



TENCATE

materials that make a difference

Royal Ten Cate nv

RBS Benelux Equities Conference New York

9+10 December 2009

26 August, 2009

Agenda

- Key activities and trends
- General status first half 2009
- Organization and revenues
- Employees
- Financial highlights
- Main developments
- Other financial information
- Background per sector
- Outlook

Key activities

- Protective fabrics
 - Army applications
 - Industrial
 - Emergency response
- Aerospace composites
- Armour composites
 - Vehicles
 - Individuals
- Geosynthetics
 - Infra structure, agriculture, environment
 - Industrial fabrics
- Synthetic turf



Trends stay intact

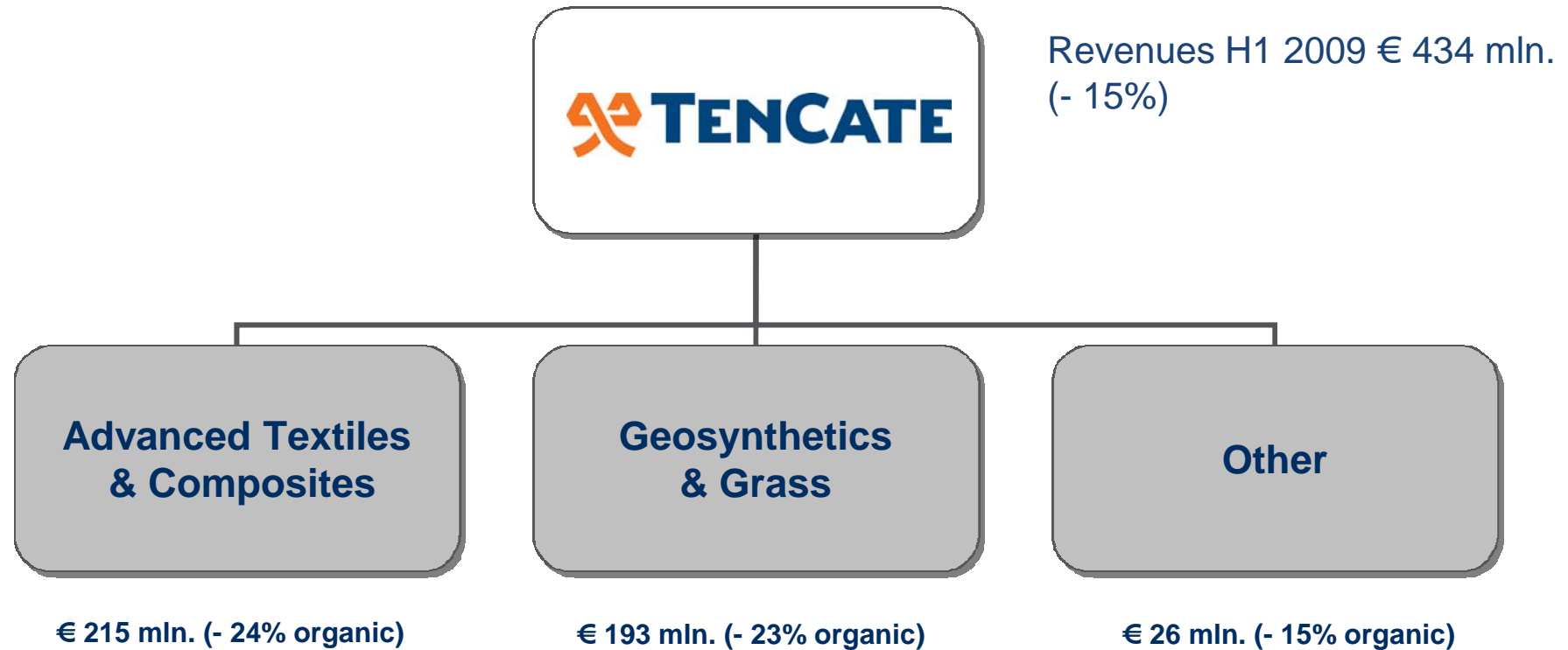
- Risk environment
 - Increasing protection employees
- Army modernization
 - Adaptation protection levels
 - Improved / extended vehicle armour
- Fuel savings
 - Aerospace
 - Automotive
- Water management and environment
 - Water storage / irrigation
 - Management soil- / water contamination
 - Cleaning operations
- Global warming and infrastructure
 - Coastal protection / erosion control
 - Marine projects
- Sport & Leisure
 - Water saving (synthetic turf)
 - Efficient use of public space (synthetic turf)



General status first half 2009

- **Strong positioned in sustainable niches**
 - Long term growth trends stay in tact (for example safety and protection)
 - Market foundations are strong
- **Situation banks results into limited finance possibilities for market entities**
 - De-stocking in production chains
 - Revenues not in line with large customer forecasts
 - Limited ways to built up stocks for seasonal business
 - Delay projects / orders
- **Governments are also reluctant**
 - Limited effect of support measures
 - Delays to free up budgets (for example for infra structure)
 - Temporarily shift of priorities
- **Aerospace industry delays introduction of new type of aircraft**
 - Agreed production planning not realized
 - Planned ramp up of production delayed
- **As from mid April 2009 enhanced cash management**
 - Stay at safe distance from bank covenants
 - Reluctant to accept (credit) risk / customer limits reduced by credit insurance companies
 - Under utilization creates additional pressure on results
- **Continuation Buy & Build policy**
 - Strong balance sheet is good starting point

