

Press Release

investor relations

2 November 2005 - 8.00 a.m. (CET)

Royal Ten Cate operational net profit for third quarter 29% higher

- Artificial grass, aerospace and antiballistic composites, protective fabrics and geosynthetics show continued growth in sales and a sharp rise in profit contribution;
- Operating result of Technical Components in the third quarter considerably lower as a result of a decline in sales and one-off costs at Ten Cate Enbi (France);
- Once again the rising costs of raw materials (granulates) are having an impact on profitability in the third quarter;
- Maintenance of net profit forecast for 2005; €26-29 million.

Royal Ten Cate posted a net profit of €9.2 million in the third quarter of 2005 (third quarter 2004: €8.2 million). This profit figure includes the non-recurring costs (gross €1.4 million) of closing the Ten Cate Enbi French site.

Sales in the third quarter showed an autonomous increase of 7.0%. As a result of the divestment of Mega Valves International earlier this year, the quarterly sales on balance remain virtually unchanged at €177 million.

The operating result (EBIT) rose by 1.6% to €13.4 million (autonomous +9.3%).

Sales for the first nine months increased by 9.7% (autonomous 11.5%) to €528 million. The operating result amounts to €32.1 million (2004: €28.3 million).

During the first nine months the net profit increased to €24.2 million (2004: €20.6 million). There was an autonomous increase in net profit of 20.8 %.

The comparable figures for 2004 have been adjusted in accordance with IFRS principles

Developments by segment

Advanced Textiles & Composites Sector (Sales +12%; EBIT +181%)

Sales in the third quarter amount to €66 million (2004: €59 million). Sales in this sector continue to develop strongly, in part thanks to the growth at Southern Mills in the field of flame-retardant protective fabrics for the American market, in combination with a continuing good performance in the area of protective fabrics in the European market. Sales of outdoor fabrics are stable. Sales of antiballistic materials and aerospace composites continue to show considerable growth, although the shortage of raw materials persists. Thanks to good connections in the market and as a result of keeping safe stock levels, these shortages remain manageable and their effect on profitability remained limited. In this period the sector showed a substantial growth in EBIT to €4.1 million (2004: €1.5 million).

Over the first nine months sales in the whole sector increased to €216 million (2004: €163 million). Autonomous growth amounted to 15.3%.



The operating result (EBIT) for the first nine months rose to €12.2 million (2004: €6.2 million). There was considerable autonomous growth of 67.7%.

Industrial Fabrics & Grass Sector (Sales +12.7%; EBIT +2.4%)

Industrial Fabrics & Grass sector sales increased in the third quarter to €84 million (2004: €74 million). This sector has shown the highest autonomous increase (+12.4%). The American activities again made the greatest contribution to this. Sales of geosynthetics in the US show substantial growth, partly based on good market positioning and a complete product portfolio. In Europe sales remain stable. The recently announced takeover of Polyfelt will in due course strengthen the European market position in geosynthetics.

The results and market growth of the European artificial grass market fell short of expectations. In contrast to the American market, the European market still does not sufficiently appreciate essential quality aspects. This has a depressive effect on price setting in the European market

With an up-and-coming football market, aspects such as environmental safety, (fire) safety, durability and the likelihood of injuries are expected to play an increasingly significant role. The performance of a pitch over a longer period is of special importance for sports where there is a lot of physical contact with the sub-base. Information and conveying knowledge in respect of safety and performance are forming an increasingly important part of our sales policy. As technological frontrunner, Ten Cate Thiolon has a competitive advantage when it comes to knowledge of this field. Prospects worldwide for the artificial grass market remain good and Ten Cate will continue to focus on high quality concepts for various areas of application. Thiolon® Grass has acquired an excellent name in this field.

After an initial decrease until June, the costs of raw materials once again increased during the course of the third quarter. As a result margins in the whole sector have temporarily come under pressure. This rise is considerable especially in the US and in addition there is a temporary stagnation in supplies.

In spite of this, the operating result increased slightly in the third quarter to €10.6 million (2004: €10.3 million).

During the first nine months sales in this sector rose to €12 million (2004: €81 million). The autonomous increase in sales amounts to 19.1%. The increase in the EBIT of 10.6% to €19.9 million is being put under some pressure in relation to the substantial increase in sales by the rising costs of raw materials and currency effects (-1.7%).

