

# Royal Ten Cate



## Semi-annual figures 2005

1 September 2005

# Agenda

- Profile; Organization
- Developments 2005
- Second Quarter key figures
- Financial developments
- Segment information
- IFRS
- Forecast for 2005

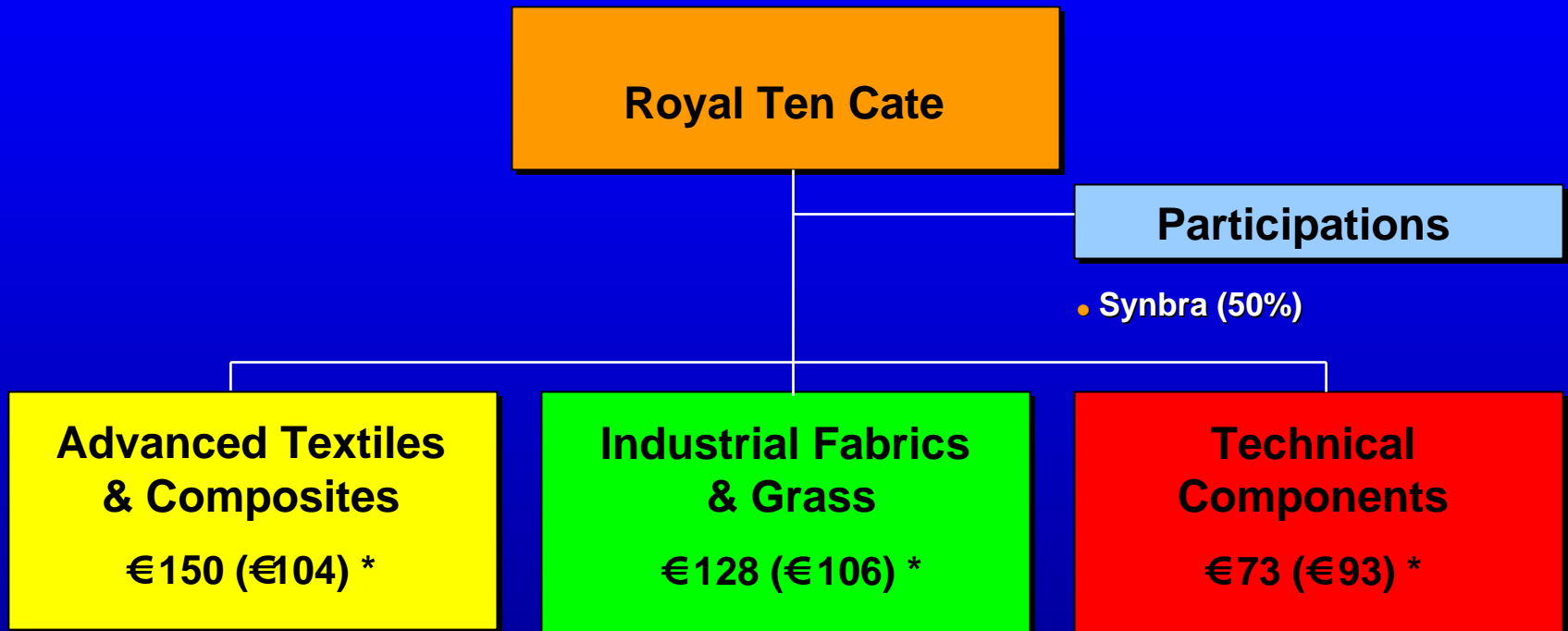


# Royal Ten Cate

- **‘Advanced materials’ based on textile technology and chemical processes**
- **“Value chain management” through**
  - **Cost control**
  - **Product differentiation**
  - **Technological innovations**
  - **End user marketing**
- **Leading positions in growing worldwide market niches – “Buy and build”**
- **“Fix it – Exit” for Technical Components sector**



# Organization



- Ten Cate Advanced Textiles
- Ten Cate Southern Mills
- Ten Cate Advanced Composites

- Ten Cate Industrial Fabrics
- Ten Cate Grass Group

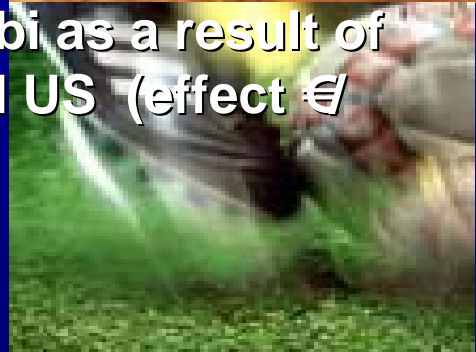
- Ten Cate Enbi
- Ten Cate Plasticum

\*) turnover in € mln. first half 2005 (first half 2004)