Organization



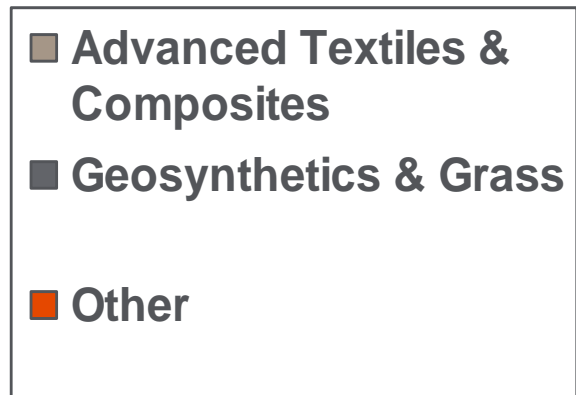
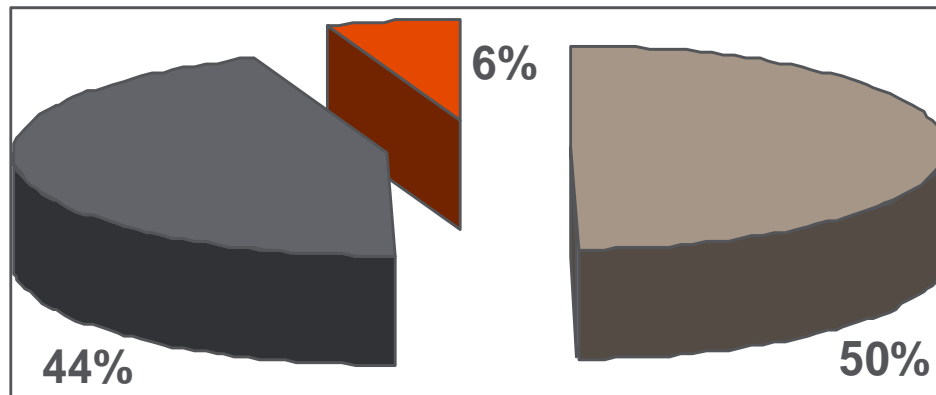
Market groups

- TenCate Protective Fabrics
- TenCate Outdoor Fabrics
- TenCate Advanced Composites
- TenCate Armour Composites

- TenCate Geosynthetics
- TenCate Grass

- TenCate Enbi
- Xennia Technology
- Holding & Services

Revenues split



Employees (FTE) world wide about 4,200



North America
1,500 employees

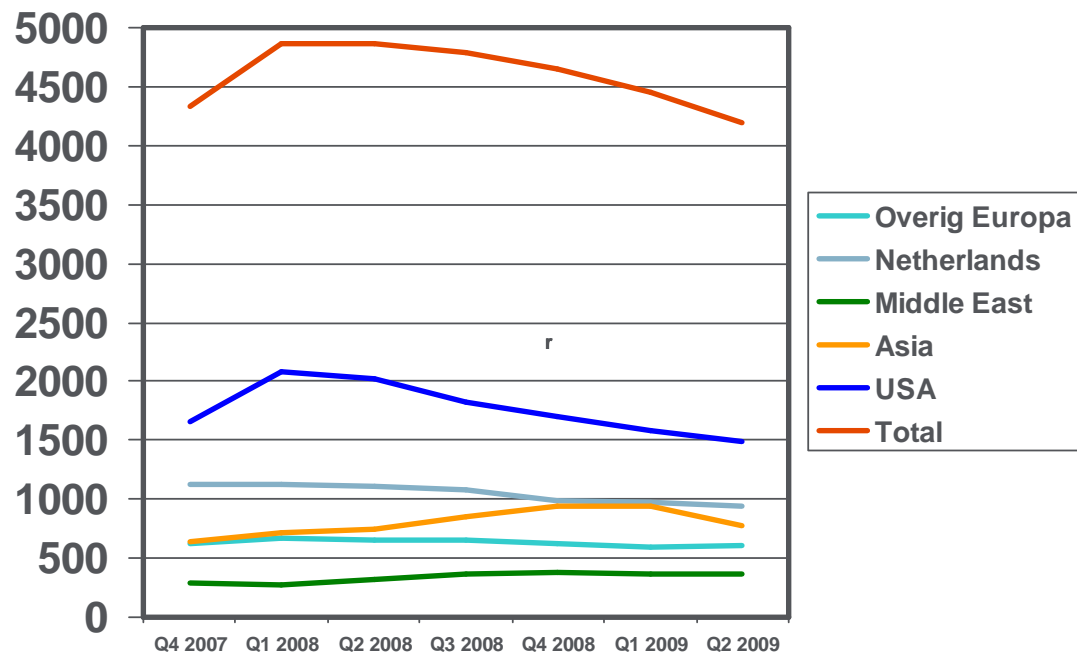
Europe
1,560 employees

Middle East
360 employees

Asia / Australia
780 employees

Development number of employees

- Total reduction about 14% in last 12 months
- Largest reduction in US



Financial highlights 1st half 2009

- Revenues 1st half € 434 mln. (- 15%)
 - Organic decrease in revenues: - 23 %
 - Currency effect + 5%
- EBITA 1st half € 21 mln. (- 54%)
 - Organic - 61%
 - Currency effect + 6%
 - EBITA margin 4.8% (H1 2008: 8.9%)
- Net profit € 15.2 mln. (H1 2008: € 25.4)
 - Positive effect on net profit (net) € 5.2 million caused by impairment minority shareholding and book profit on sale of Geofabrics Australasia
 - Net profit per share € 0.61 (H1 2008: € 1.08)
- Debt reduction highest priority
 - Debt / EBITDA ratio as per 30 June 2009: 2.5
- Free cash flow improved by € 71 mln. to + € 35 mln.

