
TenCate records profit growth of 38% for the first nine months

- Sales to the third quarter 2008 inclusive: €781.2 million (+ 18%; + 7% autonomous)
- EBITA to the third quarter 2008 inclusive: €71.1 million (+ 40%; + 3% autonomous)
- EBITA margin: 9.1% (2007: 7.7%)
- Net profit before amortization and excluding result from divested activities to the third quarter inclusive (cash earnings): €45.3 million (+ 38.3%)
- Net profit to the third quarter 2008 inclusive: €37.3 million (2007: €30.6 million)
- Sales third quarter €269.6 million (+ 16%; + 5% autonomous)
- Autonomous sales growth (Q3) Advanced Textiles & Composites sector + 3%
- Autonomous sales growth (Q3) Geosynthetics & Grass + 7%
- Net profit before amortization and excluding result from divested activities in the third quarter (cash earnings): € 15.0 miljoen (+ 22%)
- Profit forecast for 2008 as a whole maintained (cash earnings: + 30%)

General performance in the third quarter of 2008

Sales increased in the third quarter of 2008 by 16% to €269.6 million. The currency effect on sales amounted to -5%.

The operating result before amortization (EBITA) rose to €25.8 million (+ 32%; autonomous: 0%) in the third quarter. The currency effect on EBITA amounted to -8% in the third quarter.

Net profit before amortization (cash earnings) increased by 22% to €15.0 million in the third quarter.

The Advanced Textiles & Composites sector once again turned in excellent results in the third quarter. The growth was mainly due to the strong demand from military markets and the aviation industry.

Sales in aerospace/space composites grew, primarily as a result of increased deliveries (TenCate Cetex®) for the Airbus A380.

In the United States useful qualification processes in the space and aerospace sector have recently started up. Partly as a result of recent acquisitions, TenCate has strong technology positions, which will enable significant growth to be achieved in these markets in the near future.

The Geosynthetics & Grass sector recorded continuing growth in profit under difficult external circumstances in the third quarter. In the US the geosynthetics market is experiencing difficulties as a result of the current economic situation. TenCate took cost measures in good time at the geosynthetics activities in the United States and is gaining market share.

In the synthetic turf market closer cooperation is taking place with market parties of a high calibre in order to strengthen the position in end markets and to tackle the market more from a systems approach. These developments will lead to a greater degree of chain integration, where the quality and the performance of the end product (the sports pitch) will be paramount.

TenCate is regarded worldwide as a solid partner in the chain with a wide product portfolio. The current economic situation provides strategic opportunities for partnerships, in view of the fact that, as a result of the tightening of the financing market, some slowdown in growth is currently visible in this sector.

First nine months of 2008

Sales in the first nine months amounted to €781.2 million (first nine months of 2007: €659.6 million). This growth in sales can to a considerable extent be accounted for by acquisitions. Autonomous sales increased by 7%.

The currency effect on sales amounted to -7% for the first nine months.

The operating result before amortization (EBITA) amounted to €71.1 million, a rise of 40% compared with the first nine months of 2007. In autonomous terms the rise was 3%. The currency effect on EBITA amounted to -10% for the first nine months.

The net profit before amortization and result from divested activities and exceptional items amounted to €45.3 million for the first nine months of 2008 (2007: €32.9 million).

The net profit for the first nine months of 2008 amounted to €37.3 million (2007: €30.6 million).

The net earnings per share on a cash earnings basis amounted to €1.93 (2007: €1.44) for the first nine months.

Outlook for 2008

TenCate operates for a significant extent of its sales in markets that have relatively limited sensitivity to economic cycles. The current economic situation is, however, exceptional. It should be realized that in the future some local and national government budgets will decrease and that industrial markets in particular may be sluggish in the months ahead. The time when and extent to which this may occur are still unclear. However, the effect on sales for 2008 seems to be limited, in view of the current order position.

TenCate's growth is mainly based on markets for the protection of people and the environment, subjects that remain at the top of the global agenda.

The high degree of functionality and the added value of TenCate materials, which are often mandatory in specifications, continue to be the company's strengths.

TenCate stands by the profit forecast made earlier.

Performance by sector

Advanced Textiles & Composites

(x €million)	Q3 2008	Q3 2007	Jan-Sept 2008	Jan-Sept 2007
Net sales	110.6	82.0	358.8	250.0
EBITA	14.9	8.2	45.7	25.6
EBITA margin	13.6%	10.1%	12.7%	10.2%

Sales in the Advanced Textiles & Composites sector increased in the third quarter to €110.6 million (in autonomous terms +3%). The currency effect on sales for the third quarter amounted to -6%.

