Press release

Net profit of €15.2 million in first half of 2009 (2008: €25.4 million)

Highlights of first half of 2009

- **Sales €433.6 million (-15%; organic -23%; currency effect +5%)**
- **EBITA €20.9 million (-54%; organic -61%; currency effect +6%)**
- **EBITA margin 4.8% (first half of 2008: 8.9%)**
- **Net profit €15.2 million (2008: €25.4 million)**
- **Net earnings per share €0.61 (H1 2008: €1.08)**
- **Net profit positively impacted by €5.2 million (net) from book profit on sale of Geofabrics Australasia pty ltd and write-down of a minority interest**
- **Debt/EBITDA ratio comfortably within bank covenant (3); ratio at end-June: 2.5**
- **Free cash flow rose by €71.3 million in first six months to €35.0 million**

Loek de Vries, Executive Board Chairman and CEO: 'TenCate is well positioned in long-term niche markets in which the trends that are important for our growth remain fully in place. The foundations of these core markets are still intact. We are continuing to pursue our "buy & build" strategy and will continue to exploit growth opportunities, just as we have done successfully in the past. We have a strong balance sheet position and have achieved substantial growth in our cash flow. The situation currently prevailing among banks, resulting in tightness in the supply of finance, has led to reticence among customers, even though projects are still being implemented. Inventory reduction has taken place on a large scale. Even governments and local authorities – an important group of customers for TenCate – are postponing decisions, with delays in the provision of budget resources.

In view of this situation, from mid-April of this year we gave priority to the maintenance of a healthy financial position. This avoided considerable additional financing costs and/or profit dilution and the attendant undesirable long-term effects.

In view of the foundations underpinning our markets and the measures which have and are being taken in the cost area, TenCate has the potential to stage a strong recovery when the markets recover.'

Stationsstraat 11
7607 GX Almelo
The Netherlands

P.O. Box 58
7600 GD Almelo
The Netherlands

T +31 (0)546 544 911
F +31 (0)546 814 145
www.tencate.com

Performance in the second quarter of 2009

Sales in the second quarter totalled €230.4 million (organic: -29%).

The same period of 2008 had included a substantial order for vehicle armour for the US Army, whereas no such order was recorded in the current period. The market for vehicle armour remains a growth market, but the volumes are liable to fluctuate.

The European market for workwear for industrial end-users was under heavy pressure.

The trends in the American market for geosynthetics were unfavourable as a result of the postponement of infrastructure projects due to the insufficient release of public-sector funding.

The synthetic turf market is a seasonal market in which inventories are accumulated on the basis of the projects scheduled to be implemented over the summer months. The usual inventory accumulation did not take place.

One of the consequences of the tight financial policy was a loss due to underutilisation of capacity, which put additional pressure on earnings. Second-quarter EBITA (earnings before interest, tax and amortisation) decreased by 58% to €13.4 million (organic -63%; currency effect +5%). The EBITA margin amounted to 5.8% (Q2 2008: 10.5%).

The net profit in the second quarter of 2009 amounted to €13.4 million (Q2 2008: €18.1 million).

Financial

The strong growth in cash flow and control of working capital led to an improvement in the net debt/EBITDA ratio. At the end of the second quarter, it stood at 2.5 (bank covenant: 3).

Investments had already been scaled back at an early stage (beginning of 2008). The investment policy remained very restrained in 2009. Total investments in the first six months amounted to €8.1 million (H1 2008: €29.4 million).

Net financing expenses rose, mainly due to the write-down of a €4.9 million non-strategic interest held by the Geosynthetics group. The balance of the interest income/expenses in this item in the first half of 2009 was approximately €0.7 million lower than in the comparable period in the previous year. The interest rate on the external debt was lower. In contrast to the previous year, no currency options were purchased to hedge the translation risk, so no option premiums were paid.

The net interest-bearing debt at the end of June 2009 decreased to €287 million (2008: €349 million).

The tax charge in respect of the first six months amounted to 27% (2008: 30%).

