environment
Standards, norms

Marktthemes based on social / environmental trends

Safety and protection

- Increased threats
- Personal safety
- Protection of personal environment

Sustainability and environment

- Reduction of energy consumption
- Water management
- Environmental protection

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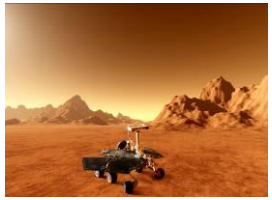
Core activities

- 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



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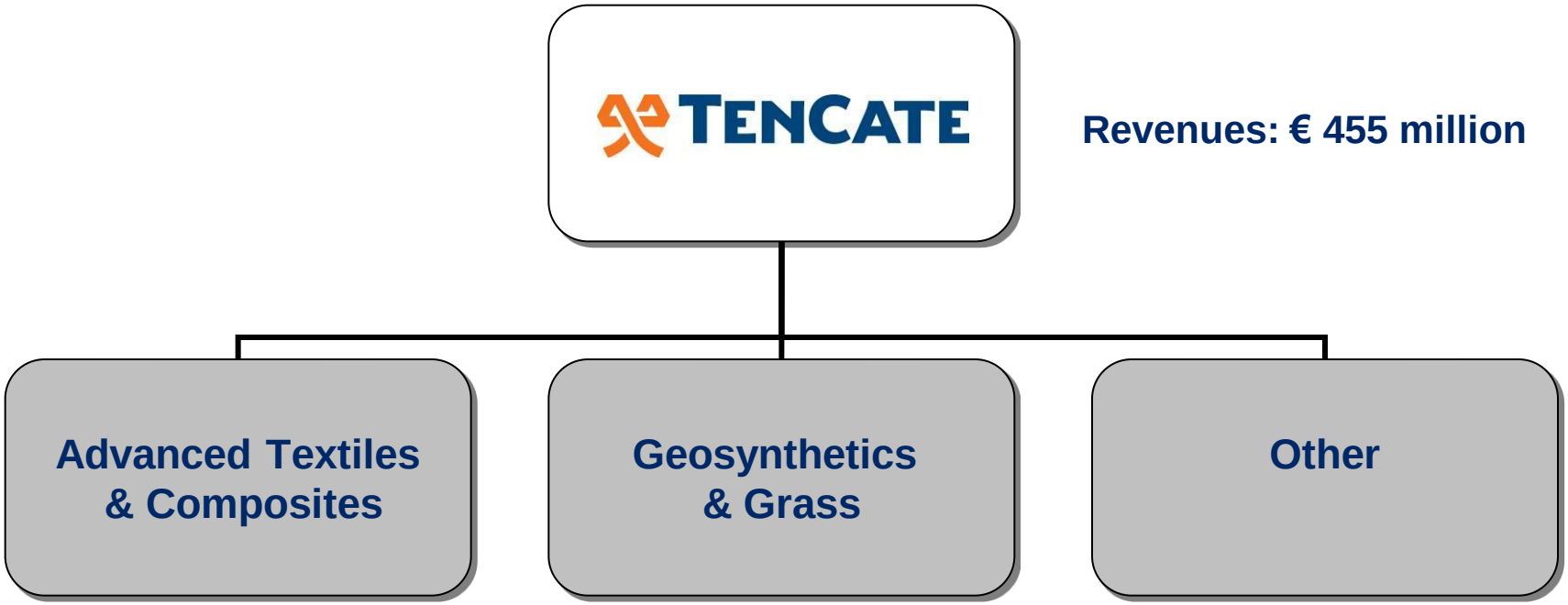
Organization



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

Market groups
- TenCate Geosynthetics
- TenCate Industrial Fabrics
- TenCate Grass

Business units
- Xennia Technology
- TenCate Enbi
- Holding & Services

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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
- Cah 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)

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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

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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