Technical Components Sector (Sales -40%; EBIT -83%)

Sales in this sector decreased in the third quarter to €27 million (2004: €44 million). Apart from the fall in sales as a result of the divestment of the Mega Valves International companies, sales also decreased as a result of a considerable decline at Ten Cate Enbi. Despite the transfer of production to the US and Asia, sales initially developed reasonably favourably, but during the third quarter a sudden slow-down occurred. In view of their public statements, a recovery in sales at several large customers is not expected in the short term. The actions that were started up earlier this year in order to achieve replacement sales are progressing more slowly than expected. In view of the favourable market tests, prospects, however, remain encouraging. Ten Cate Plasticum is showing a slight growth, but was increasingly hampered by the rising



costs of raw materials in the third quarter, which could not be immediately passed on. As a result, margins have come under pressure.

Sales for the first nine months amount to €100 million (2004: €137 million). As a consequence of the divestment and of the non-recurring costs of the closure of Ten Cate Enbi in France already mentioned, which, after the sale of assets, are assessed at €1 million, the operating result for the first nine months fell to €5.3 million (2004: €8.5 million). The EBIT showed an autonomous drop of 5.6%.

Other information

The result shown for the first nine months includes the book profit of €2 million from the sale of the Mega Valves International companies. The result of the Synbra Group for the first nine months shows an increase, which has led to the result of the associated companies ending higher at €3.1 million. This higher result of Synbra includes a one-off tax credit in the first quarter. The lower result of the Holding is caused in particular by the IFRS-associated valuation of financial derivatives to hedge currency and interest risks.

Forecast

The recent further strong price increase in plastic granulates will affect the result in the fourth quarter of 2005. In spite of this, Royal Ten Cate maintains the profit forecast it announced of €26-29 million. However, the reservation remains in force in respect of IFRS-related changes to the value of financial instruments or fixed assets, which may influence the annual results.

On our website, www.tencate.com, you can find a complete set of appendices.

Royal Ten Cate nv

Almelo, 2 November 2005

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KEY FIGURES (Both 2005 and 2004 according to IFRS)

<i>million euros</i>	January-September			half year	Q3	half year	Q3
	2005	2004		2005	2005	2004	2004
Net turnover	527.5	481.0	9.7%	351.0	176.5	303.2	177.8
EBITDA	46.2	43.2	6.9%	28.1	18.1	24.9	18.3
EBIT	32.1	28.3	13.4%	18.7	13.4	15.1	13.2
Net profit	24.2	20.6	17.5%	15.0	9.2	12.4	8.2
Profit per share	4.72	4.08	15.7%	2.92	1.80	2.45	1.63

Key figures per sector

Advanced Textiles & Composites	January-September			half year	Q2	half year	Q2
	2005	2004		2005	2005	2004	2004
Net turnover	215.7	163.1	32.3%	149.5	66.2	104.0	59.1
EBIT	12.2	6.2	96.8%	8.1	4.1	4.7	1.5
EBIT margin	5.7%	3.8%	50.0%	5.4%	6.2%	4.5%	2.5%
Investments	6.0	2.2	172.7%	3.2	2.8	1.5	0.7
Depreciation and amortisation	4.7	4.1	14.6%	3.1	1.6	2.5	1.6
Net capital employed	125.9	115.4	9.1%	120.5	125.9	119.9	115.4
Return on capital employed	13.6%	7.4%	83.8%	14.0%	13.0%	9.2%	4.9%
Number of staff-years	1,246	1,284	-3.0%	1,225	1,246	1,295	1,284

Industrial Fabrics & Grass

Net turnover	211.6	180.5	17.2%	128.1	83.5	106.4	74.1
EBIT	19.9	18.0	10.6%	9.3	10.6	7.7	10.3
EBIT margin	9.4%	10.0%	-6.0%	7.3%	12.7%	7.2%	13.9%
Investments	5.9	3.0	96.7%	3.9	2.0	1.2	1.8
Depreciation and amortisation	5.7	6.5	-12.3%	3.8	1.9	4.4	2.1
Net capital employed	124.2	110.8	12.1%	134.8	124.2	117.2	110.8
Return on capital employed	23.8%	22.6%	5.3%	15.9%	32.7%	14.0%	36.3%
Number of staff-years	1,187	1,173	1.2%	1,152	1,187	1,142	1,173