Employees

The workforce comprised approximately 4,200 employees at the end of June 2009. The number of employees worldwide has been reduced by -14% in the last 12 months, including agency personnel. In view of the particular circumstances, consideration is being given to integrating production in the Netherlands with a view to achieving substantial cost reductions and an outlook driven by innovation.

Outlook for the current financial year

The market outlook remains unchanged for the rest of the year. The upturn in demand seen at the end of March was due to the (temporary) rebuilding of production inventories and hence proved not to be structural. Control of working capital is a continuous process in production chains at present, as a result of which there is a continued lagging trend in sales.

TenCate expects for the remainder of the year that the revenues will at least be on the same level as in the fist half of the year.

The cost-reduction measures will have a positive effect over time. The strong financial position and the strongly increased cash flow provide a good basis for further growth. TenCate has promising, innovative projects which will give a positive impetus to future developments.

No forecast is being issued with regard to profit in the current financial year.

Notes on performance by sector

Advanced Textiles & Composites

(x €m)	**H1 2009**	H1 2008*)
Net sales	**215.3**	246.0
EBITA	**20.3**	31.2
EBITA margin	**9.4%**	12.7%

*) Figures adjusted for comparison purposes

The Advanced Textiles & Composites sector showed an overall organic decrease of 24% in sales in the first half of the year. The decrease occurred mainly in the TenCate Advanced Composites and TenCate Advanced Armour market groups. Most of the decrease related to inventory reductions in the aviation sector, delays in the introduction of new aircraft and the absence of major projects in the US armour market.

The currency effect on sales in the first half of the year amounted to +7%.

The organic decrease in EBITA in the first six months amounted to 48%. The currency effect amounted to +10%.

The Protective Fabrics market group showed an overall rise in sales in the first half of the year. Sales of flame-retardant fabrics for US Army uniforms grew considerably. On the other hand, there was a substantial decrease in sales in the European market for workwear for industrial end-users.

Independent tests showed that the TenCate Defender™ M product portfolio offers the highest degree of protection. This material is currently being used in various components of the standard personal equipment issued to the US Army. Protection of military personnel remains an important spearhead of innovation and growth.

The expected growth in aerospace composites in 2009 has so far failed to materialise, due to the delays in the production of the Airbus A380 and the Boeing 787. Moreover, aircraft build rates have been adjusted downwards, and this is being accompanied by a reduction in inventories across the entire value chain. TenCate has invested considerable sums in the past in order to accommodate the expected growth. Costs will now be cut where possible, while retaining growth potential.

The recent development co-operation between the Dutch aviation cluster and both Airbus (TAPAS consortium) and Boeing (TPRC) indicates the importance of joint efforts to generate strong growth in the share of composites in aviation.

TenCate maintains close relationships with various OEMs (original equipment manufacturers) producing army vehicles in the United States. TenCate is involved in providing protection solutions for high-profile vehicle programmes, such as the Humvee, the Stryker, the Mine Resistant Ambush Protected Vehicle (MRAP), the Medium Tactical Vehicle (FMTV) series and the Joint Light Tactical Vehicle (JLTV). TenCate is currently in consultations with Oshkosh Defense, which recently won the contract to supply 3,944 vehicles of the MRAP All Terrain Vehicle (M-ATV) type, and with direct suppliers in order to ascertain where our technology and capacities can offer added value. As these discussions are still ongoing, it is too early to issue any statements on them.

Growth was achieved in the US in the field of composites for the military aviation and the space industry. An important producer of small private aircraft also showed a substantial recovery in build rates at the end of the second quarter.

Geosynthetics & Grass

(x €m)	**H1 2009**	H1 2008
Net sales	**192.8**	236.5
EBITA	**4.5**	16.9
EBITA margin	**2.3%**	7.1%

The decrease in sales in the Geosynthetics & Grass sector was attributable mainly to the Geosynthetics group, particularly as a result of the market situation in the US.
The organic decrease in sales in the sector as a whole in the first half of the year amounted to 23%. The currency effect on sales was +4%.

