ROYAL TEN CATE NV

Press release

investor relations

TenCate doubles net profit in first half of 2010

Highlights of first half of 2010

- **Sales up 5% to €454.6 million (4% organic; 1% currency effect)**
- **EBITA €38.2 million (+83%; organic 89%; +7% currency effect; -13% acquisitions/divestments)**
- **EBITA margin 8.4% (first half of 2009: 4.8%)**
- **Net profit €19.6 million (2009: €10.0 million, after adjustment for non-recurring items)**
- **Strong profit recovery in the Geosynthetics & Grass sector due to cost control and efficiency measures**
- **Debt/EBITDA ratio 2.7**
- **Sales of TenCate Defender™ M expected to return to original level in second half of 2010**

Loek de Vries, Executive Board Chairman and CEO: 'The net profit has doubled compared to the first half of 2009, after adjustment for over €5 million of net non-recurring income during the period. The interim results demonstrate the positive effects of the measures taken, particularly in the Geosynthetics & Grass sector.

On a lower volume of sales, the operating result in the second quarter of this year returned almost to the level recorded before the economic crisis (in comparison with the figure for the second quarter of 2008).

In the synthetic turf activities, changes to both operational and commercial policies have been implemented, which have made an important positive contribution to the rise in income.
The geosynthetics activities have also shown profit growth, partly as a result of good cost control.

As a result of the developments referred to above, the EBITA margin of the Geosynthetics & Grass sector rose from 2.3% to 8.3% in the first six months of 2010.

The reorganisation of the Dutch businesses involved in protective fabrics (TenCate Advanced Textiles) proved effective. The broadening of the product portfolio, which related in particular to the optimisation of characteristics such as wearing comfort and protection, led to an increased order intake.

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Sales of protective fabrics to the US Army are expected to return to the original level in the second half of the year. Products with the Multicam print are now being delivered.

The outlook for aerospace and armour composites is improving. More positive news is coming out of the aircraft industry, and the destocking in the supply chain appears to be at an end.
In view of these developments, the Advanced Textiles & Composites sector is expected to deliver an increased contribution to sales and profit in the second half of the year compared to the first six months.'

Performance in the second quarter
Sales rose 14% in the second quarter compared to the same period in 2009, to €263.1 million (+6% organic; +5% currency effect; +3% acquisitions/divestments). This rise was due almost entirely to the Geosynthetics & Grass sector.

Sales in the Grass group showed considerable growth in the second quarter. That was partly due to the restrained sales policy in the fourth quarter of 2009 (reduction in off-season sales). The Geosynthetics group showed an (organic) increase in sales in all regions in the second quarter.

Apart from the decrease in sales of protective fabrics for the US defence market (TenCate Defender ™ M and TenCate Gen2 products), almost all other activities in the Advanced Textiles & Composites sector showed sales growth in the second quarter of 2010.
The sales growth in the industrial market for protective fabrics was due in particular to successful market launches, such as TenCate Tecasafe™ Plus. This also provided a positive boost for the Dutch business, which, as European market leader, focuses particularly on the industrial market.
Sales of composites also showed a rise during the period compared to the previous year.
The overall result was a slight decrease in sales in the Advanced Textiles & Composites sector in the second quarter.

EBITA (operating result before amortisation of intangible assets) rose in the second quarter from €13.4 million in 2009 to €30.1 million in 2010, with the largest rise occurring in the Geosynthetics & Grass sector.

Other (financial) information
The cash flow from operating activities in the first half of the year amounted to €17 million (2009: €42 million).
A restrained investment policy remains in force in view of the current economic climate. The total amount invested in fixed assets in the first half of the year was €9.1 million (2009: €8.1 million).

The net interest-bearing debt at the end of June 2010 amounted to €238.0 million (end of June 2009: €287.2 million). The debt/EBITDA ratio was 2.7 (maximum of 3.0 under bank covenant).
The financial income and expenses item decreased by €4.2 million. This difference is mainly due to the write-down of a minority interest which had been included in the 2009 figures.

Earnings per share in the first six months of 2010 rose 27% from €0.62 to €0.78.

Outlook for 2010
The recovery in the results means that TenCate is financially well placed to give greater priority to the buy & build strategy. On that basis, the growth is expected to continue, both organically and through acquisitions. Considerable profit growth is expected in the second half of the year compared to the second half of 2009.