# Main developments

- Profit growth of 21%
- Good results American operating companies
- Strong growth Southern Mills in “emergency response” market and military market (US)
- Introduction artificial turf of Ten Cate in Dutch premier league; important reference projects
- Unbalanced position TC Enbi as a result of production shift to Asia and US (effect € / dollar rate)
- Divestment Mega Valves



# Ongoing growth in second quarter

Amounts in €1 mln.	2005 Q2	2004 Q2	Change	Autonomous	2005 H1	2004 H1	Change	Autonomous
Net turnover	177.3	173.2	+ 2%	+11%	351,0	303,2	+16%	+14%
EBITDA	17.3	17.0	+ 2%	+13%	28.1	24.9	+13%	+14%
EBIT	12.7	11.9	+ 7%	+23%	18.7	15.1	+24%	+26%
Net profit	11.2	8.6	+30%	+20%	15.0	12.4	+21%	+10%

# Financial developments first half 2005

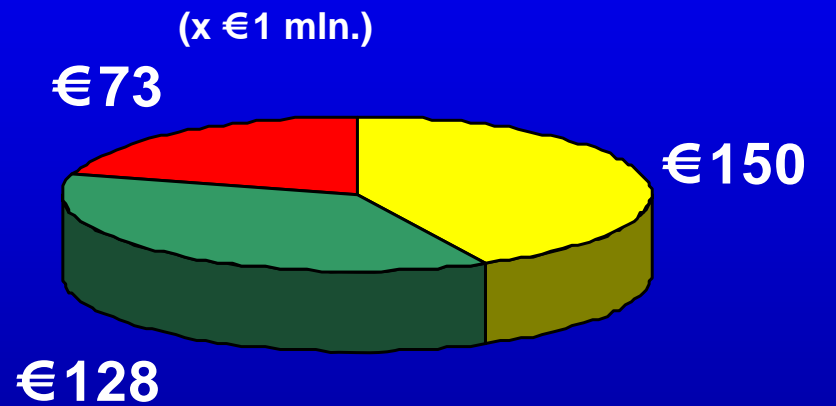
- **Sales growth +16%, of which 14% autonomous**
  - technical textiles +32%, of which 21% autonomous
- **Operating result (EBIT) +24%, of which 26% autonomous**
  - technical textiles +40%, of which 29% autonomous
  - Ebit-margin technical textiles improves from 5.9% to 6,3%
- **Increase raw material prices €15 mln., of which €10 mln. passed to customers**
- **Autonomous EBIT changes per segment:**
  - Advanced Textiles & Composites + 35%
  - Industrial Fabrics & Grass + 25%
  - Technical Components + 20% (excl. Mega Valves)
  - Holding & Services - 25%
- **Net profit increases which 21% to €15 mln.**
- **RONA increases to 14.5% (2004 H1: 12.1%)**



# Turnover H1 2005

## Growth 15.8 %

- autonomous + 13.8%
- currency effects - 1.7%
- acquisitions/  
divestmentssinv. + 3.7%