EBITA declined much more than sales in relative terms (organic decrease in EBITA of 72%), due to considerable underutilisation of capacity. Active control of working capital and the deferral of production in response to the decrease in sales also contributed to this decline.

The Geosynthetics group in the US, where the economic downturn was already a factor from 2007, was gradually able to bring its cost level into line with the market situation. As a result, the negative effect on the result was relatively more limited than in the Grass group. The lag in sales in the synthetic turf market was due mainly to the shortage of liquidity among customers (marketing/installation companies) and the reduction in credit limits by credit insurance companies. The synthetic turf market has not yet reached maturity, due to the recent strong growth of the football market. As a result, TenCate is exercising restraint with regard to credit risks for parties with lower solvency and is strengthening ties with a number of leading parties in the market (participating interest in TigerTurf in the first half of this year), which is having a positive effect on the quality and stability of the market.

Technologies / Technical Components / Holding & Services

(x €m)	**H1 2009**	H1 2008 *)
Net sales	**25.5**	29.1
EBITA	**-3.9**	- 2.8

*) Figures adjusted for comparison purposes

From 2009, the figures for the new Technologies sector are being included in this third sector (the 2008 figures have been adjusted for comparison purposes). The Technologies sector, which was introduced in 2008, includes the activities of Xennia Technology Ltd (78.95% interest) and various innovative technological development projects.

The organic decrease in sales in this sector amounted to 15%. Although the sales of TenCate Enbi decreased, the company continues to generate attractive replacement sales in markets other than that of printers and copiers. In view of the impaired market situation, the break-even level has been further reduced. The associated costs have a one-off impact on the result for the current financial year.

Xennia Technology made good progress and expanded its geographic market for industrial applications of inkjet technology. For the further development and market introduction of innovative digital printing and textile finishing processes, partnerships were entered into and, in addition to the existing European subsidy scheme, subsidies were received from both the Province of Overijssel and the Regional Innovation Platform. The aim is to have an initial version of an industrial production process for finishing ready towards the end of this year for test series of products for TenCate Advanced Textiles.

Statement of the Executive Board
'The Executive Board hereby declares that, to the best of their knowledge, the semi-annual financial statements, which have been prepared in accordance with IAS 34, "Interim Financial Reporting", give a true and fair view of the assets, liabilities, financial position and profit of Royal TenCate and the undertakings included in the consolidation as a whole, and the semi-annual management report includes a fair review of the information required pursuant to section 5:25d, subsections 8 and 9 of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht).'

Almelo, Wednesday 26 August 2009
Royal Ten Cate

For further information:

F.R. Spaan, Director of Investor Relations & Corporate Development
Telephone : 0546 544 338
Mobile : 0612 96 17 24
E-mail : f.spaan@tencate.com
Internet : www.tencate.com

Royal Ten Cate's **press conference** on the 2009 half-year figures will take place on **Wednesday 26 August at 10.30 at the Hilton Hotel**, Apollolaan 138 in **Amsterdam**. Prospective attendees can register by e-mail at media@tencate.com.

Royal Ten Cate
Royal Ten Cate (TenCate) is a multinational company which combines textile technology, chemical processes and material technology in the development and production of functional materials with distinctive characteristics. TenCate's systems and material can be divided into four areas of application: safety & protection, aerospace, environment & infrastructure and sport & leisure. TenCate occupies leading positions in safety fabrics, composites for aerospace, antiballistics, geosynthetics and synthetic turf. TenCate is listed on NYSE Euronext.

