

Press release

investor relations

Strong profit recovery continues in third quarter

Syndicated loan successfully completed

The net profit of Royal Ten Cate (technical textiles and technical components) amounts to €6.5 million in the third quarter of 2002, and is thus significantly higher than the profit for the third quarter of 2001.

The participation of banks in the credit facility, which serves as a replacement for the short-term loans, is substantially oversubscribed. The long-term financing arrangement, which is being provided by an international syndicate of banks, amounts to €130 million.

Net results before extraordinary items for the first nine months of 2002 amount to €17.3 million (2001: €7.8 million). Consolidated sales amount to €477 million, which is 1.4% below the level of 2001. This is partly due to currency movements. The operating result (EBIT) for the first nine months has improved by over 83% to €23.1 million. Earnings per share have risen from €1.66 to €3.63. As a result of the 2001 stock dividend, the number of shares has been increased by 1.7%.

Technical Textiles

The Technical Textiles sector realised an improvement of 28% in its operating result with a modest increase in turnover, bringing this to €22.8 million (2001: €17.8 million).

The *Ten Cate Advanced Textiles* group has shown a distinct improvement in the result, which occurred on a broad front. Ten Cate Protect is a successful supplier of high-grade protective fabrics for professional wear. The growth of bullet-proof materials (Ten Cate Advanced Composites) continues unabated. The Interlinings/Labels market group too (Ten Cate Permess and MultiSTiQ), which manufactures products such as interlinings for large international clothing brands, has notched up a positive performance. Ten Cate Permess has developed a new technology for interlinings for modern clothing fabrics with exceptional qualities.

The *Ten Cate Industrial Fabrics* group, in which Ten Cate Nicolon operates, is having to contend with declining sales, due to a drop in demand for agrofabrics and geotextiles, especially as a result of the economic situation in the United States.

The *Ten Cate Grass Fibres* group (artificial grass activities) has exhibited sustained growth, which is based mainly on the increasing acceptance of artificial grass in the world of football. Thanks also to an order for the Dallas Cowboys, a strategically important success was recorded on the market for American football.

Technical Components

The turnover of the Technical Components sector - excluding currency movements - declined by 5.9 % during the first nine months of 2002. The operating result continued to grow substantially and increased to €5.2 million (2001: - €2.6 million).

Ten Cate Enbi (rollers for printers and copiers) and *Ten Cate Plasticum* (plastic packaging materials for household articles, food and cosmetics) are continuing to recover profitability, partly as a result of considerably reduced costs.

Despite the less favourable economic conditions, the *Mega Valves International* group - with the exception of Taxy in France, which is undergoing a reorganization - was able to record a small profit.

Holdings

The contribution of the *Synbra Group* (protective packaging, insulation products for the construction industry) continues to lag behind as regards the result for the first nine months of 2001. Partly as a consequence of this, the contribution of holdings to the result declined by 16.7% to €3.5 million.

Other financial information

The financial position continues to improve. Cash flow from operational and investment activities for the first nine months amounts to + €17.5 million and is thus at a considerably higher level than the previous year (- €39.1 million). The debt position could be further reduced, partly as a result of the increase in profit, and will be further reduced in the fourth quarter through the divestment of non-strategic activities. Solvency at 33.5% is currently well above the level agreed with the banks. Consequently, a previously announced subordinated loan is no longer necessary in order to reinforce the guarantee capital.

Prospects

Based on seasonal patterns, the result in the fourth quarter is usually lower than the other quarters. Further, incidental costs, such as the restructuring of the debt position, will continue to be written off against operating profit in the next quarter.

The net results before extraordinary items for the whole of 2002 are in line with the previously indicated fluctuation band and are expected to amount to approximately €17 million. This represents a substantial improvement in profit compared with 2001. In addition, an extraordinary net gain of €12 million has been realized as a result of the recent sale of TC Miradri.

Almelo, 24 October 2002

For further information, please contact:

F.R. Spaan, Head of Investor Relations/Corporate Affairs

Tel: + 31 546 54 43 38 / 06 12 96 17 24

f.spaan@tencate.com

www.tencate.com

Attachments:

- profit & loss account
- balance sheet, income statement
- key figures per sector
- cash flow
- changes in group equity