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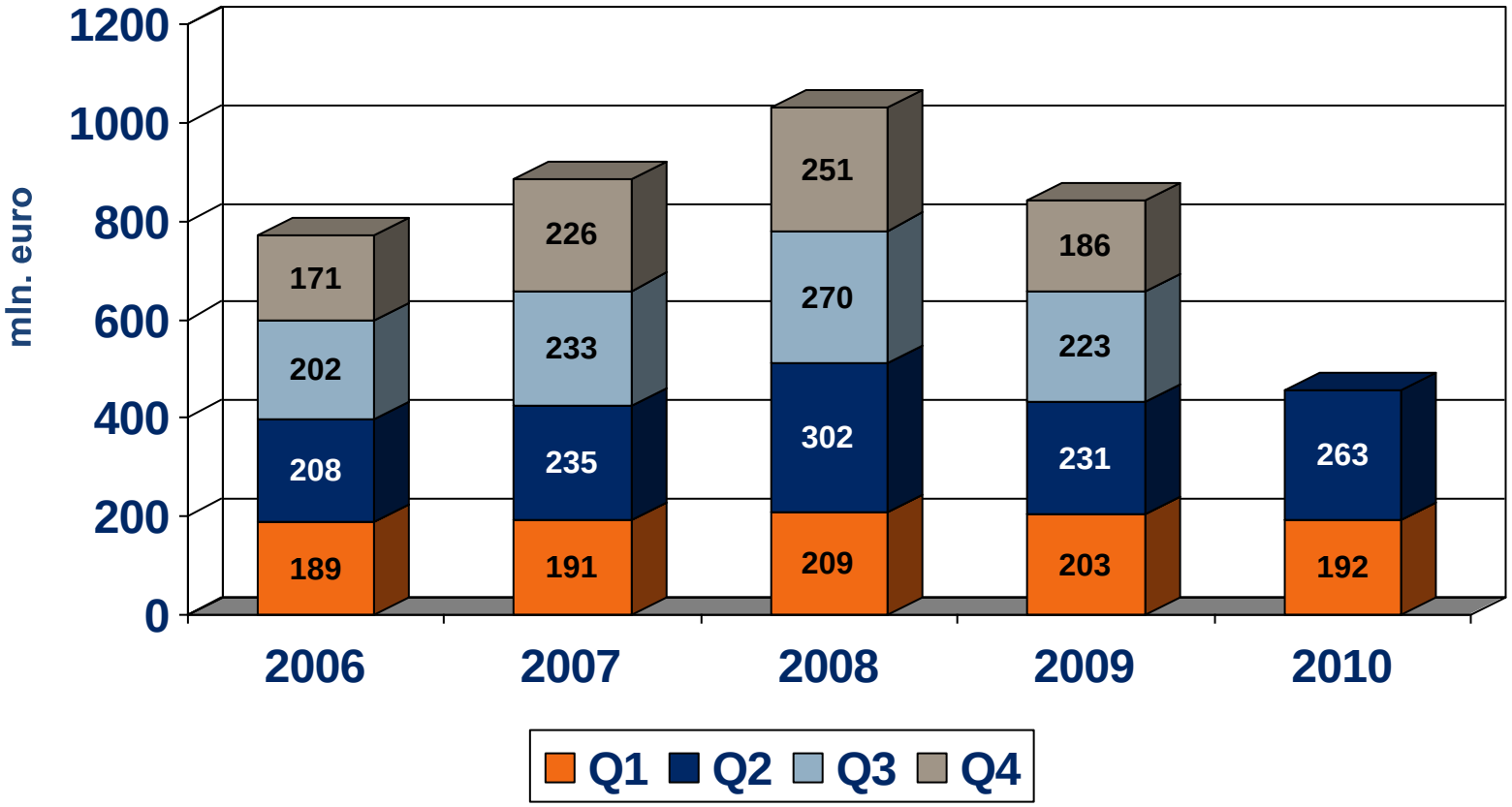
Revenues per quarter