FINANCIAL HIGHLIGHTS
for the first six months

in millions of euros	**2009**	**2008**	
Consolidated profit & loss account			
Revenues	433.6	511.6	- 15%
Operating result before depreciation and amortisation (EBITDA)	38.7	59.4	- 35%
Operating result before amortisation (EBITA)	20.9	45.3	- 54%
Operating result before amortisation as % of revenues	4.8%	8.9%	- 46%
Operating result (EBIT)	16.3	40.4	- 60%
Net profit	15.2	25.4	- 40%
Consolidated balance sheet			
Average net capital employed *	784.1	642.1	22%
Net interest-bearing debt	287.2	349.1	- 18%
Consolidated cash flow statement			
Cash flow from operating activities	42.3	- 11.3	
Investment / divestments of tangible and intangible fixed assets	- 7.3	- 25.0	
Free cash flow	35.0	- 36.3	
Net acquisition / disposal of operating companies and associated companies	9.1	- 86.7	
(x 1,000)			
Number of outstanding shares at period end	25,068	23,967	5%
Average number of outstanding shares (before dilution)	25,070	23,422	7%
Average number of outstanding shares (after dilution)	25,086	23,494	7%
Employees **			
Number of staff at year-end	4,193	4,858	- 14%
- of which in the Netherlands	945	1,114	- 15%

Key figures per sector	**Q1**	**Q2**	**Q1**	**Q2**
Revenues	203.2	230.4	209.4	302.2
Operating result before amortisation (EBITA)	7.5	13.4	13.4	31.9
Net result	1.8	13.4	7.3	18.1

* for comparison reasons the 2008 figure has been adjusted towards average net capital employed past 12 months.

** including contracted personnel; 2008 figures have been adjusted accordingly

KEY FIGURES PER SEGMENT
for the first six months

in millions of euros	2009	2008	
Advanced Textiles & Composites *			
Revenues	215.3	246.0	- 12%
EBITA	20.3	31.2	- 35%
EBITA margin	9.4%	12.7%	- 26%
Capital expenditures	2.2	5.1	- 57%
Depreciation	4.9	4.1	20%
Amortisation	2.6	3.2	- 19%
Average net capital employed **	287.9	223.7	29%
Number of staff-years at period-end ***	1,487	1,728	- 14%
Geosynthetics & Grass			
Revenues	192.8	236.5	- 18%
EBITA	4.5	16.9	- 73%
EBITA margin	2.3%	7.1%	- 68%
Capital expenditures	5.3	21.8	- 76%
Depreciation	11.8	9.0	31%
Amortisation	1.5	1.3	15%
Average net capital employed **	445.8	377.1	18%
Number of staff-years at period-end ***	2,030	2,266	- 10%
Technologies / Technical Components / Holding & Services *			
Revenues	25.5	29.1	- 12%
EBITA	-3.9	-2.8	
Capital expenditures	0.6	2.5	- 76%
Depreciation	1.1	1.0	5%
Amortisation	0.5	0.4	
Average net capital employed **	50.4	41.3	
Number of staff-years ***	676	864	- 22%

* for comparison reasons the 2008 figure has been adjusted for portfolio changes between segments

** for comparison reasons the 2008 figure has been adjusted towards average net capital employed past 12 months

*** including contracted personnel; 2008 figures have been adjusted accordingly

TENCATE

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the first six months

in millions of euros	**2009**	**2008**
Revenues	433.6	511.6
Changes in inventories of finished products and work in progress	- 8.8	6.6
Raw materials and manufacturing supplies	- 204.7	- 282.3
Work contracted out and other external expenses	- 32.4	- 27.4
Personnel costs	- 92.4	- 95.9
Depreciation	- 17.8	- 14.1
Amortisation	- 4.6	-4.9
Other operating costs	- 56.6	- 53.2
Total operating expenses	- 417.3	- 471.2
Operating result (EBIT)	**16.3**	**40.4**
Impairment financial fixed assest	- 4.9	-
Net finance costs	- 4.7	- 4.1
Pre-tax income	6.7	36.3
Profit tax	- 1.8	- 10.9
Result from divested activities after profit tax	10.1	-
Net income associates	- 0.1	-
Result after tax	**14.9**	**25.4**
Other comprehensive income, net of profit tax		
Foreign currency translation differences for foreign operations	- 1.1	- 14.9
Result hedge accounting	0.7	-
Other comprehensive income for the period, net of profit tax	**- 0.4**	**- 14.9**
Total comprehensive income for the period	**14.5**	**10.5**
Result after tax attributable to:		
Shareholders of parent company (net profit)	15.2	25.4
Minority interests	- 0.3	-
Total comprehensive income for the period attributable to:		
Shareholders of parent company	14.8	10.5
Minority interests	- 0.3	-
Per-share data		
Net profit	0.61	1.08
Diluted net profit	0.61	1.08

