

Press release

investor relations

Royal Ten Cate (KTC) divests Mega Valves companies.

Royal Ten Cate has reached an agreement in principle regarding the sale to its management of the Northwest- European Mega Valves companies. This group of trading companies in components for fluid systems is part of the sector Technical Components. In the course of 2004 the French and the Italian locations have been closed down. The Spanish location Business Key is not included in the forthcoming transaction, because of its specific product mix that does not fit well into the current product range of the other companies of the group. Business Key is profitable with a good return on net assets.

The divestment is the result of the announced strategic focus of Ten Cate on technical textiles and the recent finalisation of the reorganisation within the Mega Valves group. The total net sales of the divested Mega Valves companies amounted in 2004 approximately €60 million. As a result of the reorganisation costs the profit contribution to Ten Cate of the entire Mega Valves group was limited during 2004. A modest book profit will be realised as a result of this transaction. The expectation is that the closing of this divestment transaction will take place by the end of March 2005.

Royal Ten Cate

Almelo, 16 maart 2005

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