

**Presentation  
half-yearly  
results 2004**



**26 August 2004**

# Agenda

- Profile; Organisation
- Important developments
- Key figures
- Turnover and profit data
- Segment information
- Outlook



Ministry of Education  
Coate

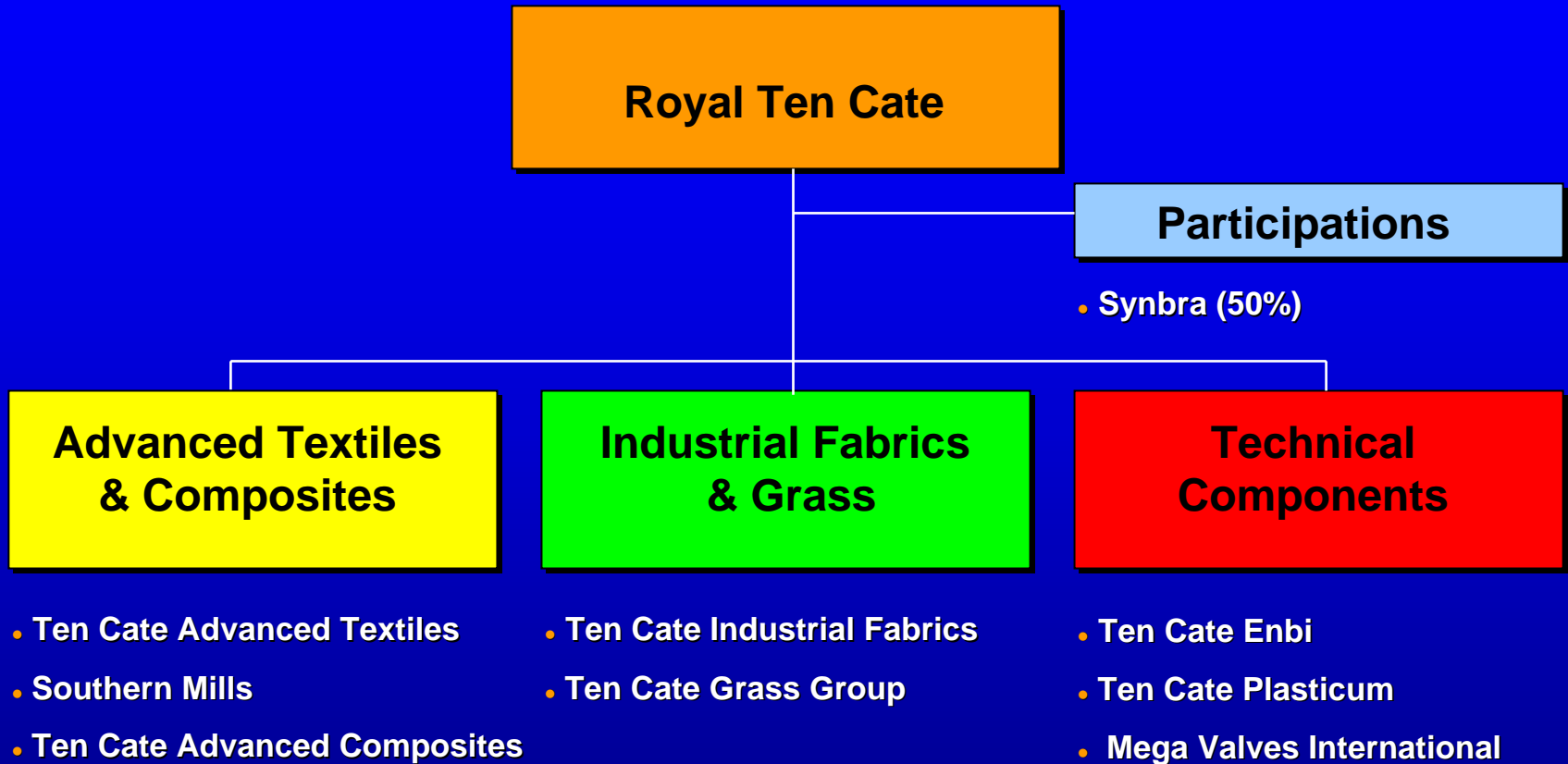
# Profile Royal Ten Cate

- Produces advanced materials based on textile technology and chemical processes
- Innovations based on know-how and broad technological basis
- Global activities
- Leading positions in growing niche markets
- High quality level based on ISO. customer demands. external audits and project specifications