TENCATE

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in millions of euros	**June 2009**		**end of 2008**	
Fixed assets				
Goodwill	164.4		165.1	
Other intangible fixed assets	45.0		47.0	
Tangible fixed assets	230.5		247.4	
Financial fixed assets	19.1		10.9	
Deferred profit tax assets	13.4		14.2	
Total fixed assets		472.4		484.6
Current assets				
Inventories	190.1		211.5	
Receivables				
- Trade debtors	154.1		168.9	
- Profit tax receivables	2.2		2.5	
- Other receivables	16.7		16.3	
Cash and cash equivalents	4.8		5.4	
Total current assets		367.9		404.6
Total assets		840.3		889.2
Equity				
Share capital	62.7		59.9	
Share premium reserve	46.9		49.7	
Statutory reserve	- 9.0		- 5.9	
Other reserves	262.3		212.1	
Undistributed result	15.2		51.1	
Total shareholders' equity	378.1		366.9	
Minority interests	4.6		5.1	
Group equity		382.7		372.0
Long-term liabilities				
Long-term debts	286.5		316.2	
Pension liabilities	21.4		24.3	
Provisions	10.3		9.6	
Deferred profit tax liabilities	2.8		5.2	
Total long-term liabilities		321.0		355.3
Short-term liabilities				
Cash loans, overdrafts	4.6		19.4	
Repayment of long-term debts	0.9		0.9	
Trade creditors and other payables	124.7		132.6	
Provisions	3.5		4.4	
Profit tax liabilities	2.9		4.6	
Total short-term liabilities		136.6		161.9
Total liabilities		457.6		517.2
Total group equity and liabilities		840.3		889.2

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN GROUP EQUITY

for the first six months

in millions of euros	Share capital	Share premium	Retained earnings of associated companies	Translation differences	Hedging reserve	Retained earnings	Undistributed profit	Undistributed result	Total share-holders' equity	Minority interest	Group equity
Balance as at 1 January 2008	**58.9**	**50.7**	**1.3**	**- 20.8**	**-**	**173.2**	**0.4**	**46.4**	**310.1**	**0.3**	**310.4**
Total comprehensive income for the period											
Result for the 1st half year								25.4	25.4		25.4
Other comprehensive income											
Foreign currency translation differences for foreign operations				- 14.9					- 14.9		- 14.9
Total comprehensive income for the period	**-**	**-**	**-**	**- 14.9**	**-**	**-**	**-**	**25.4**	**10.5**	**-**	**10.5**
Contribution by and distributions to owners											
Appropriation of 2007 profit			1.4			26.5	- 0.3	- 27.6	-		-
Dividend paid								- 8.5	- 8.5		- 8.5
Stock dividend	1.0	- 1.0				10.3		- 10.3	-		-
Share-based payments						0.7			0.7		0.7
Issue of repurchased shares						0.3			0.3		0.3
Changes as a result of consolidation										1.2	1.2

in millions of euros	Share capital	Share premium	Retained earnings of associated companies	Translation differences	Hedging reserve	Retained earnings	Undistributed profit	Undistributed result	Total share-holders' equity	Minority interest	Group equity
Total other changes	**1.0**	**- 1.0**	**1.4**	**-**	**-**	**37.8**	**- 0.3**	**- 46.4**	**- 7.5**	**1.2**	**- 6.3**
Balance at the end of the first half year 2008	**59.9**	**49.7**	**2.7**	**- 35.7**	**-**	**211.0**	**0.1**	**25.4**	**313.1**	**1.5**	**314.6**