EBITA showed growth of €14.9 million in the third quarter.

The good performance in the field of protective fabrics for the American market continued, especially in relation to fire-resistant fabrics for the military (TenCate Defender™ M). The US Army has opted for this material as the standard for the equipment of troops who are on active deployment. TenCate holds a strong order position.

A new development in TenCate Defender™ M has also occurred. There is great interest in this product, which will be launched in the fourth quarter. This fire-resistant material has multifunctional characteristics (such as an insulating effect). This further extends the possible ways of using this product and it can be deployed in numerous applications under a variety of conditions.

The European industrial market for safety fabrics is currently somewhat cautious. For the near future here too the military market will be an interested party.

Activities in the field of vehicle armour in the US, such as the MRAP programme, have developed extremely favourably, partly on the basis of the delivery of orders received in the second quarter.

The Asian market is an emerging market for safety fabrics. TenCate recently entered into a joint venture here with a Thai producer in the shape of TenCate Union-Protective Fabrics Asia Ltd. (50.65% holding). This joint venture became operational in the third quarter and is still in the start-up phase.

Xennia plc (75% holding) showed positive growth. The introduction of the new print technology, which in the first instance was used in the printing of ceramics, is progressing successfully. TenCate will deploy this technology in the future for the coating/finishing of technical textiles (functional materials).

In Europe sales of vehicle armour were at a higher level in the third quarter compared with the same period in the previous year. In the United States, following the acquisition of Composix, there has been considerable sales growth in vehicle armour (including the MRAP programme).

Sales in Europe in the field of aerospace composites grew strongly, particularly as a result of the start-up of the production of the Airbus A380.

The acquisition of Phoenixx strengthens the technology position of TenCate in the aerospace market. There is great interest in this technology. In the future there are real opportunities in both the aviation sector and aerospace. This has involved investments and costs for developments and qualification.

Within the entire Advanced Textiles & Composites sector there is a high degree of innovation and product development, which forms an important basis for further growth in the future.

Geosynthetics & Grass

(x € million)	Q3 2008	Q3 2007	Jan-Sept 2008	Jan-Sept 2007
Net sales	145.7	135.9	382.2	357.2
EBITA	12.1	11.9	29.0	25.9
EBITA margin	8.3%	8.8%	7.6%	7.3%

The sales of the Geosynthetics & Grass sector increased in the third quarter of 2008 to €145.7 million (in autonomous terms +7%). The currency effect on sales amounted to -5% in the third quarter.

EBITA was €12.1 million in the third quarter. The EBITA margin in this quarter declined slightly.

Although the American market for geosynthetics continued to develop adversely, TenCate was able to strengthen its market position. There was growth in the volume of TenCate Geotube® systems. The European markets displayed a varied picture, depending on the country. On balance, however, there was some growth as a result of the rapid development of the East European market. The Asian markets continued to perform well.

The slight decline in the EBITA margin of the Geosynthetics & Grass sector in the third quarter can be attributed principally to the price increase in raw materials markets (PE, PP). In the fourth quarter these prices, by contrast, have declined sharply. In addition, there is some restraint within the synthetic turf market due to the financing opportunities in the sector, which are becoming tighter. The situation on the financial markets occurred at an extremely unfavourable moment for the synthetic turf market, in view of the fact that the season peaks in the period from August to October inclusive. Nevertheless, moderate growth is expected.

In view of the current uncertainties in the market, cost measures have also been taken at the Grass group in order to be able to achieve over time the objective in respect of further growth of the result and EBITA margin in this sector (EBITA margin of at least 10%).

Technical Components / Holding & Services

(x € million)	Q3 2008	Q3 2007	Jan-Sept 2008	Jan-Sept 2007
Net sales	13.3	15.4	40.2	52.4
EBITA	-1.2	-0.7	-3.6	-0.7

The markets for printers and copiers in which TenCate Enbi operates are currently depressed. Throughout the world the major producers are announcing measures. In addition, new projects, for which delays had previously been announced, have not yet resulted in the expected volumes. Despite the less favourable market outlook, TenCate Enbi as a supplier on three continents is well positioned.