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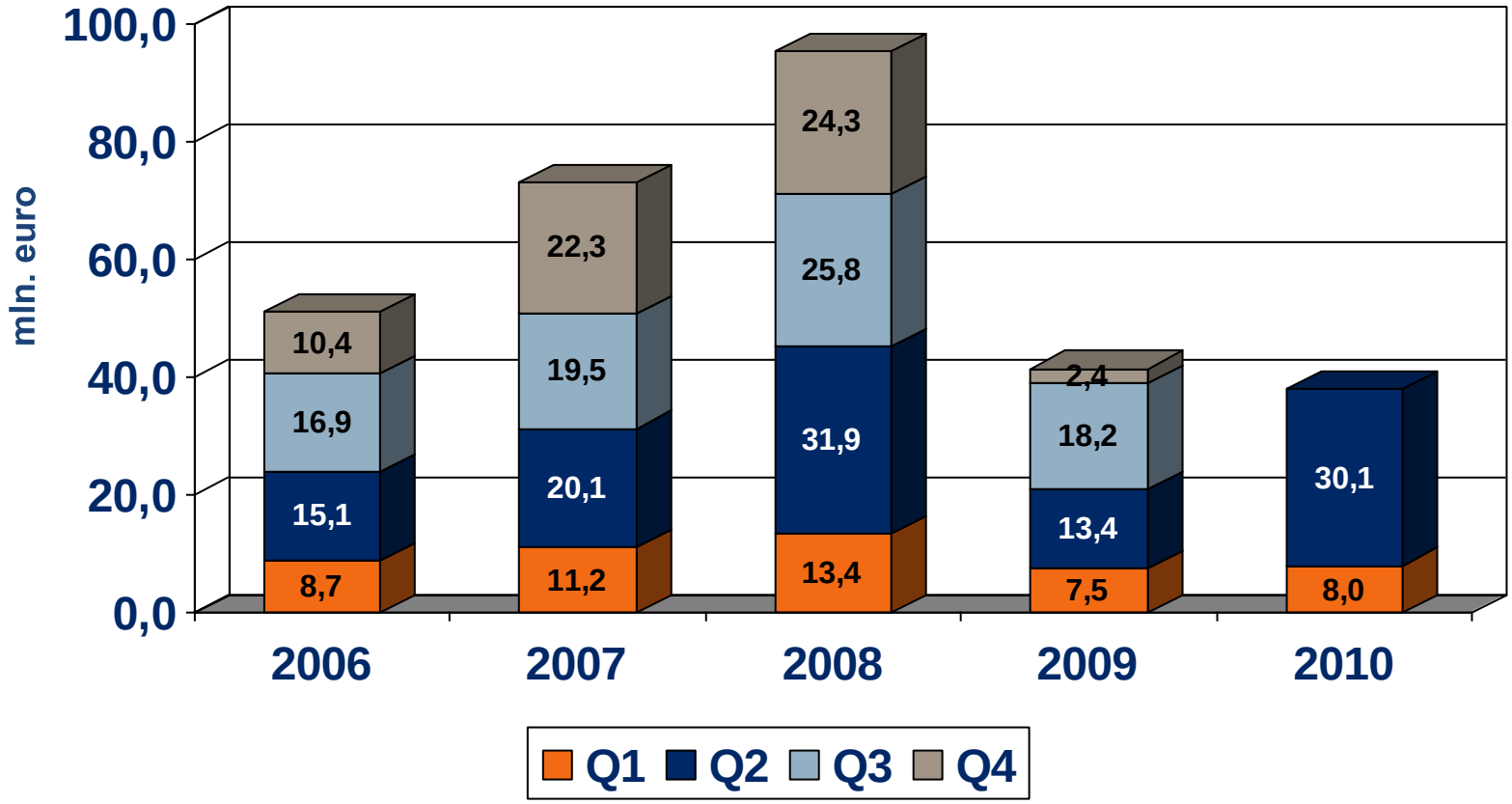
EBITA per quarter