for the first six months

in millions of euros	Share capital	Share premium	Retained earnings of associated companies	Translation differences	Hedging reserve	Retained earnings	Undistributed profit	Undistributed result	Total share-holders' equity	Minority interest	Group equity
Balance as at 1 January 2009	**59.9**	**49.7**	**2.7**	**- 8.6**	**-**	**212.0**	**0.1**	**51.1**	**366.9**	**5.1**	**372.0**
Total comprehensive income for the period											
Result for the 1st half year								15.2	15.2	- 0.3	14.9
Other comprehensive income											
Foreign currency translation differences for foreign operations				- 1.1					- 1.1		- 1.1
Effective portion of changes in fair value of cash flow hedges, net of tax					0.7				0.7		0.7
Total comprehensive income for the period	**-**	**-**	**-**	**- 1.1**	**0.7**	**-**	**-**	**15.2**	**14.8**	**- 0.3**	**14.5**

Contribution by and distributions to owners											
Appropriation of 2008 profit						29.5	- 0.1	- 29.4	-		-
Release legal reserve			- 2.7			4.1		- 1.3	0.1	- 0.1	-
Dividend paid								- 4.5	- 4.5		- 4.5
Stock dividend	2.8	- 2.8				15.9		- 15.9			
Share-based payments						0.7			0.7		0.7
Issue of repurchased shares						0.1			0.1		0.1
Total other changes	**2.8**	**- 2.8**	**- 2.7**	**-**	**-**	**50.3**	**- 0.1**	**- 51.1**	**- 3.6**	**- 0.1**	**- 3.8**
Balance at the end of the first half year 2009	**62.7**	**46.9**	**-**	**- 9.7**	**0.7**	**262.3**	**-**	**15.2**	**378.1**	**4.6**	**382.7**

TENCATE

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
for the first six months

in millions of euros

	2009		2008	
Cash flow from operating activities				
Result after tax	14.9		25.4	
Adjustments:				
Depreciation	17.8		14.1	
Amortisation	4.6		4.9	
Net interest income and expense	4.7		4.1	
Impairment financial fixed assets	4.9		-	
Profit tax	1.8		10.9	
Net result from associated companies	0.1		-	
Result from divested activities	- 10.1		-	
Result from sale of tangible fixed assets	- 0.4		- 2.7	
Costs of option scheme	0.7		0.7	
Change in provisions and pension liabilities	- 2.1		- 0.1	
Total cash flow from operating activities before change in working capital		**36.9**		**57.3**
Changes in working capital:				
Inventories	15.2		0.8	
Receivables	8.4		- 54.5	
Short-term liabilities	- 9.2		- 4.4	
Total changes in working capital		**14.4**		**- 58.1**
		51.3		**- 0.8**
Interest paid		- 3.7		- 6.9
Profit tax paid		- 5.3		- 3.6
Total cash flow from operating activities		**42.3**		**- 11.3**
Cash flow from investing activities				
Income from sale of tangible fixed assets	0.8		4.1	
Receipt of long-term receivables	-		0.2	
Divested activities less cash	22.0		-	
Acquisitions of operating companies less cash acquired	- 0.3		- 86.7	
Investments in intangible fixed assets	- 0.1		- 0.5	
Investments in tangible fixed assets	- 8.0		- 28.9	
Investments in financial fixed assets	- 12.6		-	

Increase in long-term receivables	0.4		- 0.2	
Total cash flow from investing activities		**2.2**		**- 112.0**
<u>Cash flow from financing activities</u>				
Issue of repurchased shares	-		0.3	
Change of long-term debt	- 25.9		127.6	
Dividend payment to shareholders	- 4.5		- 8.6	
Total cash flow from financing activities		**- 30.4**		**119.3**
Change in cash		**14.1**		**- 4.0**
Cash on 1 January		-14.0		-7.7
Currency differences in cash		0.1		-
Cash as at end of June		**0.2**		**- 11.7**

EXPLANATORY NOTES ON THE CONDENSED CONSOLIDATED INTERIM REPORT

Reporting entity
The condensed consolidated interim report of Royal Ten Cate nv (the Company) for the first half year of 2009, relates to the Company and its operating companies (referred to collectively as the 'Group') and the Group's interest in associated companies (non-consolidated), other participating interests (non-consolidated) and proportionally consolidated joint ventures.