Financial

Investments from May to September inclusive amounted to €39.2 million (2007: €47.5 million. Investments for 2008 as a whole will be at a level of approximately €45 million.

The interest-bearing debt rose from €235 million in 2007 to €337 million at the end of the third quarter.

The tax rate up to and including the third quarter rose to approximately 31% (2007: 23%). This rise was mainly due to an increase in the relative share in the profit of activities in the United States, where a relatively high rate applies.

Almelo, 30 October 2008
Royal Ten Cate

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KEY FIGURES million euro's	January-September			half year	Q3	half year	Q3
	2008	2007		2008	2008	2007	2007
<u>Consolidated profit & loss account</u>							
Revenues	781.2	659.6	18.4%	511.6	269.6	426.3	233.3
Operating result before depreciation and amortisation (EBITDA)	93.0	70.4	32.1%	59.4	33.6	43.9	26.5
Operating result before amortisation (EBITA)	71.1	50.8	40.0%	45.3	25.8	31.3	19.5
Operating result before amortisation as % of revenues	9.1%	7.7%		8.9%	9.6%	7.3%	8.4%
Operating result (EBIT)	63.2	48.3	30.8%	40.4	22.8	29.9	18.4
Net profit	37.3	30.6	21.9%	25.4	11.9	19.4	11.2
Net profit excluding amortisation, divested activities and extraordinary results (cash earnings)	45.3	32.9	37.7%	30.3	15.0	20.6	12.3
<u>Consolidated balance sheet</u>							
Net capital employed	728.9	582.2	25.2%	711.5	728.9	594.4	582.2
Net interest-bearing debt	337.1	235.3	43.3%	349.1	337.1	245.8	235.3
<u>Consolidated cash flow balance</u>							
Cash flow from operating activities	23.7	19.8	19.7%	-11.3	35.0	-8.8	28.6
Investment / divestments of fixed assets	-35.1	-46.3	-24.2%	-25.0	-10.1	-28.1	-18.2
Free cash flow	-11.4	-26.5	57.0%	-36.3	24.9	-36.9	10.4
Net acquisition / disposal of operating companies and associated companies	-87.3	-175.7	-50.3%	-86.7	-0.6	-170.3	-5.4
<u>(x 1,000)</u>							
Number of outstanding shares at period end	23,967	23,556	1.7%	23,967	23,967	23,556	23,556
Average number of outstanding shares (before dilution)	23,425	22,725	3.1%	23,422	23,432	22,544	23,080
Average number of outstanding shares (after dilution)	23,502	22,935	2.5%	23,494	23,515	22,743	23,322
<u>Per-share data</u>							
Net profit	1.60	1.35	18.8%	1.08	0.52	0.86	0.49
Net profit excluding amortisation, divested activities and extraordinary results (cash earnings)	1.93	1.44	34.5%	1.29	0.64	0.91	0.53
Diluted net profit	1.59	1.33	19.0%	1.08	0.51	0.85	0.48
Diluted net profit excluding amortisation, divested activities and extraordinary results (cash earnings)	1.94	1.43	35.1%	1.29	0.65	0.91	0.52
<u>Employees</u>							
Number of employees (FTE) at period-end	4,398	3,991	10.2%	4,345	4,398	3,913	3,991
of which in the Netherlands	946	980	-3.5%	968	946	981	980