Individual sector commentaries

<u>Advanced Textiles & Composites</u>

(x €m)	**H1 2010**	H1 2009
Net sales	**193.0**	215.3
EBITA	**16.1**	20.3
EBITA margin	**8.3%**	9.4%

The Advanced Textiles & Composites sector showed a sales decrease of 10% in the first half of the year (-13% organic; +1% currency effect; +2% acquisitions/divestments).

Sales of protective fabrics declined overall. This was due to the temporary decrease in purchases by the US Army as a result of the changes to the specifications of the camouflage print. Sales in industrial markets rose, in both Europe and the US. Sales in Asia also increased.

Sales of aerospace and armour composites were at approximately the same level as in the first six months of 2009. In the first six months of this year, however, there was an additional sales contribution from AML UK. The activities in the US showed sales growth in almost all areas.
Sales of armour composites in Europe decreased, partly as a result of delays/postponements of government orders.
European sales in the aircraft industry remained low.

The outlook for the European armour and aerospace activities is improving. The aviation sector is gradually recovering. Targeted internal international co-operation within the Advanced Armour market group, coupled with the acquisition of AML UK, has resulted in a strategic reinforcement.

The 27% organic decrease in EBITA in the first half of the year was due particularly to the aforementioned decrease in defence sales associated with the TenCate Defender™M and TenCate Gen2 products. The currency effect and the effect of acquisitions/divestments on EBITA amounted to +2% and +3% respectively.

A reorganisation provision of over €2 million was also recognised in respect of the Dutch activities in the first quarter. These effects put downward pressure on the EBITA margin.

Geosynthetics & Grass

(x €m)	**H1 2010**	H1 2009
Net sales	**226.7**	192.8
EBITA	**18.8**	4.5
EBITA margin	**8.3%**	2.3%

The sales growth in the Geosynthetics & Grass sector amounted to 18% (+18% organic; +2% currency effect; -2% acquisitions/divestments). The sales growth was attributable particularly to the Grass group, and there was also an increased contribution from the related downstream activities.

The geosynthetics markets in the US and Europe developed favourably, although it is still premature to speak of a structural recovery. TenCate strengthened its position in the Asian market; commercial activities in the Asian infrastructure project market and the environmental market are increasing.
Following the policy changes implemented in the commercial and operational areas, there has been a significant recovery of sales in the synthetic turf businesses (approximately 35% growth). The Grass group's inventories have decreased, due to the priority given to cash management.
The synthetic turf market in Europe is reluctant, although there is increased demand for high-quality products and systems, particularly in the football segment. TenCate is meeting this demand with products and system warranties and close co-operation with market participants.

EBITA rose 316% (+369% organic; +20% currency effect; -73% acquisitions/divestments).
The results improved both in Geosynthetics and in the Grass group. The Grass group recorded the biggest improvement, however, as a result of the measures taken.

Technologies / Technical Components / Holding & Services

(x €m)	**H1 2010**	H1 2009
Net sales	**34.9**	25.5
EBITA	**3.3**	- 3.9

The sales growth of the other activities, including the operating activities of TenCate Enbi and Xennia Technology, amounted to 37% (+34% organic; +3% currency effect).

TenCate Enbi staged a strong turnaround. The cost structure was further reduced, and the market is picking up. The outlook for TenCate Enbi has therefore improved considerably.

Xennia Technology achieved significant commercial and strategic progress. Exclusive contracts were entered into with various producers of machines (OEMs) and components (printer heads) for a range of applications. Xennia focuses on the top segment of the market for industrial applications for inkjet printing. Xennia's offering comprises turnkey systems and related products (components, inks). The commercial sale of specialists inks (textile printing, ceramics industry) was launched at the end of the first half of this year.

This technology is important for TenCate as a method for applying nano-surface coatings. It is also an extremely environmentally friendly and sustainable technology.

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, Thursday 26 August 2010
Royal Ten Cate nv

For further information:

The press conference on the 2010 half-year figures will be webcast on Thursday 26 August 2010 between 10:30 am and 12:00 noon. Register at www.tencate.com.