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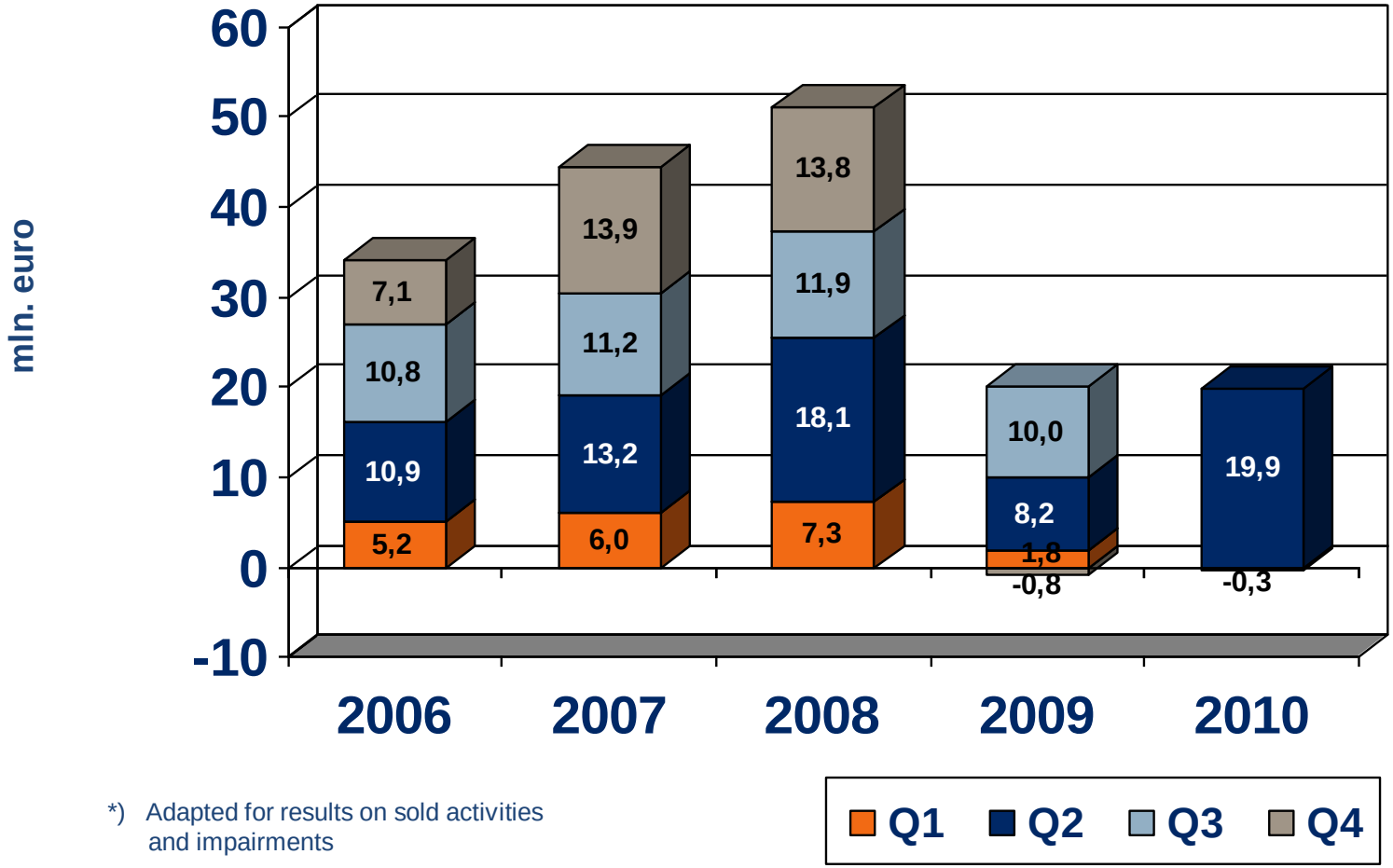
Net profit per quarter *



*) Adapted for results on sold activities and impairments

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Developments per sector

First half 2010

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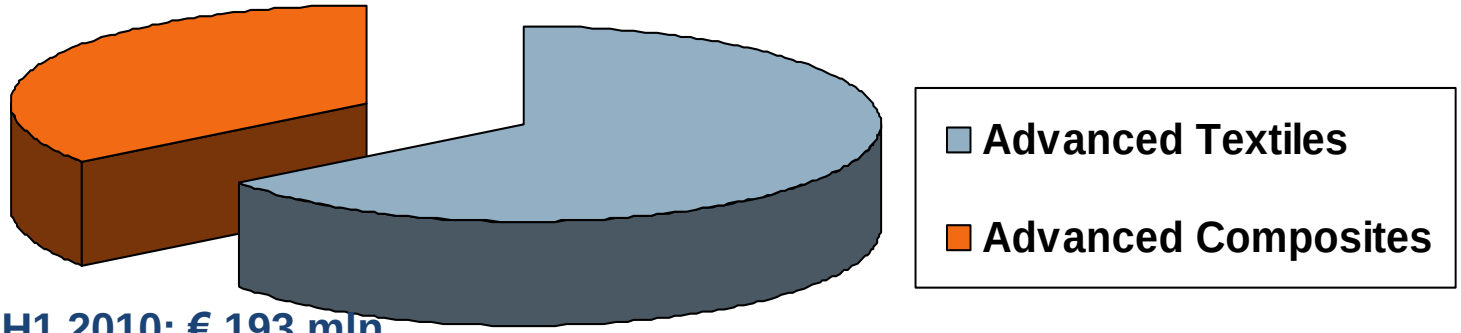
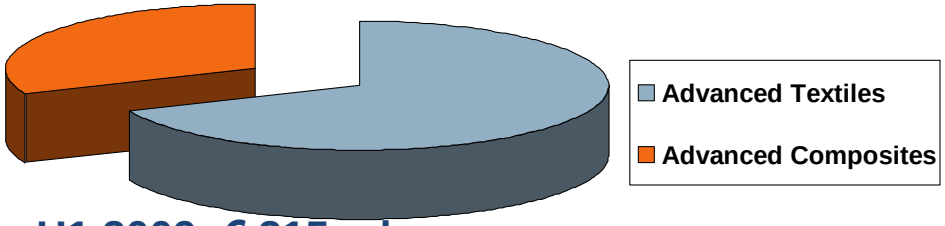
Revenue split Advanced Textiles & Composites