# Organisation



# Three sectors



**Advanced Textiles  
&  
Composites  
(€104 mln.)**



**Industrial Fabrics  
&  
Grass  
(€106 mln.)**



**Technical  
Components  
(€93 mln.)**



# Strategic themes

- Safety & Protection
- Technology
- Sport & Leisure
- Environment
- Industrial solutions  
(fix it - exit)



# Important developments

## first half 2004

- Autonomous growth in turnover + 3%
- Divestment Schwabenvlies ( €1.7 mln. book profit)
- Acquisition Southern Mills end of April
- Halving production Ten Cate Permess in Nederland
- Completion qualifications for anti-ballistics in US
- Positive market developments in US for Industrial Fabrics
- Closure Mega Valves facilities EQO en Agubat
- Raise in costs over €4 mln. because of higher raw material prices and pension costs
- Recovery at Synbra



# Improved turnover and operating results second quarter 2004

	<b>2004 Q1</b>	<b>2003 Q1</b>	<b>mutatie</b>	<b>2004 Q2</b>	<b>2003 Q2</b>	<b>mutatie</b>
<b>Net turnover</b>	<b>130.0</b>	<b>132.7</b>	<b>- 2%</b>	<b>173.2</b>	<b>159.2</b>	<b>+ 9%</b>
<b>Operating result</b>	<b>3.0</b>	<b>5.1</b>	<b>- 41%</b>	<b>11.6</b>	<b>12.0</b>	<b>- 3%</b>
<b>Result participation</b>	<b>2.5</b>	<b>0.8</b>	<b>+211%</b>	<b>1.4</b>	<b>0.5</b>	<b>+180%</b>
<b>Net profit</b>	<b>3.6</b>	<b>2.9</b>	<b>+ 24%</b>	<b>8.5</b>	<b>8.1</b>	<b>+ 5%</b>





# Key figures first half 2004

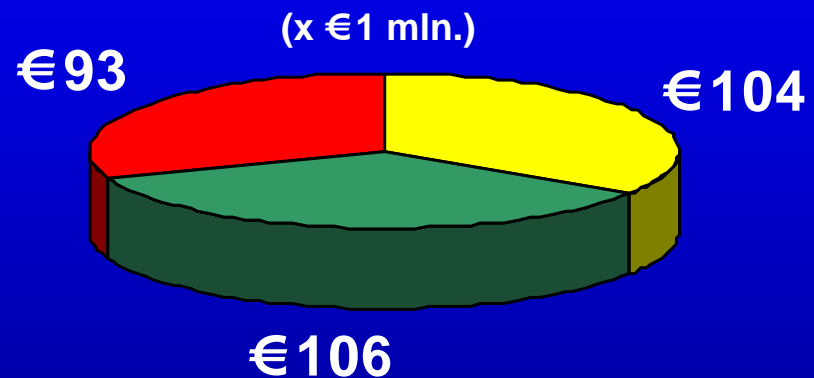
- Realised growth in turnover 4%
- Decrease in operating result with 15% to €14.6 mln.
  - strong decrease in turnover and reorganizing costs Ten Cate Permess
  - slow start sales of artificial grass (season pattern)
  - slightly higher raw material costs (+ €2 mln.)
  - higher pension costs (+ €2.4 mln)
- Autonomous Ebit changes per segment:
  - Advanced Textiles & Composites - 28%
  - Industrial Fabrics & Grass - 10%
  - Technical Components + 1%
  - Holding & Services + 4%
- Net profit rises with 10% to €12.1 mln.
- Cash flow before acquisitions/deconsolidations + €1.3 mln.
  - less working capital and investments