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Royal Ten Cate nv (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 products are sold worldwide.
TenCate's systems and materials can be subdivided into four areas of application: Safety & Protection, Aerospace, Infrastructure & Environment and Sport & Recreation. TenCate occupies leading positions in safety fabrics, aerospace composites, antiballistics, geosynthetics and synthetic turf. TenCate is listed on NYSE Euronext (AMX).

KEY FIGURES

For the first six months

in millions of euros	**2010**	**2009**	
Condensed consolidated statement of comprehensive income			
Revenues	454.6	433.6	5%
Operating result before depreciation and amortisation (EBITDA)	55.4	38.7	43%
Operating result before amortisation (EBITA)	38.2	20.9	83%
Operating result before amortisation as % of revenues	8.4%	4.8%	74%
Operating result (EBIT)	33.1	16.3	103%
Net profit	19.6	15.2	29%
Condensed consolidated statement of financial position			
Average net capital employed at period-end	686.9	784.1	-12%
Net interest-bearing debt	238.0	287.2	-17%
Condensed consolidated statement of cash flows			
Net cash flow from operating activities	16.8	42.3	
Investment in / divestments of tangible and intangible fixed assets	-8.3	-7.3	
Free cash flow	8.5	35.0	
Net acquisition / disposal of operating companies and associated companies	-16.7	9.1	
(x 1.000)			
Number of outstanding shares at period end	25,502	25,068	2%
Average number of outstanding shares (before dilution) *	25,012	24,542	2%
Average number of outstanding shares (after dilution) *	25,051	24,558	2%
Earnings per share:			
Net income	0.78	0.62	27%
Diluted net income	0.78	0.62	26%
Employees **			
Number of staff at period-end	4,237	4,040	5%
of which in the Netherlands	803	905	-11%

	2010		**2009**	
	Q1	**Q2**	**Q1**	**Q2**
Revenues	191.5	263.1	203.2	230.4
Operating result (EBIT)	8.1	30.1	7.5	13.4
Net profit	-0.3	19.9	1.8	13.4

*) figure 2009 adjusted for comparison reasons

**) excluding contracted personnel

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KEY FIGURES PER SEGMENT

For the first six months

in millions of euros	**2010**	**2009**	
Advanced Textiles & Composites			
Revenues	193.0	215.3	-10%
EBITA	16.1	20.3	-21%
EBITA margin	8.3%	9.4%	-12%
Capital expenditures	1.7	2.2	-23%
Depreciation	5.0	4.9	2%
Amortisation	2.6	2.6	0%
Average net capital employed at period-end	253.7	287.9	-12%
Number of staff-years at period-end *)	1,425	1,417	1%
Geosynthetics & Grass			
Revenues	226.7	192.8	18%
EBITA	18.8	4.5	318%
EBITA margin	8.3%	2.3%	261%
Capital expenditures	4.3	5.3	-19%
Depreciation	11.1	11.8	-6%
Amortisation	1.7	1.5	13%
Average net capital employed at period-end	375.4	445.8	-16%
Number of staff-years at period-end *)	2,203	1,977	11%
Other			
Revenues	34.9	25.5	37%
EBITA	3.3	-3.9	-
Capital expenditures	3.1	0.6	417%
Depreciation	1.1	1.1	0%
Amortisation	0.8	0.5	60%
Number of staff-years at period-end *)	609	646	-6%

*) excluding contracted personnel

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the first six months

in millions of euros	**2010**	**2009**
Revenues	454.6	433.6
Changes in inventories of finished products and work in progress	15.5	-8.8
Raw materials and manufacturing supplies	-238.7	-204.7
Work contracted out and other external expenses	-27.9	-32.4
Personnel costs	-90.5	-92.4
Depreciation	-17.2	-17.8
Amortisation	-5.1	-4.6
Other operating costs	-57.6	-56.6
Total operating expenses	-421.5	-417.3
Operating result (EBIT)	**33.1**	**16.3**
Impairment financial fixed assets	-	-4.9
Financial income	2.4	1.2
Financial expenses	-7.8	-5.9
Net financal expenses	-5.4	-9.6
Result before profit tax	27.7	6.7
Profit tax	-8.2	-1.8
Net result from continuing operations	19.5	4.9
Result from divested operations after tax	-	10.1
Net result from associated companies	-0.4	-0.1
Result after tax	**19.1**	**14.9**
Other comprehensive income		
Currency translation differences for foreign operations	38.2	-1.1
Hedging result after tax	-4.5	0.7
Other comprehensive income after tax	**33.7**	**-0.4**
Total comprehensive income after tax	**52.8**	**14.5**
Result attributable to:		
Shareholders of parent company	19.6	15.2
Minority interests	-0.5	-0.3
Total comprehensive income attributable to:		
Shareholders of parent company	52.7	14.8
Minority interests	0.1	-0.3
Earnings per share:		
Net income	0.78	0.62
Diluted net income	0.78	0.62