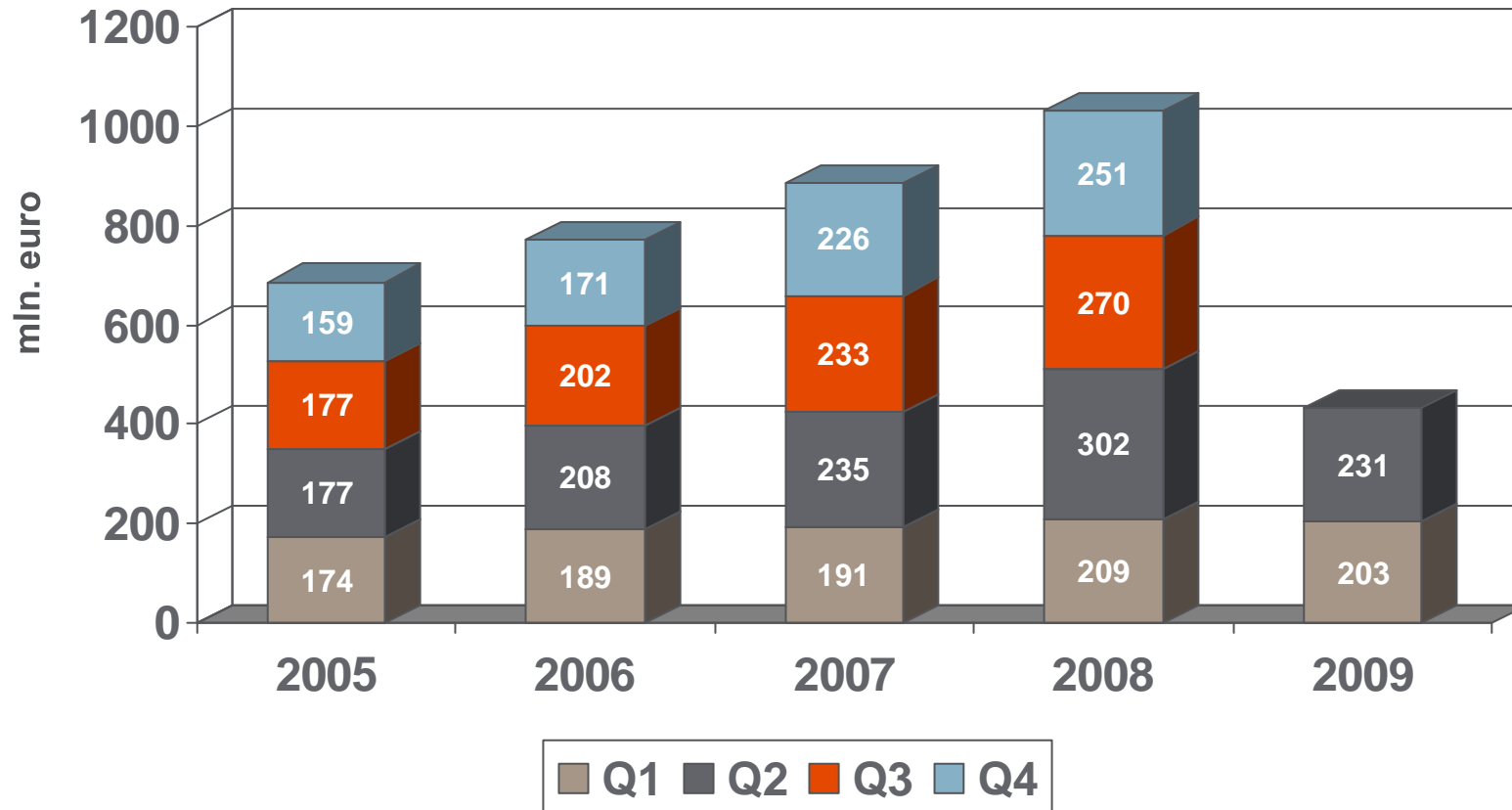
Important developments first half 2009

- Focus on cash management results in:
 - Improved liquidity position
 - Under utilization
 - Reduction of stocks at a discount
- Delay in projects (government included)
- Substantial contribution TenCate Protective Fabrics USA
 - TenCate Defender™ M realized ongoing growth of sales
 - Decreasing EU sales in especially applications for industries (basic work wear)
- Revenues aerospace composites decreased
 - Delay new generation of aircraft
 - Strong decrease in interior applications
 - De-stocking customers
 - Space and military applications show growth
- Large armour composites project in US during 2nd quarter 2008: revenues and result H1 2009 hard to compare
- Geosynthetics & Grass
 - Geographical market conditions comparable: market Europe and Asia better than US
 - Value chain synthetic turf faces lack of financial means
 - Market synthetic turf starts very slow / delay realization of projects