KEY FIGURES PER SECTOR million euro's	January-September			half year	Q3	half year	Q3
	2008	2007		2008	2008	2007	2007
Advanced Textiles & Composites							
Revenues	358.8	250.0	43.5%	248.2	110.6	168.0	82.0
EBITA	45.7	25.6	78.5%	30.8	14.9	17.3	8.3
EBITA margin	12.7%	10.2%	24.5%	12.4%	13.6%	10.3%	10.1%
Capital expenditures	7.8	12.3	-36.6%	5.4	2.4	8.9	3.4
Depreciation	6.4	5.3	20.8%	4.2	2.2	3.5	1.8
Amortisation	5.8	1.0	480%	3.6	2.2	0.6	0.4
Net capital employed at period-end	280.1	186.4	50.3%	269.6	280.1	175.5	186.4
Number of employees (FTE) at period-end	1,640	1,224	34.0%	1,467	1,640	1,229	1,224
Geosynthetics & Grass							
Revenues	382.2	357.2	7.0%	236.5	145.7	221.3	135.9
EBITA	29.0	25.9	12.0%	16.9	12.1	14.0	11.9
EBITA margin	7.6%	7.3%	4.1%	7.1%	8.2%	6.3%	8.8%
Capital expenditures	24.4	34.5	-29.3%	21.8	2.6	19.7	14.8
Depreciation	14.2	12.8	10.9%	9.0	5.2	8.1	4.7
Amortisation	2.1	1.5	40.0%	1.3	0.8	0.7	0.8
Net capital employed at period-end	415.8	368.9	12.7%	407.1	415.8	380.3	368.9
Number of employees (FTE) at period-end	2,027	2,017	0.5%	2,143	2,027	1,952	2,017
Technical Components / Holding & Services							
Revenues	40.2	52.4	-23.3%	26.9	13.3	37.0	15.4
EBITA	-3.6	-0.7	414%	-2.4	-1.2	0.0	-0.7
Capital expenditures	7.0	0.7	900%	2.2	4.8	0.3	0.4
Depreciation	1.3	1.5	-13.3%	0.9	0.4	1.0	0.5
Amortisation	-	-	-	-	-	-	-
Net capital employed	33.0	33.9	-2.7%	34.8	33.0	38.6	33.9
Number of employees (FTE) at period-end	731	750	-2.5%	735	731	732	750

CONSOLIDATED PROFIT AND LOSS ACCOUNT

million euro's	third quarter		up to third quarter	
	2008	2007	2008	2007
Revenues	269.6	233.3	781.2	659.6
Changes in inventories of finished products and work in progress	2.4	-3.2	9.0	5.7
Raw materials and manufacturing supplies	-151.0	-121.2	-433.3	-348.1
Work contracted out and other external expenses	-14.4	-14.6	-41.8	-36.5
Personnel costs	-45.1	-41.7	-141.0	-131.9
Depreciation	-7.8	-7.0	-21.9	-19.6
Amortisation	-3.0	-1.1	-7.9	-2.5
Other operating costs	-27.9	-26.1	-81.1	-78.4
Total operating expenses	-246.8	-214.9	-718.0	-611.3
Operating result (EBIT)	22.8	18.4	63.2	48.3
Net financial expenses	-5.1	-3.5	-9.2	-8.5
Result before tax	17.7	14.9	54.0	39.8
Profit tax	-5.8	-3.7	-16.7	-9.3
Result from divested activities after tax		-	-	0.1
Result after tax	11.9	11.2	37.3	30.6
Attributable to:				
Shareholders of the company (net profit)	12.0	11.2	37.4	30.6
Minority interests	-0.1	-	-0.1	-
<u>Per-share data</u>				
Net profit	0.52	0.49	1.60	1.35
Diluted net profit	0.51	0.48	1.59	1.33

CONSOLIDATED BALANCE SHEET

million euro's

	September 2008	end of 2007	September 2007
Fixed assets			
Tangible fixed assets	244.1	218.1	216.4
Intangible fixed assets	211.1	136.8	140.4
Associated companies	6.2	1.3	1.3
Other Long term receivables	5.2	4.9	4.9
Deferred profit tax receivables	<u>12.0</u>	<u>13.6</u>	<u>12.0</u>
Total fixed assets	478.6	374.7	375.0
Current assets			
Inventories	197.8	176.2	167.6
Receivables			
- Trade debtors	193.3	145.8	153.3
- Income tax receivables	0.3	3.8	3.4
- Other receivables	16.6	16.6	16.7
- Cash and cash equivalents	<u>12.3</u>	<u>4.8</u>	<u>7.0</u>
Total current assets	<u>420.3</u>	<u>347.2</u>	<u>348.0</u>
Total assets	<u>898.9</u>	<u>721.9</u>	<u>723.0</u>
Equity			
Share capital	59.9	58.9	58.9
Share premium reserve	49.6	50.7	50.7
Statutory reserve	-17.0	-19.5	-14.5
Other reserves	211.7	173.6	176.4
Undistributed result	<u>37.4</u>	<u>46.4</u>	<u>30.6</u>
Equity attributable to shareholders	341.6	310.1	302.1
Minority interests	<u>5.2</u>	<u>0.3</u>	<u>0.2</u>
Group equity	346.8	310.4	302.3
Long-term liabilities			
Long-term debts	327.1	222.3	218.0
Pension liabilities	26.3	28.5	29.4
Provisions	11.5	11.4	10.5
Deferred profit tax liabilities	<u>4.4</u>	<u>0.9</u>	<u>0.9</u>
Total long-term liabilities	369.3	263.1	258.8
Short-term liabilities			
Banks, current accounts	21.9	12.5	23.7
Repayment of long-term debts	0.4	0.4	0.6
Trade creditors and other payables	154.0	128.9	129.9
Provisions	2.6	3.4	3.9
Income tax payable	<u>3.9</u>	<u>3.2</u>	<u>3.8</u>
Total short-term liabilities	<u>182.8</u>	<u>148.4</u>	<u>161.9</u>
Total liabilities	<u>552.1</u>	<u>411.5</u>	<u>420.7</u>
Total group equity and liabilities	<u>898.9</u>	<u>721.9</u>	<u>723.0</u>