Technical Components

Net turnover	99.8	137.1	-27.2%	73.1	26.7	92.6	44.5
EBIT	5.3	8.5	-37.6%	4.8	0.5	5.5	3.0
EBIT margin	5.3%	6.2%	-14.5%	6.6%	1.9%	5.9%	6.7%
Investments	1.7	1.5	13.3%	1.4	0.3	1.0	0.5
Depreciation and amortisation	3.7	4.3	-14.0%	2.5	1.2	2.9	1.4
Net capital employed	49.5	76.0	-34.9%	51.9	49.5	81.3	76.0
Return on capital employed	14.1%	14.4%	-2.1%	15.7%	4.7%	13.7%	14.9%
Number of staff-years	882	1,209	-27.0%	897	882	1,210	1,209

Holding & Services

EBIT	-5.3	-4.4		-3.5	-1.8	-2.8	-1.6
Investments	-	-		-	-	-	-
Depreciation and amortisation	-	-		-	-	-	-
Net capital employed	26.3	28.3		24.0	26.3	23.2	28.3
Number of staff-years	35	31		33	35	31	31

CONSOLIDATED PROFIT AND LOSS ACCOUNT

<i>million euros</i>	third quarter		up to third quarter	
	2005	2004	2005	2004
Net turnover	176.5	177.8	527.5	481.0
Changes in inventories of finished products and work in progress	-20.5	-10.3	-10.0	-3.3
Raw materials and manufacturing supplies	-73.3	-83.1	-267.0	-238.0
Work contracted out and other external expenses	-7.7	-7.5	-22.6	-23.4
Personnel costs	-37.6	-39.2	-120.8	-116.8
Depreciation and amortisation	-4.7	-5.1	-14.1	-14.9
Other operating costs	-19.3	-19.4	-60.9	-56.3
Total operating expenses	-163.1	-164.6	-495.4	-452.7
Operating result (EBIT)	13.4	13.2	32.1	28.3
Financial income and expenses	-1.3	-1.9	-3.9	-4.6
Result before tax	12.1	11.3	28.2	23.7
Taxes	-3.7	-3.7	-9.1	-7.6
Result after tax	8.4	7.6	19.1	16.1
Share in net earnings of associated companies	0.8	0.6	3.1	2.8
Result before gain on sale of discontinued operation	9.2	8.2	22.2	18.9
Gain on sale of discontinued operation, net of tax	-	-	2.0	1.7
Group results	9.2	8.2	24.2	20.6
Minority shareholders' interests	-	-	-	-
Result attributable to equity holders of the parent	9.2	8.2	24.2	20.6
Operating result as a % of sales	7.6%	7.4%	6.1%	5.9%
Return on capital employed	17.3%	16.4%	15.8%	14.2%
Weighted average number of shares outstanding (x 1,000)				
- basic	5,144	5,057	5,141	5,056
- diluted	5,240	5,121	5,238	5,120
Per €10.00 share				
- cash flow	2.71	2.64	7.45	7.03
- net profit	1.80	1.63	4.72	4.08
- diluted net profit	1.76	1.61	4.63	4.03
Number of staff-years			3,350	3,697
of which in the Netherlands			1,165	1,342