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in millions of euros

	30 June 2010		31 December 2009	
Fixed assets				
Goodwill	198.8		161.9	
Other intangible fixed assets	57.3		41.9	
Tangible fixed assets	230.0		214.7	
Investment in associated companies	5.7		18.9	
Financial fixed assets	8.2		6.6	
Deferred profit tax assets	19.1		19.8	
Total fixed assets		519.1		463.8
Current assets				
Inventories	203.5		155.0	
Receivables				
- Trade debtors	166.7		100.8	
- Profit tax receivables	1.0		3.2	
- Other receivables	18.7		12.9	
Cash and cash equivalents	17.6		12.8	
Total current assets		407.5		284.7
Total assets		926.6		748.5
Equity				
Share capital	63.8		62.7	
Share premium reserve	45.8		46.9	
Translation reserve	22.3		-15.3	
Hedging reserve	-4.7		-0.2	
Reserve for own shares	-11.2		-11.7	
Retained earnings	287.6		274.5	
Undistributed result	19.6		23.9	
Total shareholders' equity	423.2		380.8	
Minority interests	4.2		4.1	
Group equity		427.4		384.9
Long-term liabilities				
Long-term debts	231.0		192.0	
Pension liabilities	20.3		21.0	
Provisions	10.4		10.4	
Deferred profit tax liabilities	8.4		4.3	
Total long-term liabilities		270.1		227.7
Short-term liabilities				
Cash loans, overdrafts	23.0		14.7	
Repayment of long-term debts	1.6		1.6	
Trade creditors and other payables	192.0		112.1	
Provisions	4.4		4.8	
Profit tax liabilities	8.1		2.7	
Total short-term liabilities		229.1		135.9
Total liabilities		499.2		363.6
Total group equity and liabilities		926.6		748.5

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the first six months

in millions of euros

	2010		2009	
Cash flow from operating activities				
Result after tax	19.1		14.9	
Adjustments:				
Depreciation	17.2		17.8	
Amortisation	5.1		4.6	
Net financial expenses excluding exchange rate differences	5.2		4.7	
Impairment of financial fixed assets	-		4.9	
Profit tax	8.2		1.8	
Net result from associated companies	0.4		0.1	
Result from divested activities after tax	-		-10.1	
Result from sale of tangible fixed assets	-0.1		-0.4	
Costs of option scheme	0.7		0.7	
Change in provisions and pension liabilities	-2.6		-2.1	
Cash flow from operating activities before change in working capital		**53.2**		**36.9**
Changes in working capital:				
Inventories	-22.1		15.2	
Receivables	-45.3		8.4	
Short-term liabilities	38.2		-9.2	
		-29.2		**14.4**
Cash flow from operating activities		**24.0**		**51.3**
Interest paid		-5.5		-3.7
Profit tax paid		-1.7		-5.3
Net cash flow from operating activities		**16.8**		**42.3**
Cash flow from investing activities				
Income from sale of tangible fixed assets	0.8		0.8	
Interest received	1.3		-	
Divested activities less cash	-		22.0	
Acquisitions of operating companies less cash acquired	-16.7		-0.3	
Investments in intangible fixed assets	-2.0		-0.1	
Investments in tangible fixed assets	-7.1		-8.0	
Investments in associated companies	-		-12.6	
Increase in long-term receivables	-0.8		0.4	
Net cash used in investing activities		**-24.5**		**2.2**