CONSOLIDATED OVERVIEW OF CHANGES IN GROUP EQUITY

million euro's

	<u>2008</u>	<u>2007</u>
As at January, 1st	310.1	238,7
Exchange rate differences	1.2	-13,8
Result up to 3rd quarter	<u>37.4</u>	<u>30,6</u>
Total result up to 3rd quarter	38,6	16.8
Cash dividend	-8.5	-4,7
Issued share capital	-	5,2
Premium on issued share capital	-	45,4
Share based payments transactions settled in equity instruments	1.0	0,9
Purchased shares for share savings scheme / oprion scheme	-	-0,7
Deliverance of own shares re options	<u>0.4</u>	<u>0,5</u>
Total other changes	-7.1	46,6
As at end of 3rd quarter	<u><u>341,6</u></u>	<u><u>302.1</u></u>

CONSOLIDATED STATEMENT OF CASH FLOWS

million euro's

	3rd quarter		up to 3rd quarter	
	2008	2007	2008	2007
Operating profit	22.8	18.4	63.2	48.3
Depreciation and amortisation	10,8	8.1	29.8	22.1
Result from sale of tangible fixed assets	-0,1	0.1	-2.8	-0.1
Share-based payment transactions settled in equity instruments	0,3	0.2	1.0	0.8
Change in provisions	-2.9	-2.1	-3.0	-5.1
Cash flow from operating activities before change in working capital	30.9	24.7	88.2	66.0
Change in inventories	-4.1	-3.8	-3.3	-9.0
Change in receivables	22.0	2.1	-32.5	-36.7
Change in short-term liabilities	-1.5	12.9	-5.9	16.5
Changes in working capital	16.4	11.2	-41.7	-29.2
	47.3	35.9	46.5	36.8
Interest paid	-3.1	-3.7	-10.0	-8.2
Profit tax paid	-9.2	-3.6	-12.8	-8.8
Cash flow from operating activities	35.0	28.6	23.7	19.8
Income from sale of tangible fixed assets	-	0.1	4.1	0.9
Receipt of long-term receivables	0.6	-0.1	0.8	0.1
Divested activities less cash	-	-	-	7.2
Acquisitions of operating companies less cash acquired	-0.6	-5.4	-87.3	-182.9
Investments in intangible fixed assets	-0.3	-0.3	-0.8	-1.3
Capital expenditures	-9.5	-18.0	-38.4	-45.9
Increase in long-term receivables	-0.8	0.1	-1.0	-0.2
Cash flow from investment activities	10.6	-23.6	122.6	-222.1
Proceeds from the issue of repurchased own shares	0,1	-	0.4	0.5
Purchased shares for share savings scheme / oprion scheme	-	-0.7	-	-0.7
Issue share capital	-	-	-	50.6
Change of long-term debt	-22,4	-4.3	105.2	162.3
Dividend payment to shareholders	-	-	-8.6	-4.7
Cash flow from financing activities	22,3	-5.0	97.0	208.0
Change in cash	2.1	-0.0	-1.9	5,7
Cash at beginning of the period	11.7	-16.7	-7.7	-22.4
Cash as at end of 3rd quarter	-9.6	-16.7	-9.6	-16.7

Explanatory Notes on the Abridged Consolidated Interim Report

General Information

The abridged consolidated interim report of Royal Ten Cate (the Company) for the first to the third quarter of 2008 inclusive relates to the Company and its operating companies (referred to collectively as the "Group") and the Group's interests in associated companies (non-consolidated) and two joint ventures.

Statement of Compliance

This abridged consolidated interim report has been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 *Interim Financial Reporting*. It does not contain all the information that is required for full financial statements and should be read in combination with the Group's 2007 consolidated financial statements.