CONSOLIDATED PROFIT AND LOSS ACCOUNT

<i>million euros</i>	January-September 2005			January-September 2005		
	Cont. oper.	Dis- cont. oper.	Total	Cont. oper.	Dis- cont. oper.	Total
Net turnover	512.4	15.1	527.5	430.1	50.9	481.0
Changes in inventories of finished products and work in progress	-10.0	-	-10.0	-2.9	-0.4	-3.3
Raw materials and manufacturing supplies	-257.5	-9.5	-267.0	-205.3	-32.7	-238.0
Work contracted out and other external expenses	-22.1	-0.5	-22.6	-20.9	-2.5	-23.4
Personnel costs	-118.0	-2.8	-120.8	-107.4	-9.4	-116.8
Depreciation and amortisation	-13.9	-0.2	-14.1	-14.3	-0.6	-14.9
Other operating costs	-59.7	-1.2	-60.9	-52.6	-3.7	-56.3
Total operating expenses	-481.2	-14.2	-495.4	-403.4	-49.3	-452.7
Operating result (EBIT)	31.2	0.9	32.1	26.7	1.6	28.3
Financial income and expenses	-3.6	-0.3	-3.9	-3.9	-0.7	-4.6
Result before tax	27.6	0.6	28.2	22.8	0.9	23.7
Taxes	-8.9	-0.2	-9.1	-6.7	-0.9	-7.6
Result after tax	18.7	0.4	19.1	16.1	0.0	16.1
Share in net earnings of associated companies	3.1	-	3.1	2.8	-	2.8
Result before gain on sale of discontinued operation	21.8	0.4	22.2	18.9	0.0	18.9
Gain on sale of discontinued operation, net of tax	-	2.0	2.0	-	1.7	1.7
Group results	21.8	2.4	24.2	18.9	1.7	20.6
Minority shareholders' interests	-	-	-	-	-	-
Result attributable to equity holders of the parent	21.8	2.4	24.2	18.9	1.7	20.6
Per €10.00 share						
- cash flow	6.95	0.50	7.45	6.56	0.47	7.03
- net profit	4.25	0.47	4.72	3.73	0.35	4.08
- diluted net profit	4.17	0.46	4.63	3.68	0.35	4.03

The terminated activities relate to the branches of Mega Valves International in Southern Europe that were closed in 2004 and the branches of Mega Valves International in Northern Europe that were sold in the first quarter of 2005. The book profit for Mega Valves International is incorporated under “gain on sale of discontinued operation, net of tax” for the year 2005 and the book profit for the interest in Schwabenvlies for the year 2004.

CONSOLIDATED BALANCE SHEET

<i>million euros</i>	September 2005	end of 2004	September 2004
Intangible fixed assets	13.6	12.1	10.5
Tangible fixed assets	116.4	118.8	127.5
Financial fixed assets	<u>29.1</u>	<u>23.0</u>	<u>23.2</u>
Total non-current assets	<u>159.1</u>	<u>153.9</u>	<u>161.2</u>
Inventories	132.8	138.6	129.3
Receivables	117.5	98.8	126.3
Cash	<u>2.5</u>	<u>2.7</u>	<u>6.7</u>
Total current assets	<u>252.8</u>	<u>240.1</u>	<u>262.3</u>
Total assets	411.9	394.0	423.5
Group equity	180.3	152.4	155.9
Provisions	55.2	53.9	52.3
Long-term debts	<u>76.3</u>	<u>74.1</u>	<u>100.4</u>
Total non-current liabilities	<u>131.5</u>	<u>128.0</u>	<u>152.7</u>
Bank overdraft and short term loans	14.1	24.6	21.9
Short-term debts	<u>86.0</u>	<u>89.0</u>	<u>93.0</u>
Total current liabilities	<u>100.1</u>	<u>113.6</u>	<u>114.9</u>
Total equity and liabilities	411.9	394.0	423.5

OVERVIEW OF CHANGES IN GROUP EQUITY

million euros

	3th quarter	
	2005	2004
As at 31 December 2004 respective 2003	152.4	137.8
Less: Adoption of IAS 32 and 39 for financial instruments	-0.7	-
As at 1 January 2005 respective 2004	151.7	137.8
Plus: Result 2005 respective 2004	24.2	20.6
Exchange differences subsidiaries	8.3	1.6
Share based payments option rights	0.5	0.2
Delivered own shares in connection exercised of options	0.2	-
Delivered own shares in connection with the stock purchasing plan personnel	0.1	0.1
	185.0	160.3
Less: Dividend paid to shareholders	-4.7	-4.4
As at 30 September	180.3	155.9