# Turnover H1 2004

## Growth in turnover 4 %

- autonomous + 3%
- currency - 4%
- acquisition + 5%

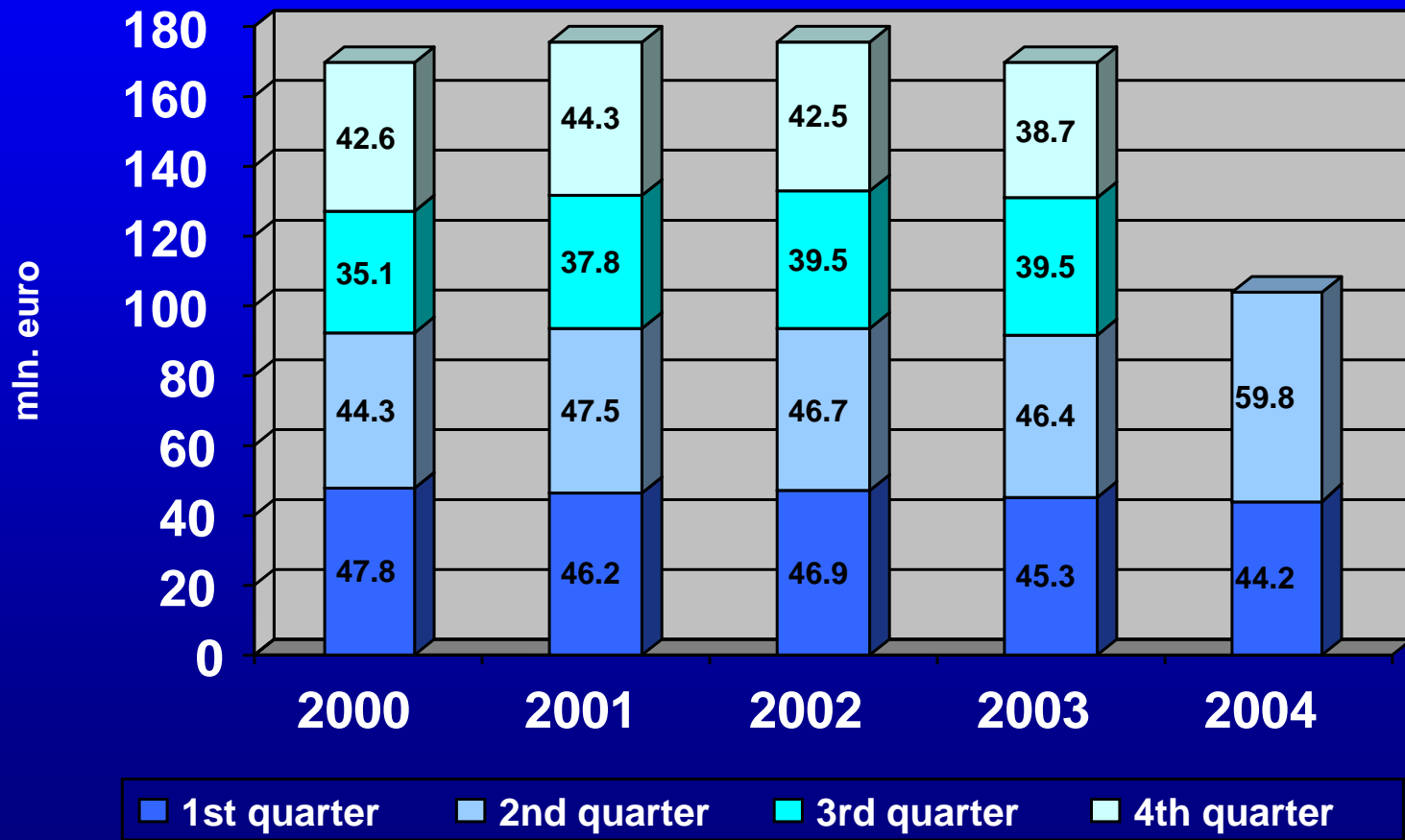


- Advanced Textiles & Composites
- Industrial Fabrics & Grass
- Technical Components