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



H1 2010: € 193 mln.



H1 2009: € 215 mln.

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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

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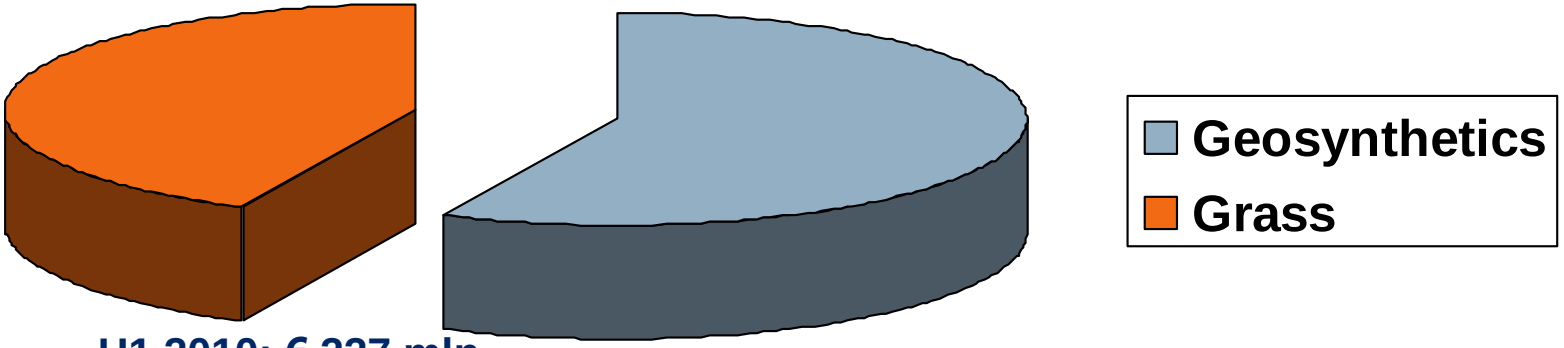
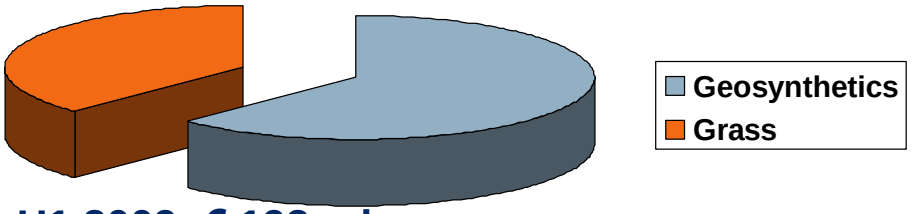
Revenue split Geosynthetics & Grass

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



H1 2010: € 227 mln.



H1 2009: € 193 mln.

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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 optimalized
- Significant increase EBITA first half 2010 to € 18.8 million (+369%)
  - EBITA margin 8.3% (first half 2009: 2.3%)

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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

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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**

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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

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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)

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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.)

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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

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Financial annexes

First half 2010

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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

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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

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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

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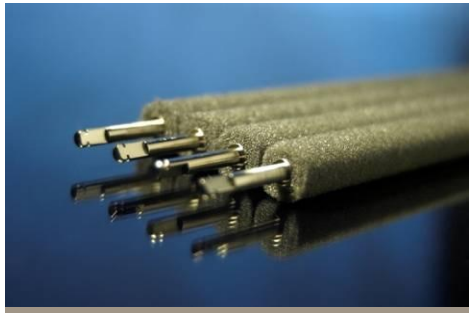
Key figures per sector
Other activities



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

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