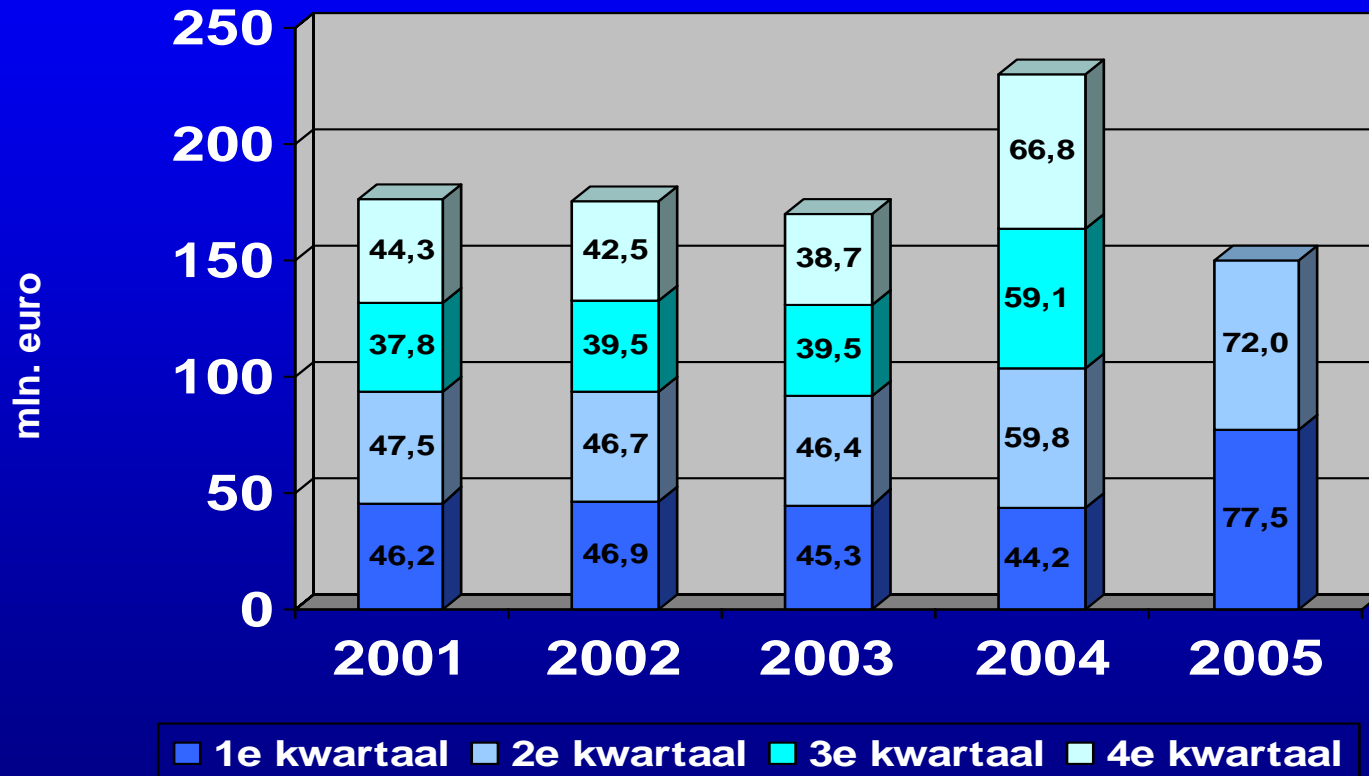
- Advanced Textiles & Composites
- Industrial Fabrics & Grass
- Technical Components