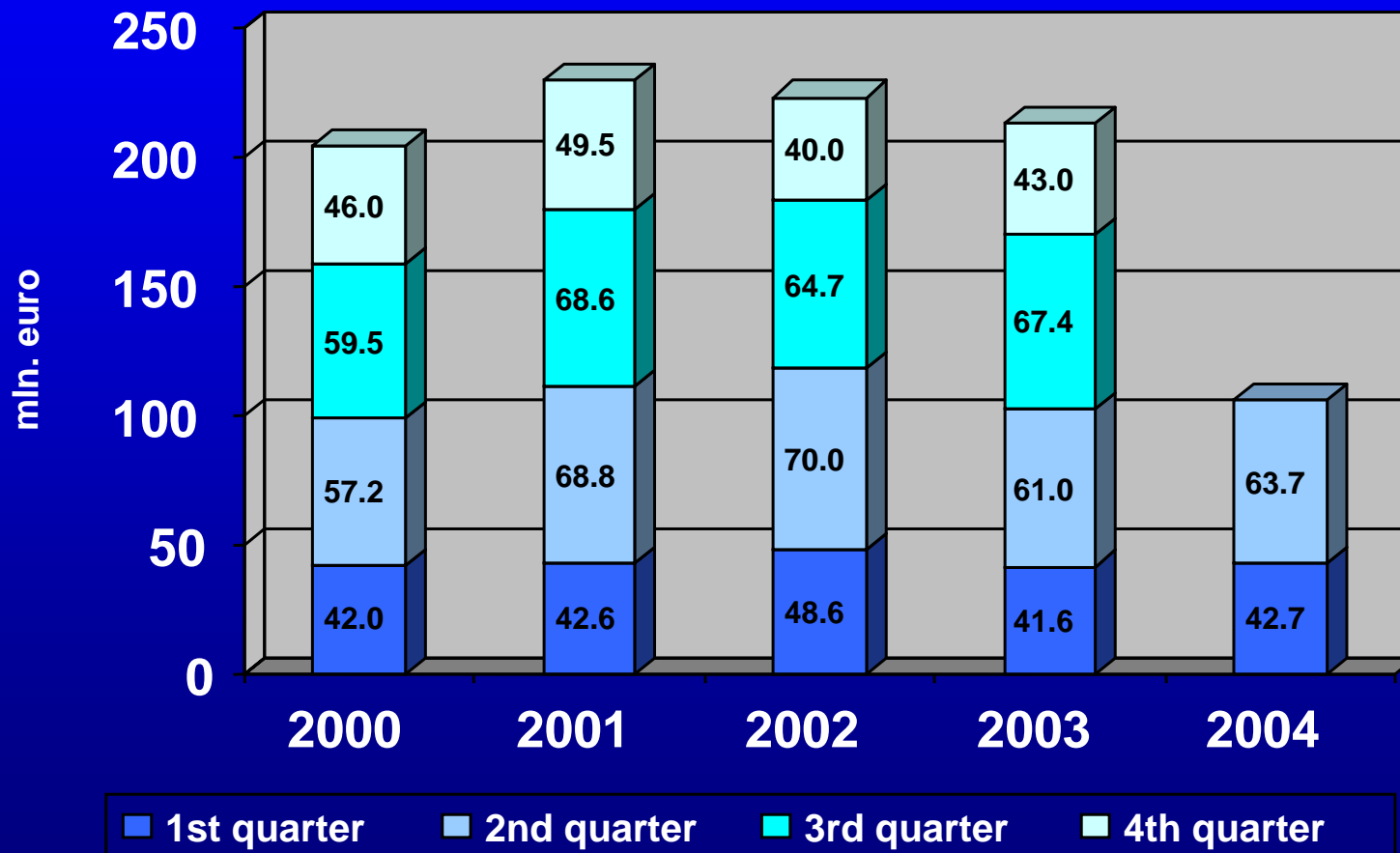
# Net turnover per quarter

## Advanced Textiles & Composites



# Net turnover per quarter