CONSOLIDATED STATEMENT OF CASH FLOWS

million euros

	third quarter	
	2005	2004
Operating profit	32.1	28.3
Depreciation and amortisation	14.1	14.9
Operating profit before changes in working capital and provisions	46.2	43.2
Change in working capital	-27.9	-13.5
Changes in provisions	1.5	1.2
Cash flow from operational activities	19.8	30.9
Interest paid/received	-4.1	-2.6
Income taxes paid	-7.5	-4.3
Net cash from operating activities	8.2	24.0
Capital expenditures	-13.2	-6.7
Proceeds from sale of plant and equipment	0.6	0.2
Investments of intangible fixed assets	-0.4	-
Acquisition of subsidiaries, net of cash acquired	-0.6	-32.4
Proceeds from sale of investments	21.8	2.8
Dividends received	-	1.2
Mutations in long term receivables	0.1	0.6
Other mutations	-0.1	-
Cash flow from investment activities	8.2	-34.3
Proceeds from the issue of repurchased own shares	0.3	0.1
Mutations in long term debts	2.4	17.4
Dividend paid to shareholders	-4.7	-4.4
Cash flow from financing activities	-2.0	13.1
Net cash flow	14.4	2.8
Funds beginning of the year	-19.6	-6.4
Exchange rate and translation differences relating to funds	-5.3	-0.2
Funds at 30 September	-10.5	-3.8

Notes:

The funds in the cash flow summary are made up of bank balances and cash.
The cash flow summary has been drawn up according to the indirect method.

NOTES

Accounting principles

As from 1 January 2005 Royal Ten Cate nv publishes its figures on the basis of International Financial Report Standards (IFRS), International Accounting Standards (IAS) and Interpretations.

The figures for January to September 2004 (see appendix VIII – XII) are included for comparative purposes. For the accounting principles we refer you to the 2004 annual accounts and the interim figures for the first half of 2005.

Since there is no unambiguous translation in respect of a number of standards, the IFRS standards as at 31 December 2005 will be taken as normative for the definitive application. As a consequence, the figures shown ultimately in the annual accounts 2005 may differ from the information shown here.

The comparable figures for the third quarter of 2004 were determined in conformity with IFRS standards.

The positive deviations from the net result and the EBIT for the first to third quarters amounted to €0.4 and €0.8 million respectively as compared to the figures that are presented in accordance with Dutch GAAP.

Additional notes

A provision of €1.4 million was made in the third quarter to cover the costs of closing TC Enbi in France.

Post balance sheet events

On 11 October Royal Ten Cate reached an agreement with respect to the takeover of Polyfelt GmbH in Linz (Austria) for €70 million free from debt.

As a result of this acquisition Ten Cate will achieve a leading position on the world market for geotextile materials. By merging their complementary product range, in particular in Europe and Asia, market positions will be considerably strengthened.

**CONSOLIDATED BALANCE SHEET UNDER IFRS AND NL GAAP AT
30 SEPTEMBER 2004**

<i>million euros</i>	DUTCH GAAP	IFRS changes	IFRS
Intangible fixed assets	9.9	0.6	10.5
Tangible fixed assets	126.2	1.3	127.5
Financial fixed assets	<u>12.8</u>	<u>10.4</u>	<u>23.2</u>
Total non-current assets	<u>148.9</u>	<u>12.3</u>	<u>161.2</u>
Inventories	129.3	-	129.3
Receivables	125.0	1.3	126.3
Cash	<u>6.7</u>	<u>-</u>	<u>6.7</u>
Total current assets	<u>261.0</u>	<u>1.3</u>	<u>262.3</u>
Total assets	409.9	13.6	423.5
Group equity	179.6	-23.7	155.9
Provisions	17.6	34.7	52.3
Long-term debts	<u>99.1</u>	<u>1.3</u>	<u>100.4</u>
Total non-current liabilities	<u>116.7</u>	<u>36.0</u>	<u>152.7</u>
Bank overdraft and short-term loans	20.6	1.3	21.9
Short-term debts	<u>93.0</u>	<u>-</u>	<u>93.0</u>
Total current liabilities	<u>113.6</u>	<u>1.3</u>	<u>114.9</u>
Total equity and liabilities	409.9	13.6	423.5