# Net turnover per quarter

## Advanced Textiles & Composites

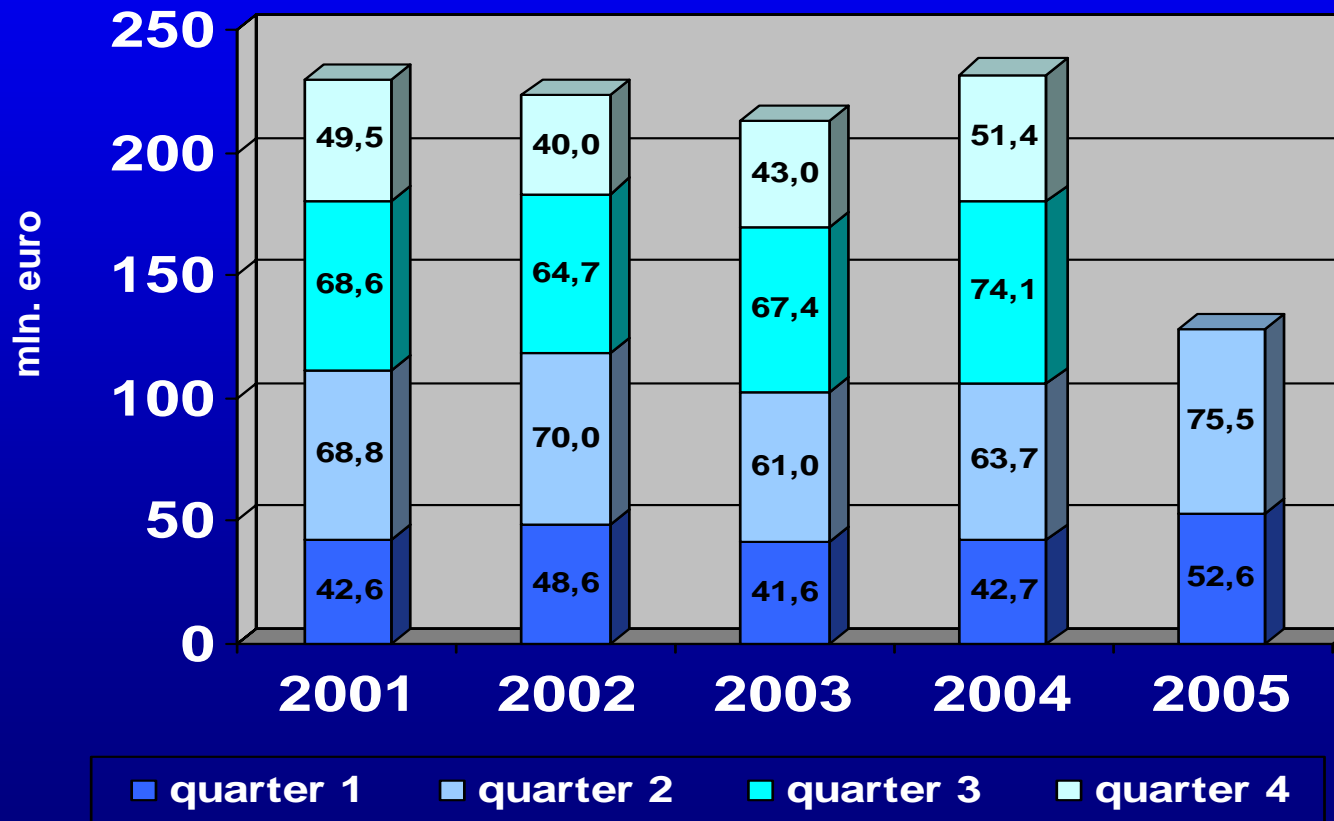


- Delivery big order antiballistic products in Q1 2005