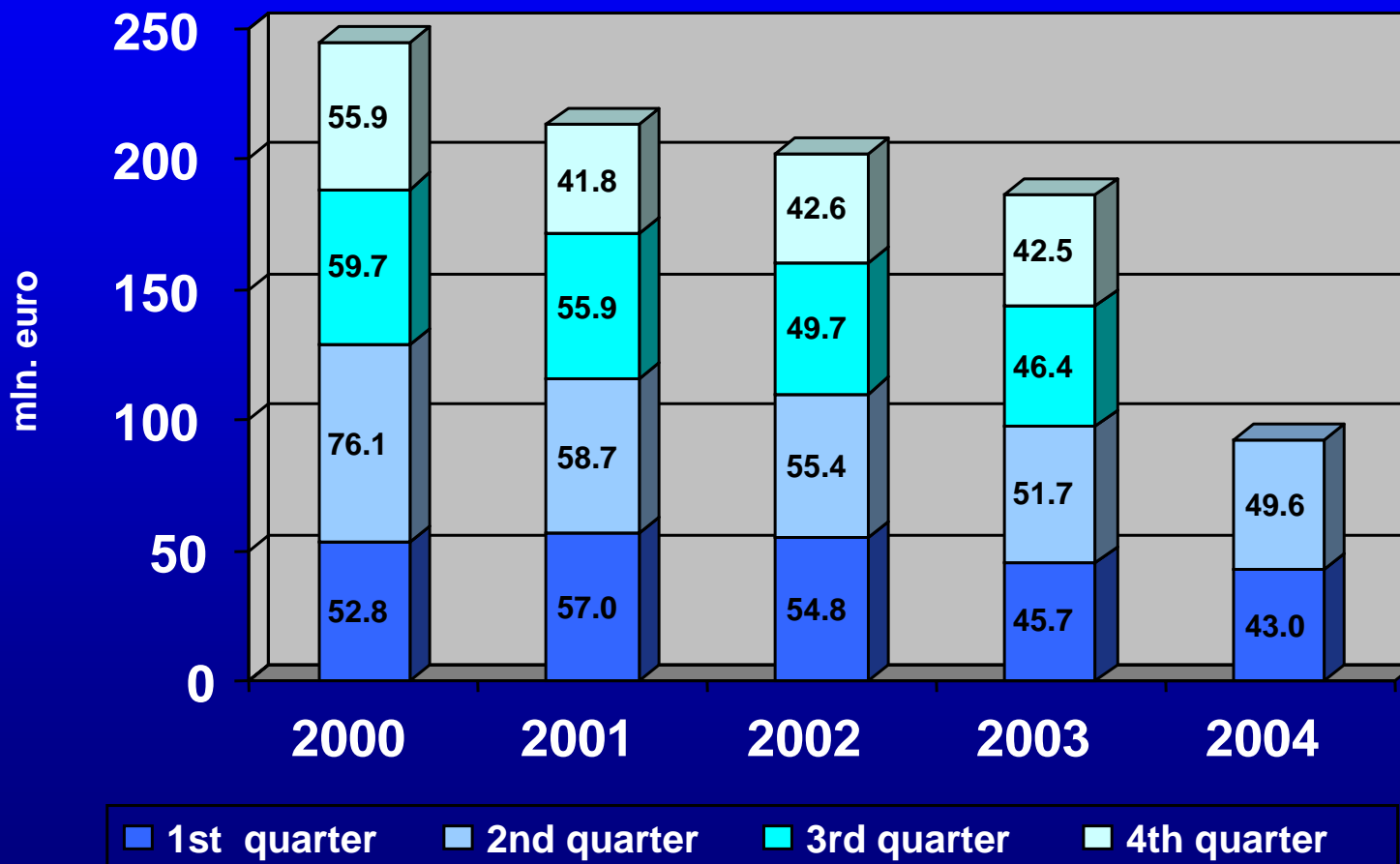
## Industrial Fabrics & Grass



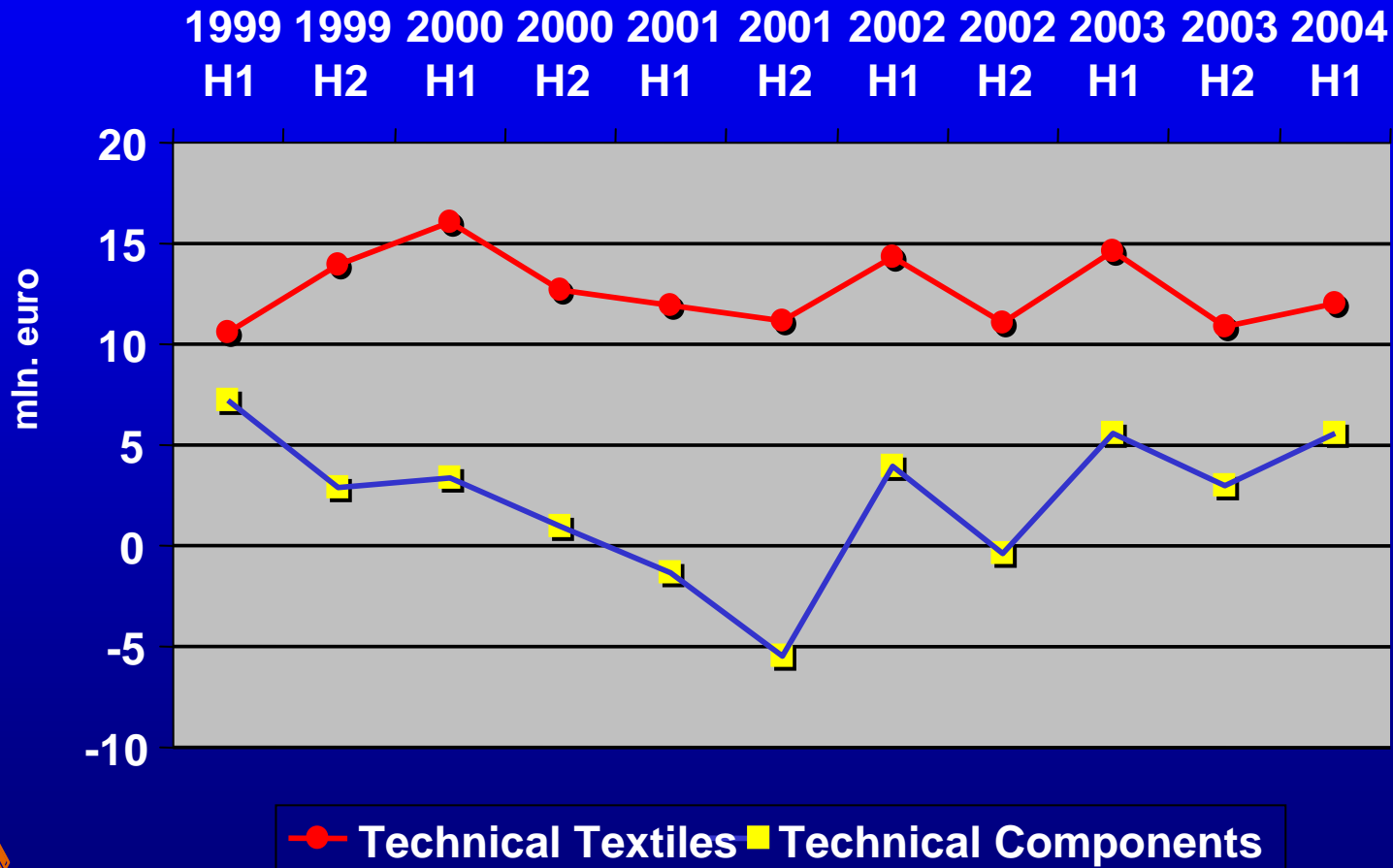


# Net turnover per