Cash flow from financing activities

Income from excercise of share options	0.5		-	
Repayment of long-term debt	-9.6		-26.1	
Drawing of long-term debts	18.2		0.2	
Dividend payment to shareholders	-5.9		-4.5	
Net cash flow from (used in) financing activities		**3.2**		**-30.4**
Change in cash and cash equivalents		**-4.5**		**14.1**
Cash and cash equivalents on 1 January		-1.9		-14.0
Effect of exchange rate fluctuations on cash and cash equivalents held		1.0		0.1
Cash and cash equivalents on 30 June		**-5.4**		**0.2**

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CONSOLIDATED STATEMENT OF CHANGES IN GROUP EQUITY

For the first six months

in millions of euros	Share capital	Share premium reserve	Translation reserve	Hedging reserve	Reserve for own shares	Retained earnings	Undistributed result	Total share-holders' equity	Minority interest	Group equity
Balance as at 1 January 2009	**59.9**	**49.7**	**-8.6**	**0.0**	**-11.7**	**226.5**	**51.1**	**366.9**	**5.1**	**372.0**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD										
Result after tax							15.2	15.2	-0.3	14.9
Other comprehensive income										
Currency translation differences			-1.1					-1.1		-1.1
Hedging result after 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**
Transactions with shareholders recognised directly in group equity										
Appropriation of 2008 profit						29.4	-29.4			
Release legal reserve						1.4	-1.3	0.1	-0.1	
Dividend to share holders	2.8	-2.8				15.9	-20.4	-4.5		-4.5
Share-based payments						0.7		0.7		0.7
Share options excercised					0.1			0.1		0.1
Total other changes	**2.8**	**-2.8**			**0.1**	**47.4**	**-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**	**-11.6**	**273.9**	**15.2**	**378.1**	**4.6**	**382.7**

For the first six months

in millions of euros	Share capital	Share premium reserve	Translation reserve	Hedging reserve	Reserve for own shares	Retained earnings	Undistributed result	Total share-holders' equity	Minority interest	Group equity
Balance as at 1 January 2010	**62.7**	**46.9**	**-15.3**	**-0.2**	**-11.7**	**274.5**	**23.9**	**380.8**	**4.1**	**384.9**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD										
Result after tax							19.6	19.6	-0.5	19.1
Other comprehensive income										
Currency translation differences			37.6					37.6	0.6	38.2
Hedging result after tax				-4.5				-4.5		-4.5
Total comprehensive income for the period			**37.6**	**-4.5**			**19.6**	**52.7**	**0.1**	**52.8**
Transactions with shareholders recognised directly in group equity										
Appropriation of 2009 profit						23.9	-23.9			
Dividend to share holders	1.1	-1.1				-5.9		-5.9		-5.9
Share-based payments						0.7		0.7		0.7
Acquisition of non-controlling interests without a change in control						-5.6		-5.6		-5.6
Share options excercised					0.5			0.5		0.5
Total other changes	**1.1**	**-1.1**			**0.5**	**13.1**	**-23.9**	**-10.3**		**-10.3**
Balance at the end of the first half year 2010	**63.8**	**45.8**	**22.3**	**-4.7**	**-11.2**	**287.6**	**19.6**	**423.2**	**4.2**	**427.4**

EXPLANATORY NOTES ON THE CONDENSED CONSOLIDATED INTERIM REPORT

Reporting entity
The condensed consolidated interim report of Royal Ten Cate nv (the Company), established in Almelo, for the first half of 2010 relates to the Company and its operating companies (referred to collectively as the 'Group') and the Group's interests in associated companies and jointly controlled entities.

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 conjunction with the Group's 2009 consolidated financial statements. The condensed consolidated interim financial statements are unaudited but have been reviewed by the Company's independent auditor. All amounts in this report are in millions of euros unless otherwise stated. The Group's consolidated financial statements for the 2009 financial year are available on request from the Company's registered office in Almelo or can be downloaded from www.tencate.com. This condensed consolidated interim report was prepared by the Executive Board and released for publication by the Supervisory Board on 25 August 2010.

Accounting policies and determination of earnings
Unless otherwise stated below, the accounting policies applied by the Group in this condensed consolidated interim report are the same as those applied by the Group on pages 90 to 103 of the consolidated financial statements for the 2009 financial year.