Statement of compliance
This condensed consolidated interim report has been prepared in accordance with *IAS 34 Interim Financial Reporting* as adopted by the European Union. It does not contain all the information that is required for full financial statements and should be read in combination with the group's 2008 consolidated financial statements.

This condensed consolidated interim report was prepared by the Executive Board and released for publication by the Supervisory Board on 25 August 2009.

Accounting policies and determination of earnings
As of 1 January 2009 the Group determines and presents operating segments based on the information that internally is provided to the CODM-committees, who is the chief operating decision maker of the segment. This presentation is due to the adoption of IFRS 8 *Operating segments*. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.
The accounting policies and determination of earnings and methods of calculation have been applied as referred to on pages 81 to 94 inclusive of the 2008 financial statements.

Estimates
The preparation of interim reports requires judgment by the management, who make estimates and assumptions that affect the application of policies for financial reporting and

the reported value of assets and liabilities and the amount of income and expenditure. The actual results may differ from these estimates.
Unless otherwise stated, in preparing this condensed 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 2008 financial statements.

Segment information
The Group has three segments, as described below. The business segments offer different products and services, and are managed separately and use different technologies. The following summary describes the operations in each of the Group's business segments.
Advanced Textiles & Composites
Manufacturing and sale of protective and safety fabrics for professional wear, outdoor fabrics, composites for personal and vehicle protection and composites for technological applications in aerospace.
Geosynthetics & Grass
Manufacturing and sale of fabrics and non-wovens for civil engineers, environmental projects, recreational and industrial applications and manufacture and sale of synthetic turf fibres and carpet backing.
Other
Manufacturing and sale of rubber and foam rollers for the office equipment industry and related products, development, production and sale of inkjet technology and related components for industrial applications as well as country holding and service companies.

Information about reporting segments
for the first half year

Segment information In millions of euros	Advanced Textiles & Composites		Geosynthetics & Grass		Other		Consolidated	
	2009	2008	2009	2008	2009	2008	2009	2008
Revenues	215.3	246.0	192.8	236.5	25.5	29.1	433.6	511.6
Intercompany sales	0.4	0.9	-	-	- 0.4	- 0.9	-	-
Total revenues	**215.7**	**246.9**	**192.8**	**236.5**	**25.1**	**28.2**	**433.6**	**511.6**
Operating result	**17.7**	**28.0**	**3.0**	**15.6**	**- 4.4**	**- 3.2**	**16.3**	**40.4**
Net finance costs							- 9.6	- 4.1
Gain on divested activities							10.1	-
Net income from associates and other participating interests							- 0.1	-
Profit tax							- 1.8	- 10.9
Minority interest							0.3	-
Net income							**15.2**	**25.4**
Assets of segments	305.4	324.7	448.9	469.9	52.6	51.6	806.9	846.2
Investments in associates and other participating interests			14.0	5.8		0.9	14.0	6.7
Unallocated assets	-	-	-	-	-	-	19.4	19.1
Total assets	305.4	324.7	462.9	475.7	52.6	52.5	**840.3**	**872.0**

Divestment of activities
On 26 June 2009 the Group sold its 50% interest in the joint venture Geofabrics Australasia pty ltd in Australia to its partner Noel P Hunt International Ltd. The purchase price of the shares amounts to AUD 40 million (approximately €23 million).

in thousands of euros	2009	2008
Results of divested activities		
Revenue	15.0	15.0
Expenses	- 13.3	- 13.6
	----------	----------
Results from operating activities	1.7	1.4
Profit tax	- 0.5	- 0.4
	----------	----------
Results from operating activities, net of profit tax	1.2	1.0
Gain on divested activities	10.1	-
Profit tax on gain on divested activities	-	-
	----------	----------
Net income	11.3	1.0