quarter

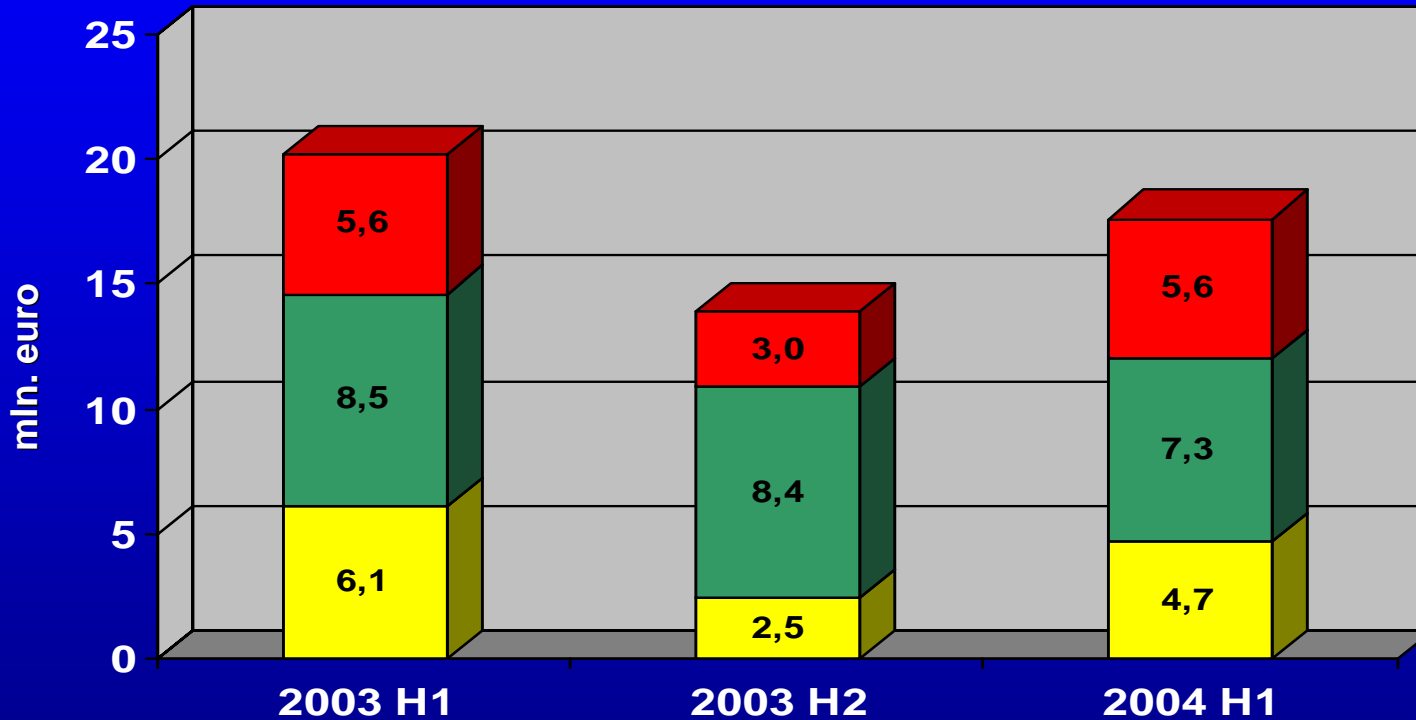
## Technical Components



# Operating result per sector



# Operating result per segment