Changes to the financial reporting policies

Effects of acquisitions
As of 1 January 2010, the Group has applied IFRS 3 Business Combinations (2008) in determining the effects of acquisitions. The amended policies are not being applied retroactively and have no significant effect on earnings per share.
In the case of acquisitions made on or after 1 January 2010, the Group determines the goodwill on the basis of the fair value of the paid consideration and the valued amount of any minority interest in the acquired undertaking, less the net amount of the acquired identified assets and the accepted liabilities. These amounts are determined as of the acquisition date.
If the goodwill is negative, it is recognised directly in the realised results.
The Group has chosen to value minority interests on the basis of the proportionate share of the valued amount of identifiable assets of the acquired undertaking on the acquisition date.

As of 1 January 2010, transaction costs which are not related to the issuing of loans or equity instruments and which are attributed to the Group as a result of acquisitions are charged to the realised results as they are incurred.

Effects of acquisitions of minority interests
As of 1 January 2010, the Group has applied IAS 27 Consolidated and Separate Financial Statements (2008) in determining the effects of acquisitions of minority interests. The amended policies are not being applied retroactively and have no effect on earnings per share in the reporting period.
From 1 January 2010, acquisitions of minority interests are valued as transactions with shareholders, as a result of which no goodwill is recognised. Goodwill on acquisitions of minority interests was previously valued. It represented the amount by which the costs of the

additional investment exceeded the net asset value of the interest in the undertaking on the acquisition date.

Estimates
The preparation of this condensed consolidated interim report requires judgment by the management, who make estimates and assumptions which 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 below, 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 in the preparation of the consolidated 2009 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
Manufacture 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
Manufacture 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 backing for a range of applications.
Other
Manufacture 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 and eliminations.

Segment information
for the first half year

Segment information	**Advanced Textiles & Composites**		**Geosynthetics & Grass**		**Other**		**Consolidated**	
EUR x 1 million	2010	2009	2010	2009	2010	2009	2010	2009
External revenues	193.0	215.3	226.7	192.8	34.9	25.5	454.6	433.6
Revenues from inter-segment transactions	0.3	0.4	0.2		-0.5	-0.4		
Total revenues	**193.3**	**215.7**	**226.9**	**192.8**	**34.4**	**25.1**	**454.6**	**433.6**
Segment profit to be reported before profit tax	**10.5**	**12.3**	**16.7**	**-5.8**	**0.5**	**0.2**	**27.7**	**6.7**
Profit tax							-8.2	-1.8
Result from divested operations, after tax							-	10.1
Net result from associated companies							-0.4	-0.1
Realised result after tax							19.1	14.9

Acquisitions and their effects
On 9 February 2010 the Group acquired 51% of the shares of AML UK Ltd, Swindon, United Kingdom, for a cash payment of GBP 5.8 million. The determination of the purchase price allocation for AML UK has not yet been completed. It is expected to be completed in the second half of the year. This acquisition has been included in the Advanced Textiles & Composites segment in the report. There is an obligation to acquire the remaining 49% of the shares in the fourth quarter of 2010.
On 28 April 2010 the Group acquired an additional 31% interest in the shares of TigerTurf NZ Ltd, Auckland, New Zealand, TigerTurf (UK) Ltd, Hartlebury, United Kingdom, TigerSports Americas Inc, Austin, United States and TigerTurf Australia Pty Ltd, Campbellfield, Victoria, Australia for a cash payment of NZD 14.7 million. The group now holds 80% of the shares of the TigerTurf group and has an option to purchase the remaining 20% of the shares, while the vendor has the option to sell that 20% of the shares to the Group.
As a result of the increase in the additional interest, income of EUR 1.3 million has been recognised in the result from associated companies in respect of the realisation of translation differences and fair value adjustments in the interest in TigerTurf. This acquisition has been included in the Geosynthetics & Grass segment.
The acquisitions are accounted for in accordance with the acquisition method (IFRS 3). The acquisition amounts have been allocated to the identified acquired assets and liabilities, which are based on the fair value.