CONSOLIDATED PROFIT AND LOSS ACCOUNT JANUARY-SEPTEMBER 2004

<i>million euros</i>	DUTCH GAAP	IFRS changes	IFRS
Net turnover	481.0	-	481.0
Changes in inventories of finished products and work in progress	-3.3	-	-3.3
Raw materials and manufacturing supplies	-238.0	-	-238.0
Work contracted out and other external expenses	-23.4	-	-23.4
Personnel costs	-116.9	0.1	-116.8
Depreciation and amortisation	-15.4	0.5	-14.9
Other operating costs	<u>-56.5</u>	<u>0.2</u>	<u>-56.3</u>
Total operating expenses	-453.5	0.8	-452.7
Operating result (EBIT)	27.5	0.8	28.3
Financial income and expenses	<u>-4.5</u>	<u>-0.1</u>	<u>-4.6</u>
Result before tax	23.0	0.7	23.7
Taxes	<u>-7.3</u>	<u>-0.3</u>	<u>-7.6</u>
Result after tax	15.7	0.4	16.1
Share in net earnings of associated companies	<u>4.5</u>	<u>-</u>	<u>4.5</u>
Group result	20.2	0.4	20.6
Minority shareholders' interest	<u>-</u>	<u>-</u>	<u>-</u>
Result attributable to equity holders of the parent	<u>20.2</u>	<u>0.4</u>	<u>20.6</u>
Weighted average number of outstanding shares			
- basic	5,056		5,056
- diluted	5,120		5,120
Per €10.00 share			
- cash flow	7.05	-0.02	7.03
- net profit	3.99	0.09	4.08
- diluted net profit	3.94	0.09	4.03

CONSOLIDATED STATEMENT OF CASH FLOWS JANUARY-SEPTEMBER 2004

<i>million euros</i>	DUTCH GAAP	IFRS changes	IFRS
Operating profit	27.5	0.8	28.3
Depreciation and amortisation	<u>15.4</u>	<u>-0.5</u>	<u>14.9</u>
Operating result before changes in working capital and provisions	42.9	0.3	43.2
Changes in working capital	-13.4	-0.1	-13.5
Changes in provisions	<u>1.4</u>	<u>-0.2</u>	<u>1.2</u>
Cash flow from operational activities	30.9	-	30.9
Interest paid/received	-2.5	-0.1	-2.6
Income taxes paid	<u>-4.0</u>	<u>-0.3</u>	<u>-4.3</u>
Net cash from operating activities	<u>24.4</u>	<u>-0.4</u>	<u>24.0</u>
Capital expenditures	-6.7	-	-6.7
Proceeds from sale of plant and equipment	0.2	-	0.2
Investments of intangible fixed assets	-	-	-
Acquisitions of subsidiaries, net of cash acquired	-32.4	-	-32.4
Proceeds from sale of investments	2.8	-	2.8
Dividend received	1.2	-	1.2
Mutations in long-term receivables	<u>0.6</u>	<u>-</u>	<u>0.6</u>
Cash flow from investment activities	<u>-34.3</u>	<u>-</u>	<u>-34.3</u>
Proceeds from the issue of repurchased own shares	0.1	-	0.1
Income from/repayment of long-term debts	17.4	-	17.4
Dividend paid to shareholders	<u>-4.4</u>	<u>-</u>	<u>-4.4</u>
Cash flow from financing activities	<u>13.1</u>	<u>-</u>	<u>13.1</u>
Net decrease in funds	3.2	-0.4	2.8
Funds as at 1 January	-5.6	-0.8	-6.4
Exchange rate and translation differences relating to funds	<u>-0.2</u>	<u>-</u>	<u>-0.2</u>
Funds as at 30 September	<u>-2.6</u>	<u>-1.2</u>	<u>-3.8</u>

RECONCILIATION NET PROFIT

million euros

**jan.-sept.
2004**

Net profit in accordance with DUTCH GAAP	20.2
No amortisation goodwill	0.6
Released in respect to pension provisions	0.2
Costs relating to share-based payments	-0.1
Other costs relating to lease contract	0.2
Depreciation	-0.1
Interest relating to lease contract	-0.1
Taxes	-0.3
	<hr/>
Net profit in accordance with IFRS	<u>20.6</u>

RECONCILIATION EQUITY

million euros

30-09-2004

Equity in accordance with DUTCH GAAP	179.6
Provision pensions	-34.7
No amortisation goodwill	0.6
Change in depreciation tangible fixed assets	-0.1
Share-based payments	0.3
Income tax receivables	-0.2
Provision deferred taxation	10.4
	<hr/>
Equity in accordance with IFRS	<u>155.9</u>