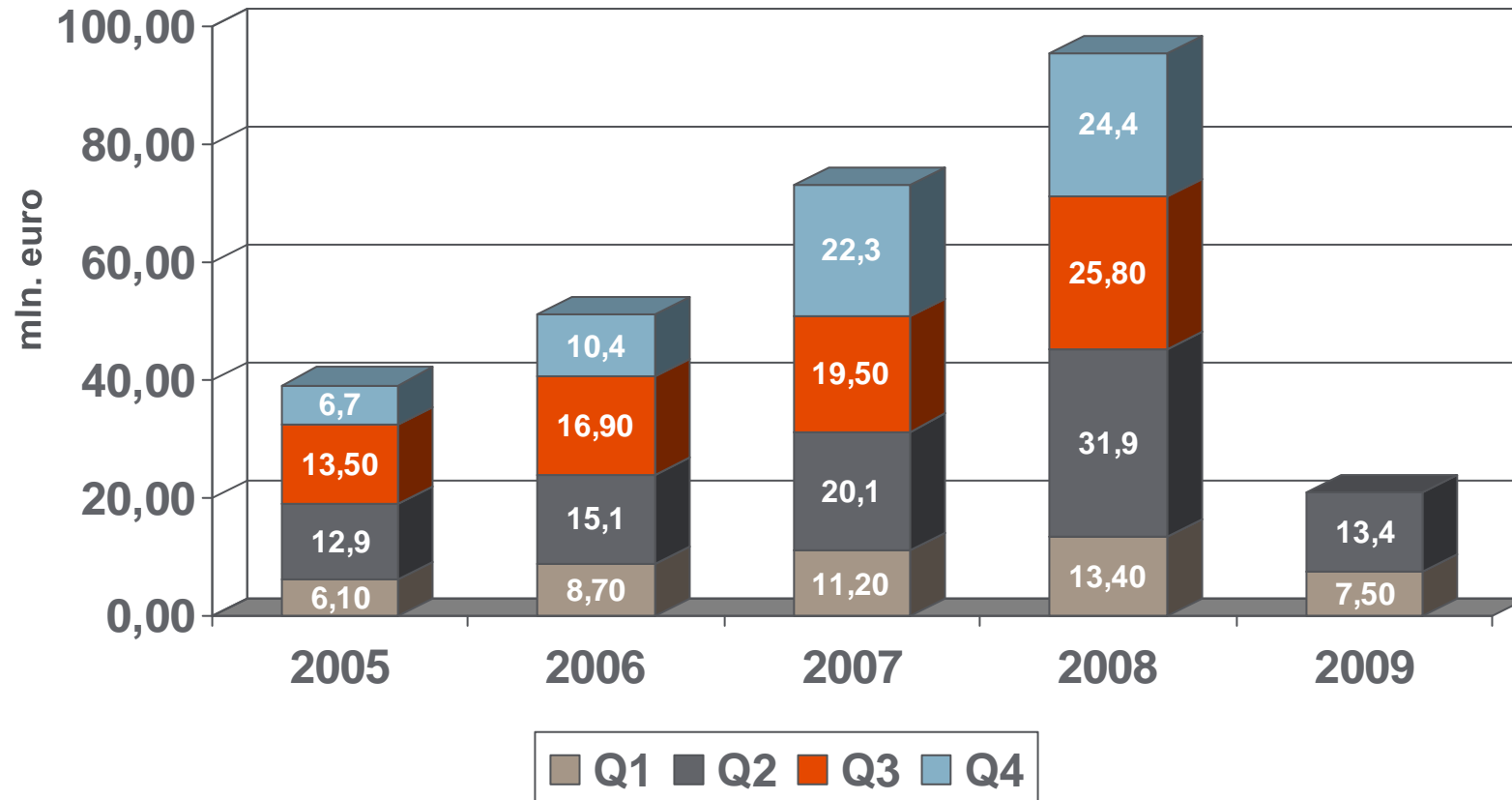
Other financial information

- Strong reduction investments to € 8 mln. (H1 2008: € 29 mln.)
- Net financial costs decreased to € 9.6 mln. mainly by impairment
 - Impairment minority shareholding € 4.9 mln.
 - No hedge of translation risk / lower gain on derivatives
 - Interest component (net) € 0.7 mln. lower
- Tax rate 1st half 27% (2008: 30%)