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

EUR x 1 million	**Recognised values**	**Fair value adjustment**	**Book values**
Tangible fixed assets	6.7	-	6.7
Intangible fixed assets	13.9	13.4	0.5
Inventories	12.0	0.7	11.3
Trade and other receivables	14.6	-	14.6
Cash and cash equivalents	0.9	-	0.9
Minority interests	-5.4	-5.4	-
Deferred profit tax liabilities	-4.6	-4.4	-0.2
Other provisions	-0.3	-	-0.3
Interest-bearing loans	-9.5	-	-9.5
Banks, current accounts	-0.9	-	-0.9
Trade creditors and other payables	-16.8	-	-16.8
Net identifiable assets and liabilities	10.6	4.3	6.3
Goodwill on acquisition	18.6		
Purchase price	29.2		
Value of existing interest	-12.6		
Acquired cash minus short-term bank debts	0.1		
Cash outflow	16.7		

The expected synergy effects for the Group result in a total of €18.6 million of paid goodwill for the acquisitions. The acquisitions have had no material effect on the revenues and the result after tax in the first half of 2010.

Impairment tests
In the first six months of 2010, Ten Cate assessed whether there were indications of impairment of goodwill and other significant assets. There are no indications of impairment of goodwill and other significant assets, nor any reasons to conduct new tests.
Profit tax expense
The profit tax expense has been determined on the basis of the management's best estimate of the weighted average tax rate expected for the full financial year applied to the pre-tax profit for the first half of the year. The Group's consolidated effective tax rate in respect of continued operations for the first six months was 29.7% (first half of 2009: 27.0%).

Share capital and share premium

- **Issuance of ordinary shares**
  In May 2010, 434,327 shares were issued in connection with a stock dividend. On 30 June 2010 the number of outstanding shares amounted to 25,501,907 (December 2009: 25,067,580).
- **Repurchased shares**
  In the first half of 2010, 45,200 repurchased shares were issued through the exercise of options. 3,936 shares were issued in connection with the unit-linked savings plan. On 30 June 2010 the balance of repurchased shares amounted to 472,256 (31 December 2009: 521,392).
- **Dividend**
  At the Annual General Meeting of Shareholders on 8 April 2010 the dividend was set at €0.60 per ordinary share of €2.50. The dividend was made payable in cash or as a stock dividend on 6 May 2010. The ratio was one new share for 34 dividend rights.
  On 6 May 2010, €5.9 million was paid in cash and 434,327 shares were issued in connection with the stock dividend.

Long-term liabilities
The syndicated loan facility amounted to €389 million on 30 June 2010 (31 December 2009: €389 million). This loan facility, which is available for drawing in various currencies, was concluded with a syndicate of banks on 16 February 2007. As at 30 June 2010, €225 million of this facility was drawn (31 December 2009: €185 million).
The interest rate payable is linked to the ratio of debt to EBITDA. The interest margin on the Euribor or Libor interest rate will be between 0.40% and 1.00%. As at 30 June 2010, the margin was 0.725% (31 December 2009: 0.625%).
The Group has agreed a maximum debt / EBITDA ratio of 3.0 in a covenant with the banks in the participating bank syndicate. The actual ratio at the end of June was 2.7, remaining comfortably within the bank covenant limit.

Investments, divestments and liabilities
In the first half of the year, investments in tangible fixed assets amounted to €7.1 million and investments in intangible fixed assets amounted to €2.0 million.
At the end of the first half of the year, the Group had entered into investment liabilities amounting to €2.0 million.

Related parties
In the first half of the year, associates, other participating interests and a joint venture purchased goods from the Group amounting to €15.6 million (2009: €11 million). At the end of the first half of the year, outstanding trade receivables due to the Group from associates and other participating interests amounted to €4.0 million (2009: €22.3 million) and from joint

ventures €1.3 million (2009: €1.1 million). The Group had no trade accounts payable to associates, other participating interests or the joint venture at the end of the first half of the year.

Events subsequent to the balance sheet date
No material events have taken place since 30 June 2010.

Almelo, 25 August 2010
Executive Board

To the Executive Board and Supervisory Board of Royal Ten Cate nv

Review report

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of Royal Ten Cate nv, Almelo, which comprises the condensed consolidated statement of financial position as at June 30, 2010, the condensed consolidated statement of comprehensive income, consolidated statement of changes in group equity, condensed consolidated cash flow statement and the selected explanatory notes for the period 1 January 2010 to 30 June 2010. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on these interim financial statements 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 statements for the period 1 January 2010 to 30 June 2010 are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

Amstelveen, 25 August 2010

KPMG ACCOUNTANTS N.V.

T van der Heijden RA