

# Press release

investor relations

## **Ten Cate figures for first quarter 2002 exceed expectations**

With effect from the current financial year, Royal Ten Cate will change over to quarterly reporting, in anticipation of a tightening of the listing requirements of Euronext Amsterdam. In this connection we would point out that, due to seasonal patterns, the first and last quarters usually contribute to a lesser extent to the profits during the financial year. The earnings performance for the first quarter has, however, exceeds expectations.

Net turnover in the first quarter rose by 3% to € 150.4 million, compared with the first quarter of 2001. Net profit amounts to € 2.5 million (first quarter 2001: € 0.3 million). Turnover in the Technical Textiles sector showed an increase of 7.5%, mainly as a result of the continuing growth in turnover in antiballistic materials and the recovery of the American market. Sales were down in the Technical Components sector (-3.9%), primarily caused by the expected drop in turnover at Ten Cate Enbi, as a result of the closure of companies.

### **Technical Textiles Sector**

Ten Cate was able to benefit from the pickup in demand in America (Ten Cate Nicolon USA), the contribution made by Polyloom (artificial grass fibres), which was acquired at the beginning of 2001, and a further increase in turnover in the Ten Cate Advanced Composites market group. As in 2001, the market for professional wear developed unsatisfactorily. This was, however, offset by positive developments in specialist safety fabrics.

As a result of the increasing importance of the the football market in the sale of artificial grass fibres, the seasonal turnover in this market sector got off to a slow start. Expectations for the year as a whole are, however, excellent.

### **Technical Components Sector**

The closure of Ten Cate Enbi companies in England, Switzerland, the United States and the Netherlands, and the restructuring in the remaining companies have considerably reduced the cost base. In addition, the level of orders is higher than expected, which has resulted in an end to the loss situation.

At Ten Cate Plasticum too costs have been reduced and despite a reduction in turnover, there has been some improvement in the profit contribution.

The turnover of the trading company Mega Valves International remained virtually unchanged, although the result at a number of sites developed unsatisfactorily.

### Financial position

As a result of the positive cashflow, the liquidity position also improved. Thanks to a continuing reduction in the working capital, the outstanding debt decreased. Interest cover improved greatly; the interest cover during the financial year is again expected to come out above 2 and the equity ratio to improve.

### Outlook for 2002

Although the earnings performance is looking favourable, due to a number of uncertain factors, it is still not possible to issue an earnings/profit forecast for 2002. In particular, the risk of an increase in the price of raw materials linked to the oil price will play a role in this. Ten Cate continues to expect the operating profit for the whole of 2002 to show a substantial improvement.

### Key figures

#### First quarter 2002 by sector

(in millions of €)

	Technical Textiles		Technical Components		Total 1st Q. 2002	Total 1st Q. 2001
	1st quarter 2002	1st quarter 2001	1st quarter 2002	1st quarter 2001		
Net turnover	95.5	88.8	54.8	57.0	150.4	145.9
Operating result (EBIT)	4.1	2.8	2.3	-0.3	5.0	1.6

#### Net result for extra-ordinary items

(in millions of €)

	2002	2001
Q1	2.5	0.3
Q2		6.3
1st half year		6.6
Q3		1.2
Q4		-1.5
2 <sup>nd</sup> half year		-0.3
Total		6.3

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