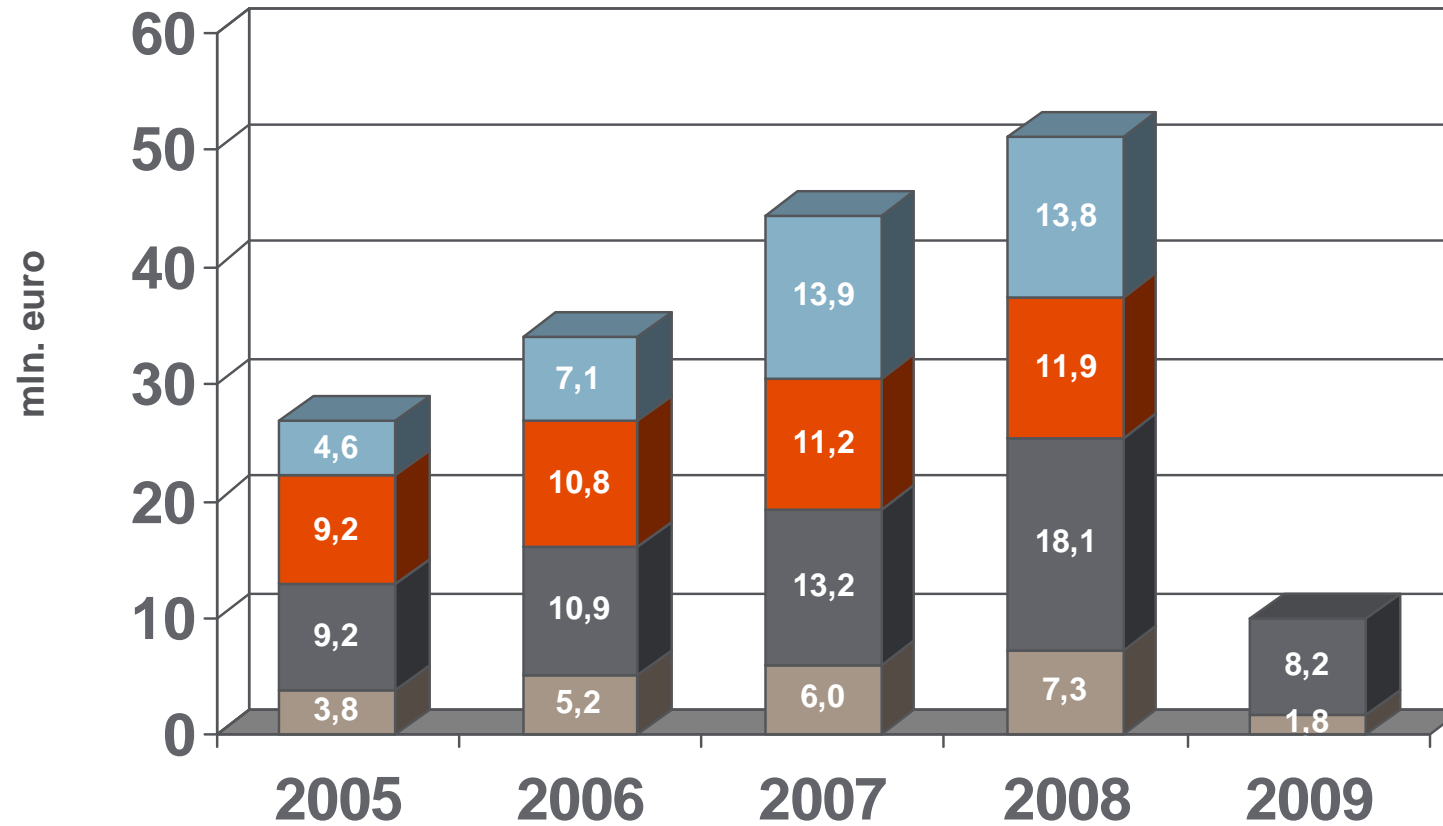
Total revenues per quarter



EBITA per quarter



Net profit per quarter*



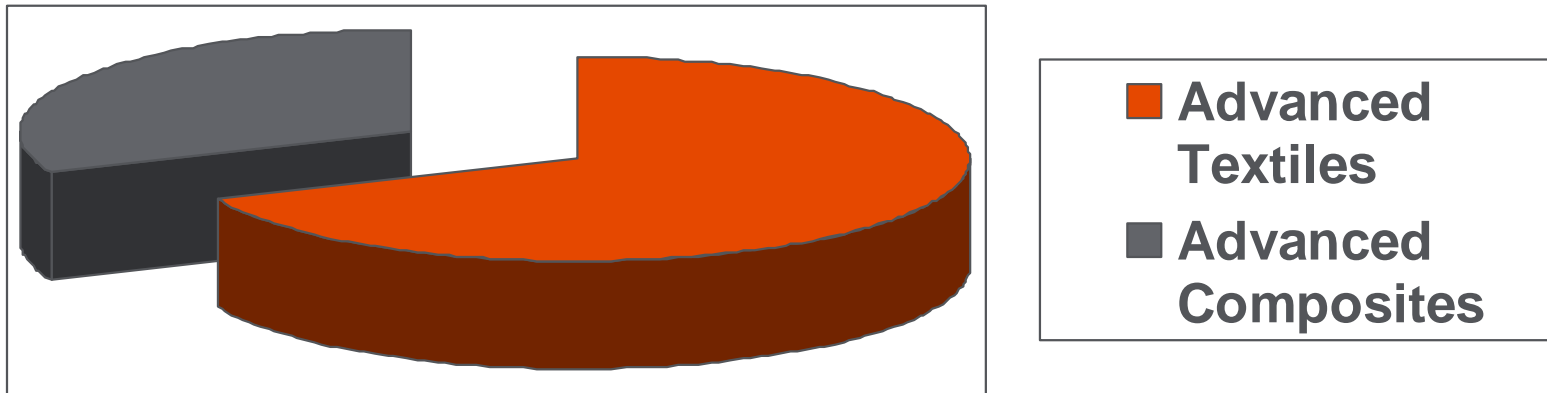
*) Adapted for results on divested activities and impairments



Developments per sector

Revenues split Advanced Textiles & Composites

Revenues 1^e half 2009: € 215 mln.



Main developments per segment

TenCate Advanced Textiles



- Revenues in TenCate Defender™ M show strong growth
 - TenCate Defender™ M preferred on the basis of independent tests
 - American army rewarded the product as “ the best product” on price / performance
- Markets apart from defense stay behind
 - Strong decline EU market for industrial end users and outdoor market
- Volume Asian production location increases
 - Focus TenCate Union Textiles on preferred suppliership of leading garment manufacturers

Main developments per segment

TenCate Aerospace & Armour Composites



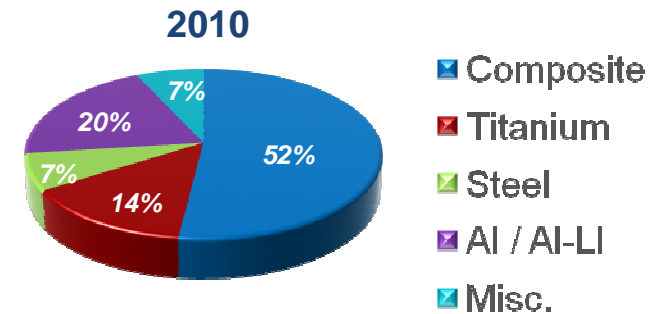
- Decrease build rates in aerospace sector (Airbus A380 and Boeing 787)
 - Delay market introduction new type of aircraft
 - De-stocking in whole industrial sector
- Revenues in space and military aerospace increases
 - New qualifications
- Revenues vehicle armour lower (Q2 2008 large project)
 - European sales at comparable level as 2008
- Cooperation Dutch aerospace cluster with Airbus as well as Boeing
 - Extention of applications and growth sales TenCate Cetex® in primary structures