This abridged consolidated interim report was prepared by the Executive Board and released for publication by the Supervisory Board on 29 October 2008.

Accounting policies and determination of earnings

The accounting policies and determination of earnings and methods of calculation have been applied as referred to on pages 77 to 88 inclusive of the 2007 financial statements.

Estimates

The preparation of interim reports requires judgment by the management, who make estimates and assumptions that affect that application of policies for financial reporting and the reported value of assets and liabilities and the amounts of income and expenditure. The actual results may differ from these estimates.

Unless otherwise stated, in preparing this abridged consolidated interim report, the significant judgments made by the management in applying the Group's policies for financial reporting and the key sources of estimation are the same as those applied to the preparation of the consolidated 2007 financial statements.

Acquisition of operating companies

On 30 January 2008 the Group acquired the shares of Composix Co, Newark, Ohio in the United States for a cash payment of USD 68 million.

On 12 March 2008 the Group acquired the shares of YLA, Inc. and CCS Composites Inc., both from Benica, California in the United States for a cash payment of USD 32 million

On 14 March 2008 the Group acquired 75% of the shares of Xennia Technology Ltd., Cambridge in the United Kingdom for a cash payment of GBP 8 million.

On 14 May 2008 the Group acquired 50% of the shares in Edel Grass for a cash payment of EUR 5.5 million.

On 16 August 2008 the Group acquired 50.65% of the shares in TenCate-Union Protective Fabrics Asia Ltd. for a cash payment as well as assets still to be transferred for a total of THB 195 million.

For Composix, Xennia and Edel Grass in the future, in addition to the above amounts, another additional payment may be due.

The acquisitions are accounted for in the books in accordance with the "Purchase Accounting Method (IFRS 3).

The amounts of the acquisitions have been allocated to the identified assets and liabilities acquired, which are based on the market value.

The adoption of the purchase price allocation for Edel Grass and TenCate-Union Protective Fabrics Asia Ltd is not yet complete. This will be completed this year.

The effect of the acquisition on sales and result, should these be included from 1 January 2008, cannot be determined on the basis of Royal Ten Cate policies.

Effect of the acquisitions

The effect of the above-mentioned acquisitions on the assets and liabilities was as follows:

	Stated values	Fair value adjust ments	Book values
Tangible fixed assets	8,0	-	8,0
Intangible fixed assets	35,0	34,1	0,9
Association companies	0,9	-	0,9
Deferred tax credits	0,7	0,1	0,6
Inventories	19,7	1,1	18,6
Trade and other receivables	14,5	-	14,5
Cash and cash equivalents	1,5	-	1,5
Minority interest	-1,3	-1,0	-0,3
Deferred tax liabilities	-5,6	-5,6	-
Other provisions	-0,6	-0,5	-0,1
Banks, current account	-1,8	-	-1,8
Trade creditors and other payables	-23,1	-0,1	-23,0
Balance of identifiable assets and liabilities	47,9	28,1	19,8
Goodwill upon acquisition	45,3		
Purchase price	93,2		
To be paid / settled	-6,2		
Cash acquired minus short-term bank debts	0,3		
Cash outflow	87,3		

Outstanding shares

In May 2008, 410,743 shares were issued in connection with a stock dividend.

At the end of the quarter the number of outstanding shares amounts to 23,966,901 (June 2007: 23,556,158).

Repurchased shares

In the first to the third quarters of 2008 inclusive 23,000 repurchased shares were issued through the exercise of options and another 3,827 shares in connection with the united-linked savings plan. At the end of the quarter the balance of repurchased shares was 529,047 (September 2007: 488,872).

Dividend

At the Annual General Meeting of Shareholders on 2 April 2008 the dividend was set at €0.80 per ordinary share of €2.50. The dividend was made payable on 2 May 2008 in cash or as a stock dividend at a ratio of 1 new share for 30 dividend rights.

On 2 May 2008 €8.5 million was paid in cash and 410,743 shares were issued in connection with a stock dividend.

Long-term liabilities

On 27 February 2008 Ten Cate increased its syndicated loan from €250 million to €400 million with a consortium of 12 banks. The interest margin payable is dependent on the debt/ebitda ratio and was increased on average by 12.5 basis points.

Tax position

The rise in the tax rate from 23% to 31% was due to a non-recurring tax credit in 2007 and to the altered geographic composition of the group's activities.

Almelo, 29 October 2008
Executive Board