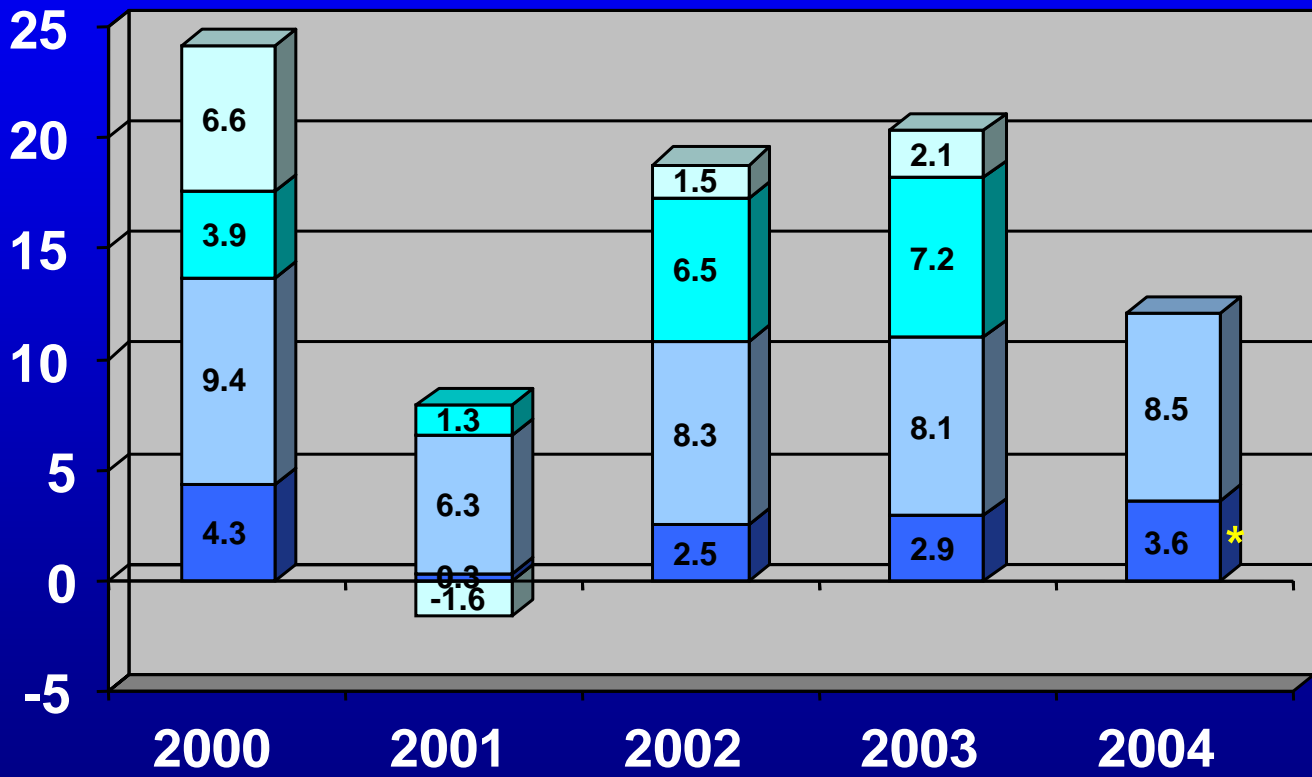


■ Advanced Textiles & Composites ■ Industrial Fabrics & Grass  
■ Technical Components