Commercial penetration aerospace composites

Composite content by percent and weight

High

Low

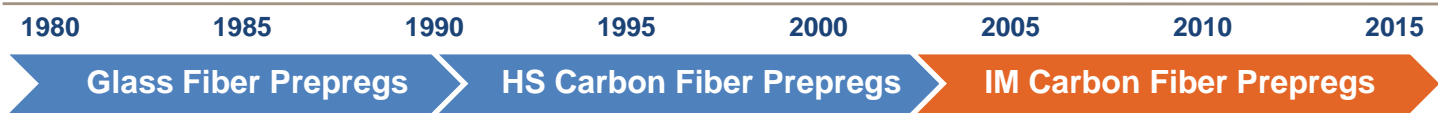


B787 A350 50% + = 23 Tons

A380 23% = 10 Tons

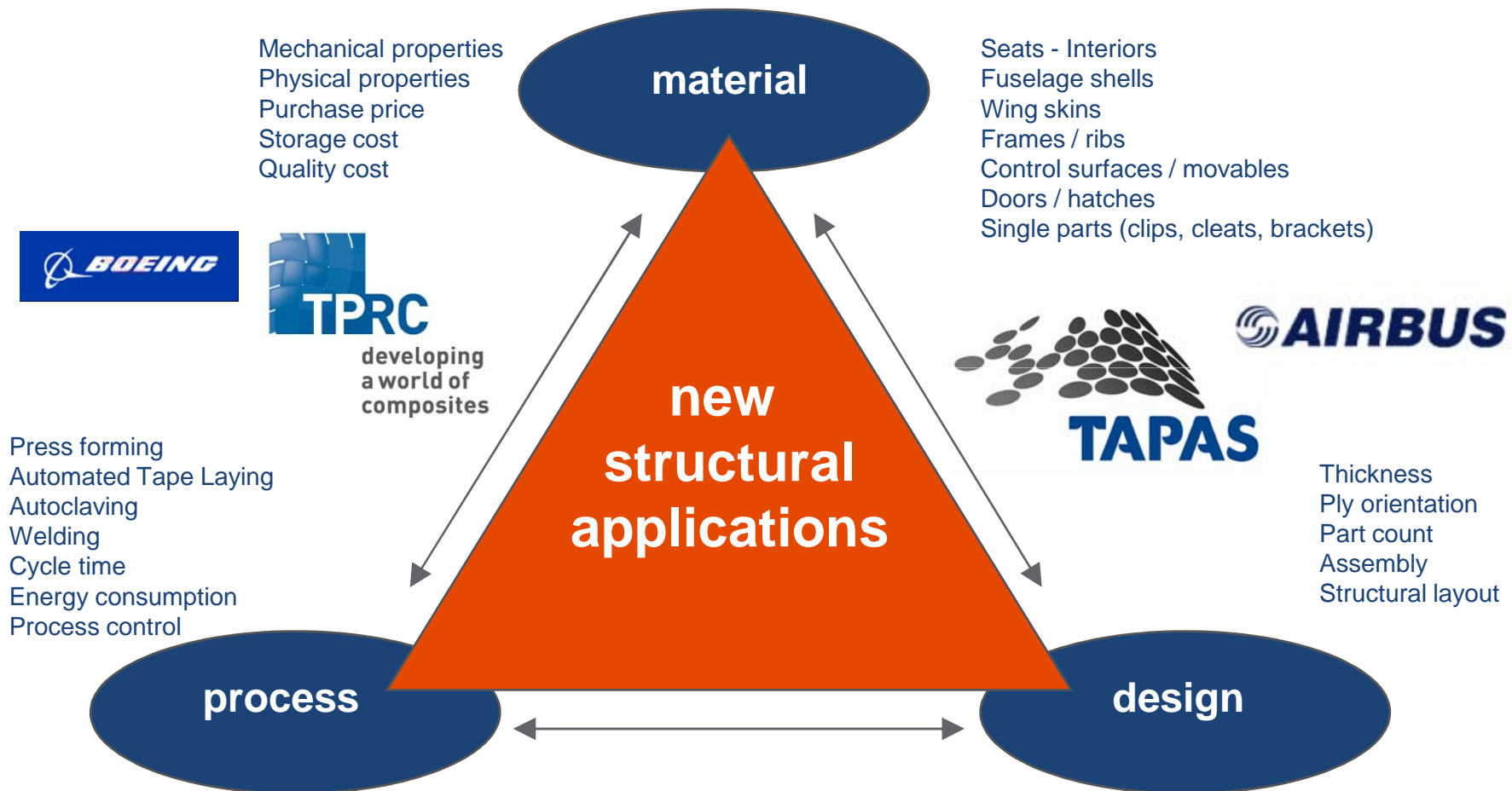
A320 B777 A340 10-15% = 2-3 Tons

A310 B767 5-6% = 1 Ton



Composite growth in commercial aircraft

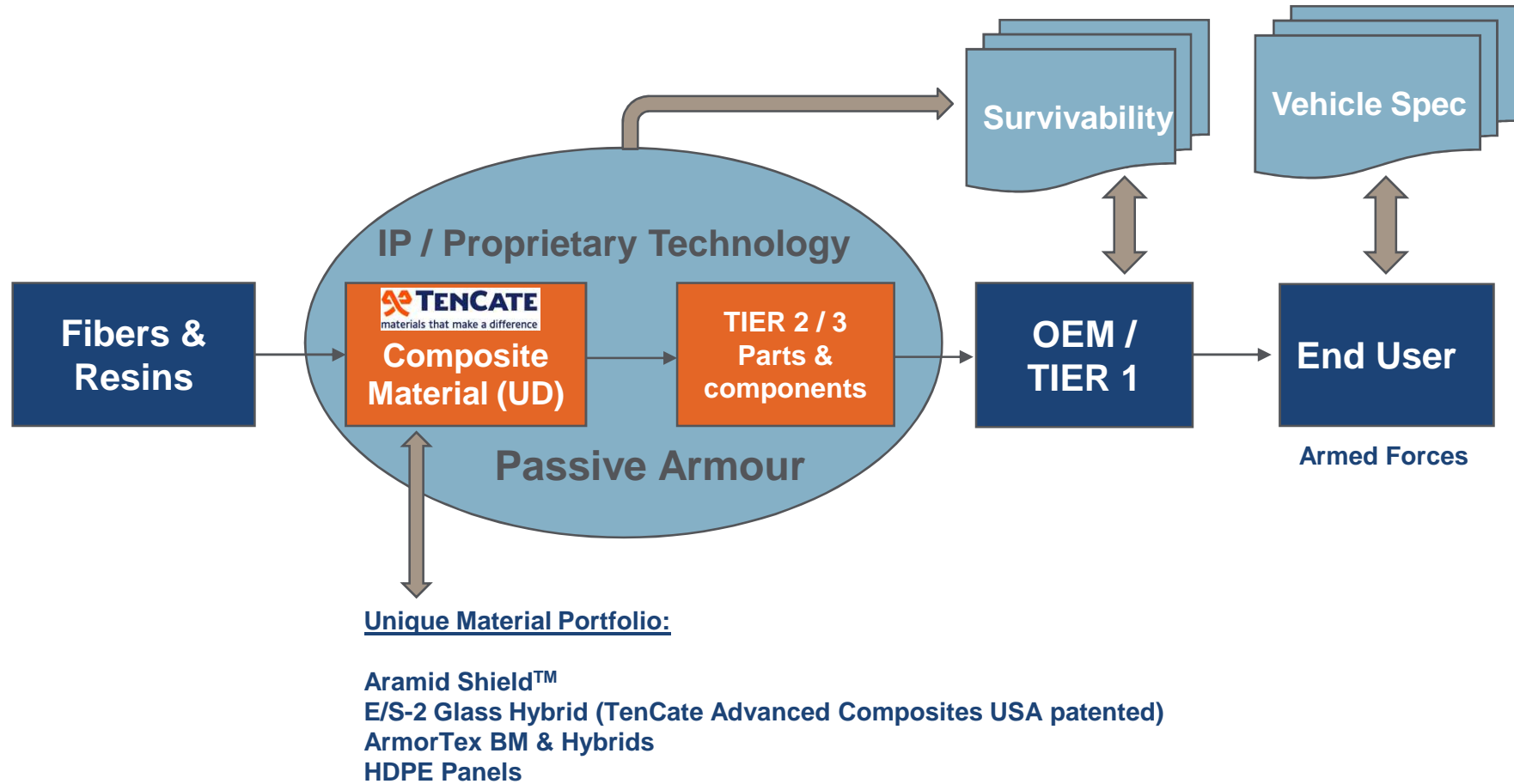
TenCate Cetex, UD and Sheet material



Armour markets

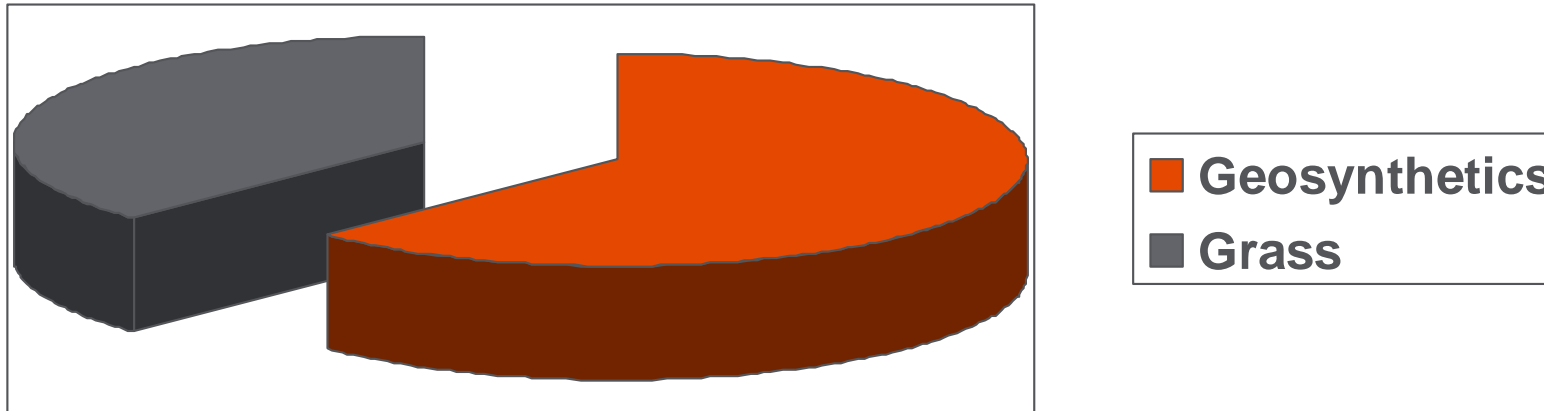
- US is dominant market (largest defense budget)
- New threat levels create large shifts in government spending concerning safety and protection
- “Army modernization” is a continuous development
- Two key markets
 - Protection of vehicles (tanks, trucks, aircraft, ships etc.)
 - Personal protection
- Defense applications and security / police applications
- “Protectionism”
 - Hardly an open market / local tenders as a result of “Classified” status of projects
- Consortia of companies working together in tenders

