



Press release

corporate communications / investor relations

Royal Ten Cate sells Ten Cate Permess and Multistiq

Royal Ten Cate announces that there is good reason to expect that the companies of Ten Cate Permess (the Netherlands, Italy and the United Kingdom) and Multistiq (the Netherlands) will be sold to their management. This transaction will be completed before the end of November. The business units concerned currently have 112 employees. The sale, which will take place at book value, involves an amount of more than €10 million in net assets.

Multistiq is a specialist supplier of basic materials for labels; its major customers are to be found in the carpet and graphics industries. Ten Cate Permess operates in the field of interlinings, which are used to reinforce clothing. Major customers include fashion chains and manufacturers of designer clothes for women and men's fashions.

Ten Cate Permess was faced with a drop in sales and margins. This was a result of the weaker dollar, which caused a decline in the company's competitive position as a European-based manufacturer. Production at Ten Cate Permess was considerably scaled down in 2004 and at the beginning of 2005, which involved reorganization costs. As a result, a loss occurred that adversely affected the result of the Advanced Textiles & Composites sector also in the current financial year. Thanks to its concentration on trading activities, however, a healthy basis for the future has been created for Ten Cate Permess.

After the demerger of the companies a similar package of employment conditions is expected to apply. There will be no adverse effect on employment for the current permanent employees.

This transaction supports Royal Ten Cate's buy-and-build strategy, which is focused on strengthening our strategic base and the acquisition of companies within the five strategic growth cores: protective fabrics, aerospace composites, antiballistic materials, artificial grass and geosynthetics.

The two companies fit in less well with our sharper focus on the growing core activities already mentioned, as this is successfully being implemented. Although both Ten Cate Permess and Multistiq focus on specialist market niches, their scale and their prospects for growth are too small for Ten Cate. The companies are sufficiently well positioned to be able to operate on an independent basis.

The funds released will be directly reinvested by Ten Cate in the growing and higher yielding investment projects that have recently been initiated, such as the expansion of production capacity and an effective use of economies of scale for artificial grass, protective fabrics and composites.

Royal Ten Cate

Almelo, 4 November 2005

For further information:

F.R. Spaan

Head of Investor Relations/Corporate Affairs

+ 31 546 54 43 38

+ 316 12 961 724

f.spaan@tencate.com

www.tencate.com