# Net profit per quarter

mln. euro



■ 1st quarter   ■ 2nd quarter   ■ 3rd quarter   ■ 4th quarter

\*) incl. Schwabenvlies





# Advanced Textiles & Composites



Protection & Technology

# Information per segment



## Advanced Textiles & Composites



Advanced Textiles & Composites (x €1 mln.)	H1 2004	H1 2003
Net turnover	<b>104.0</b>	91.7
Operating result (Ebit)	<b>4.7</b>	6.1
Ebit margin (%)	<b>4.5</b>	6.7
Investments	<b>1.5</b>	2.4
Depreciations	<b>2.5</b>	2.1
Net capital employed	<b>117.6</b>	81.1
RONA (%)	<b>9.2</b>	16.3

\* incl. Southern Mills



# Advanced Textiles & Composites

- Increase in turnover because of acquisition Southern Mills\*) and growth anti-ballistics in Europe
- Decrease in turnover commission finishing; maintaining position in own assortment safety fabrics
- Effective cooperation Southern Mills and Advanced Textiles; several synergy projects
- Reorganisation of costs Ten Cate Permess because of strong decline in turnover due to low US dollar
- Start anti-ballistics production in US
- New projects for Cetex® (Boeing-7<sup>E</sup>7. Airbus A380)



\*) almost no influence so far on profit

# Industrial Fabrics & Grass



Sport & Environment





# Information per segment



## Industrial Fabrics & Grass



Industrial Fabrics & Grass (x 1 mIn.)	H1 2004	H1 2003
Net turnover	106.4	102.6
Operating result (Ebit)	7.3	8.5
Ebit margin (%)	6.9	8.3
Investments	1.2	2.5
Depreciations	4.8	4.9
Net capital employed	116.8	123.4
RONA (%)	13.4	14.6



# Industrial Fabrics & Grass

- **Autonomous growth in turnover of 11%**
- **Positive market developments in US for Industrial Fabrics**
- **Arrears in sales artificial grass (Europe) in first quarter; strong demand since then**
- **New technological developments in the official acceptance of artificial grass (UEFA, FIFA); system approach**
- **American and Asian artificial grass markets develop in a favourable way**



# Technical Components

## Packaging for consumer products



## Components for office equipment



## Wholesale trading



# Information per segment



## Technical Components



Technical Components (x €1 m ln.)	H1 2004	H1 2003
Net turnover	92.6	97.4
Operating result	5.6	5.6
Ebit margin (%)	6.0	5.7
Investments	1.0	1.4
Depreciations	2.8	3.2
Net capital employed	80.2	85.4
RONA (%)	13.9	12.6





# Technical Components

- Limited autonomous decrease in turnover
- Ongoing improvement of result Ten Cate Enbi because of cost control and better product mix
- Ten Cate Enbi starts production in China
- Ten Cate Plasticum: shift of turnover to higher segment by means of new products
- Intensifying product development at Ten Cate Plasticum and Ten Cate Enbi (aftermarket)
- Mega Valves: strong position in NW-Europe; reorganisation in France and Italy



# Synbra Group (50%)

- **Leading producer in styrenics**
  - construction (isolation)
  - protective packaging (food and industry)
- **Recovery by means of cost reductions**
- **Higher profit contribution in spite of difficult construction market**
- **Good results in packaging**



# International Financial Accounting Standards (IFRS)

- IFRS preparations almost completed
- No large impact expected, with the exception of pensions
- Pensions (IAS 19)
  - pension scheme ca. €44 mln. higher at the end of 2003
  - net influence on equity of ca. - €29 mln.



# Outlook 2004

- **Growth of turnover in second half of 2004, partly due to the acquisition of Southern Mills, considerably higher**
  - Good position in high-grade segment safety fabrics
  - Defence orders for antiballistic products for American market
  - Qualification for new Boeing and Airbus airplanes
  - Increasing demand for artificial grass in Europe (season pattern)
  - Good prospects US for Industrial Fabrics
  - Chances for Ten Cate Enbi in aftermarket (cartridges)
- **Profit contribution Southern Mills in second half 2004**
- **No profit expectations for 2004**



# Half-yearly Results 2004