Value chain armoured vehicles in USA



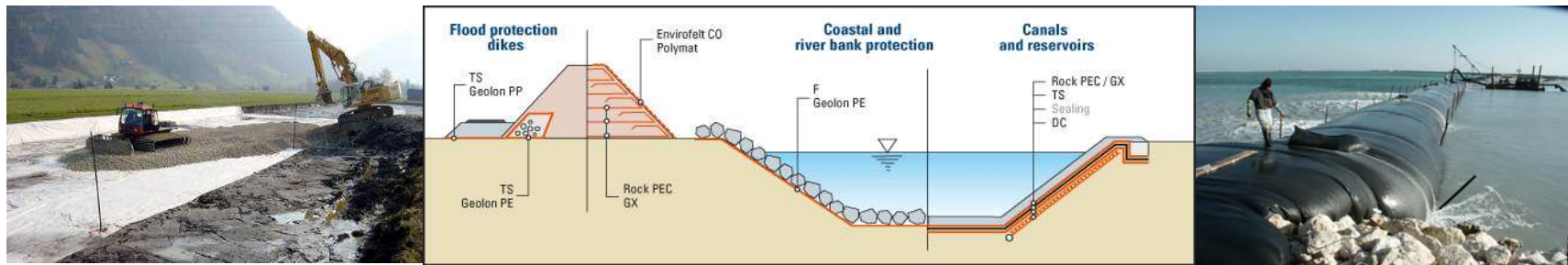
Revenues split Geosynthetics & Grass

Revenues 1st half 2009: € 193 mln.



Main developments

TenCate Geosynthetics



- American geosynthetics market confronted with slow release of government spending
 - Infra-structure related projects
- Geosynthetics group US realized substantial cost savings
 - Effect of lower sales on result has been limited

Main developments

TenCate Grass



- Synthetic turf industry had limited abilities to cope with seasonal demand pattern
 - Financing projects is a challenge for marketing organizations and installers
 - TenCate manages working capital: not taking over finance role of banks
 - Team-up with strong / quality driven marketing companies (such as TigerTurf)

Main developments

TenCate Enbi

- Lower sales TenCate Enbi
 - Delay new projects
 - Replacement sales outside traditional markets
- Xennia Technology realized good progress
 - Additional subsidy Digifin project by Province of Overijssel (NL) and Twente Region (NL)
 - First concept production proces digital finishing realized end 2009
 - Partnerships in connection with marketing and sales process (OEM's)



Outlook 2009

Outlook 2009

- Revenues rest of the year at comparable level as in first half 2009
- Market trends stay in tact
 - Focus on sustainability (environment, fuel consumption, water management etc.)
 - Growth thermoplastic composites in aircraft
 - Strong focus on safety of soldiers
 - Acceptation synthetic turf is growing for several applications
 - “Army modernization” programs are long term developments
- Integration Dutch production
 - Substantial cost savings
 - New perspective on the basis of innovation driven technological developments
- Strong financial position and improved cash flow offers solid starting point for further growth
 - Impuls through innovative projects / technologies
- No forecast regarding profit 2009



TENCATE

materials that make a difference

Annex 1: key figures 2nd quarter 2009

X € 1,000	Q2 2009	Q2 2008
Revenues	230.4	302.2
EBITA	13.4	31.8
Net profit	13.4	18.1

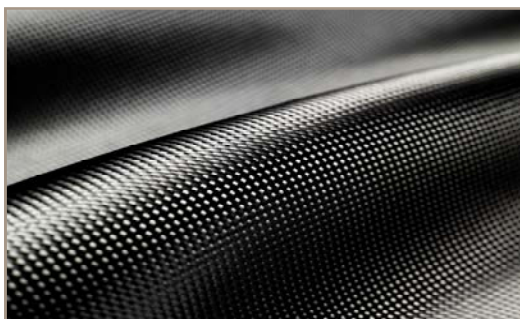
Annex 2: key figures Royal Ten Cate nv



Royal Ten Cate nv	H1 2009	H1 2008
Revenues	433.6	511.6
EBITA	20.9	45.3
EBITA margin (%)	4.8	8.9
EBIT	16.3	40.4
Net profit	15.2	25.4
Net profit per share	0.61	1.08
Investments	8.1	29.4
Depreciation and amortisation	22.4	19.0
Average net capital employed	784.1	642.1*

*) Adapted to average net invested capital last 12 months

Annex 3: key figures per sector



Advanced Textiles & Composites



Advanced Textiles & Composites (x € 1 mln.)	H1 2009	H1 2008*
Revenues	215.3	246.0
EBITA	20.3	31.2
EBITA margin (%)	9.4	12.7
Investments in fixed assets	2.2	5.1
Depretiation and amortisation	7.5	7.3
Average net capital employed**	287.9	223.7

* Adapted for portfolio change

** Comparable figure 2008 changed to average net capital employed last 12 months

Annex 4: key figures per sector



Geosynthetics & Grass



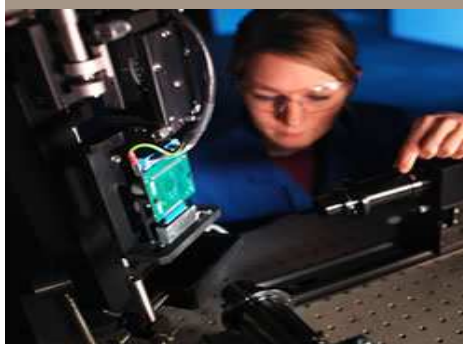
Geosynthetics & Grass (x 1 mln.)	H1 2009	H1 2008
Revenues	192.8	236.5
EBITA	4.5	16.9
EBITA margin (%)	2.3	7.1
Investments in fixed assets	5.3	21.8
Depreciation and amortization	13.3	10.3
Average net capital employed*	445.8	377.1

* Comparable figure changed to average net capital employed last 12 months

Annex 5: key figures per sector



Technical Components / Technologies / Holding & Services



Techn. Components / Technologies / Hold & Serv	H1 2009	H1 2008*
Revenues	25.5	29.1
EBITA	(3.9)	(2.8)
Investments in fixed assets	0.6	2.5
Depreciation and amortization	1.6	1.4
Average net capital employed**	50.4	41.3

* Adated for portfolio change

** Comparable figure changed to average net capital employed last 12 months