Acquisitions
On 31 March 2009 the Group acquired 49% of the shares of TigerTurf NZ Ltd, Onehunga, Auckland, New Zealand, TigerTurf (UK) ltd, Hartlebury, United Kingdom, TigerSports Americas Inc, Austin in the United States of America and TigerTurf Australia Pty Ltd, Campbellfield, Victoria in Australia for a consideration in cash of €12.6 million including acquisition costs. The Group has an option to buy the other 51% of the shares, as well as the vendor has the option to sell the additional 51% of the shares to the Group.
This 49% interest is accounted for as an investment in associates in the financial statement.

Profit tax expense
Profit tax expense is recognised based on management's best estimate of the weighted average annual profit tax rate expected for the full financial year applied to the profit before tax of the interim period. The Group's consolidated effective tax rate in respect of continuing operations for the first six months 2009 was 27%. (First six months 2008: 30%).
The main reason for this decrease is the fact that in several countries tax loss carry forward has been utilised. This effect has been partly offset by the impairment of the non strategic equity participation which is treated as a non tax deductable item.

Impairrments
This concerns an impairment loss of € 4.9 million with respect to the investment in a non-strategic equity participation of the geosynthetics activities within the segment Geosynthetics & Grass .

Share capital and share premium

- **Issuance of ordinary shares**

In May 2009, 1,100,679 shares were issued in connection with a stock dividend. As at the end of the first half year 2009 the number of outstanding shares amounted to 25,067,580 (December 2008: 23,966,901).

- **Repurchased shares**

During the first six months 2009, no repurchased shares were issued through the exercise of options. 5,776 shares were issued in connection with the unit-linked savings plan. At the end of the second quarter the balance of repurchased shares amounted to 521,471 (December 2008: 527,247).

- **Dividend**

At the Annual General Meeting of Shareholders on 9 April 2009 the dividend was set at € 0.85 per ordinary share of € 2.50. The dividend was made payable on 8 May 2009 for 50% as a stock dividend and for the other 50% in cash or as a stock dividend. The ratio amounted of 1 new share for 33 dividend rights.
On 8 May 2009 € 4.5 million was paid in cash and 1,100,679 shares were issued in connection with stock dividend.

Long-term liabilities

The syndicated loan of € 392.4 million (as per 31 December 2008: € 400 million) which is available for drawing in various currencies, was concluded with a syndicate of banks on 16 February 2007 and was amended on 27 February 2008 from € 250 million to € 400 million and recently, due to the divestment of our 50% share in Geofabrics Australasia pty ltd, towards € 392,4. Of this facility € 279.2 million was drawn as at the end of the first half year 2009 (31 December 2008: € 306 million).
The interest percentage due is linked to the debt/EBITDA-ratio. The interest margin on Euribor respectively Libor is expected to be in between 0.40% and 1.00%. At the end of the first half year 2009 the margin amounted 0.725% (as per 31 December 2008: 0.725%).

Related parties

During the first six months of the year, associates, other participating interests and a joint venture purchased goods from the Group amounting to € 11 million. As at the end of June, the outstanding trade receivables due to the Group from associates and other participating interests amounted to € 22.3 million and from joint ventures € 1.1 million. The Group has neither accounts payable to associates, other participating interests nor to the joint venture as per the end of June.

Almelo, 25 August 2009
Executive Board

To: The Board of Directors and the Supervisory Board of Royal Ten Cate nv

Review report

Introduction

We have reviewed the accompanying condensed consolidated interim financial information for the six month period ended 30 June 2009, of Royal Ten Cate nv, Almelo, which comprises the statement of financial position as at 30 June 2009, statement of comprehensive income, statement of changes in group equity, cash flow statement and the selected explanatory notes for the six month period then ended. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Dutch law including standard 2410, "Review of Interim Financial Information Performed by the Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 June 2009 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

Enschede, 25 August 2009

KPMG ACCOUNTANTS N.V.

A.J.M. Oude Weernink RA