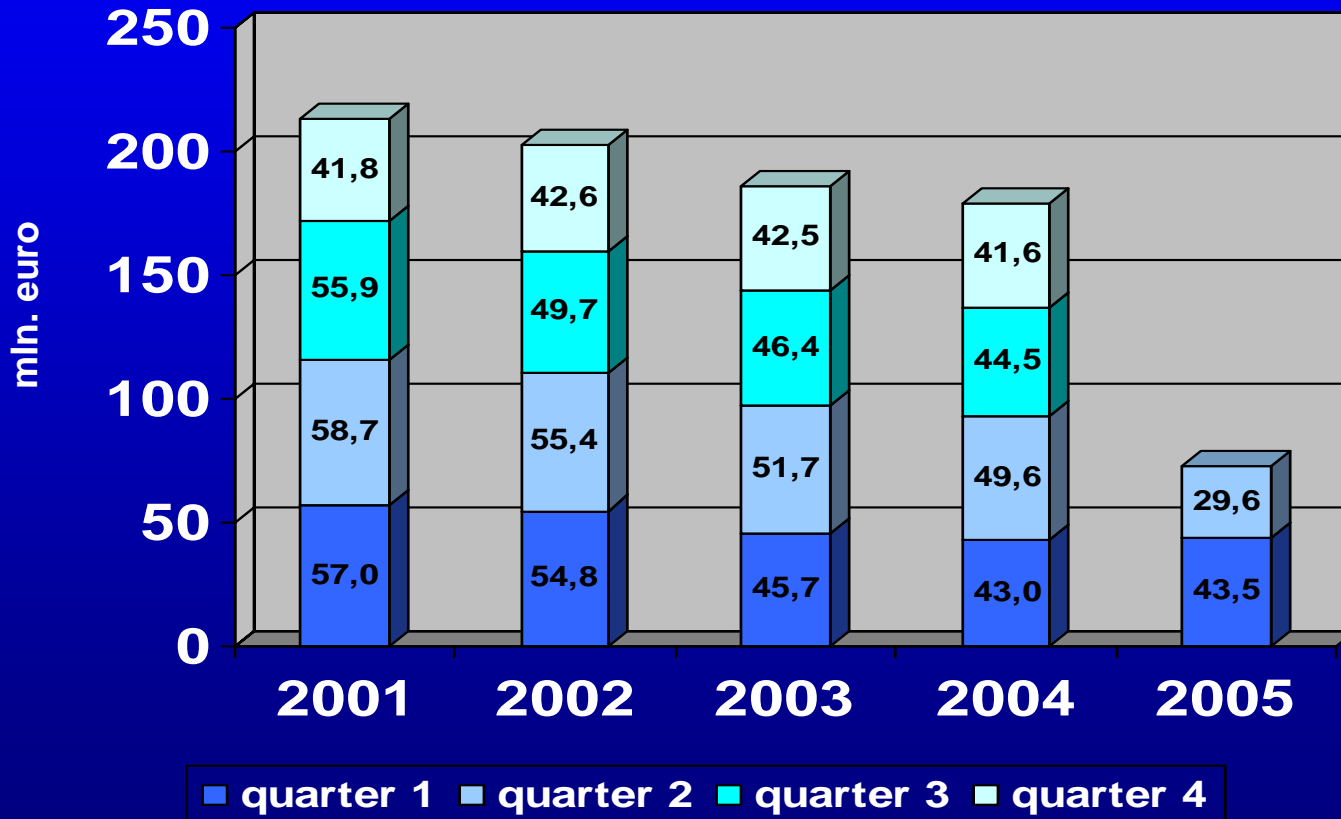
# Net turnover per quarter

## Industrial Fabrics & Grass



# Net turnover per quarter

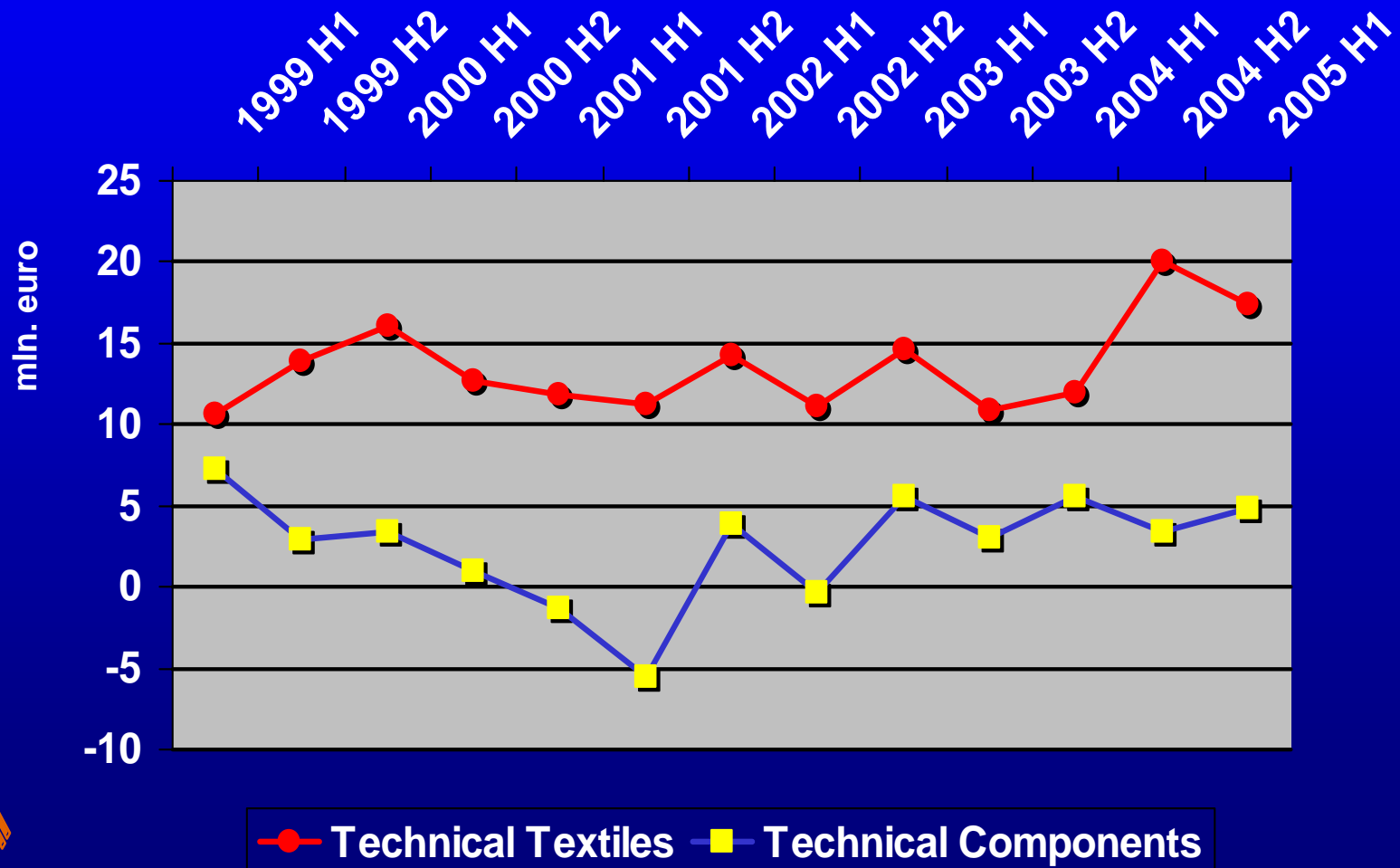
## Technical Components



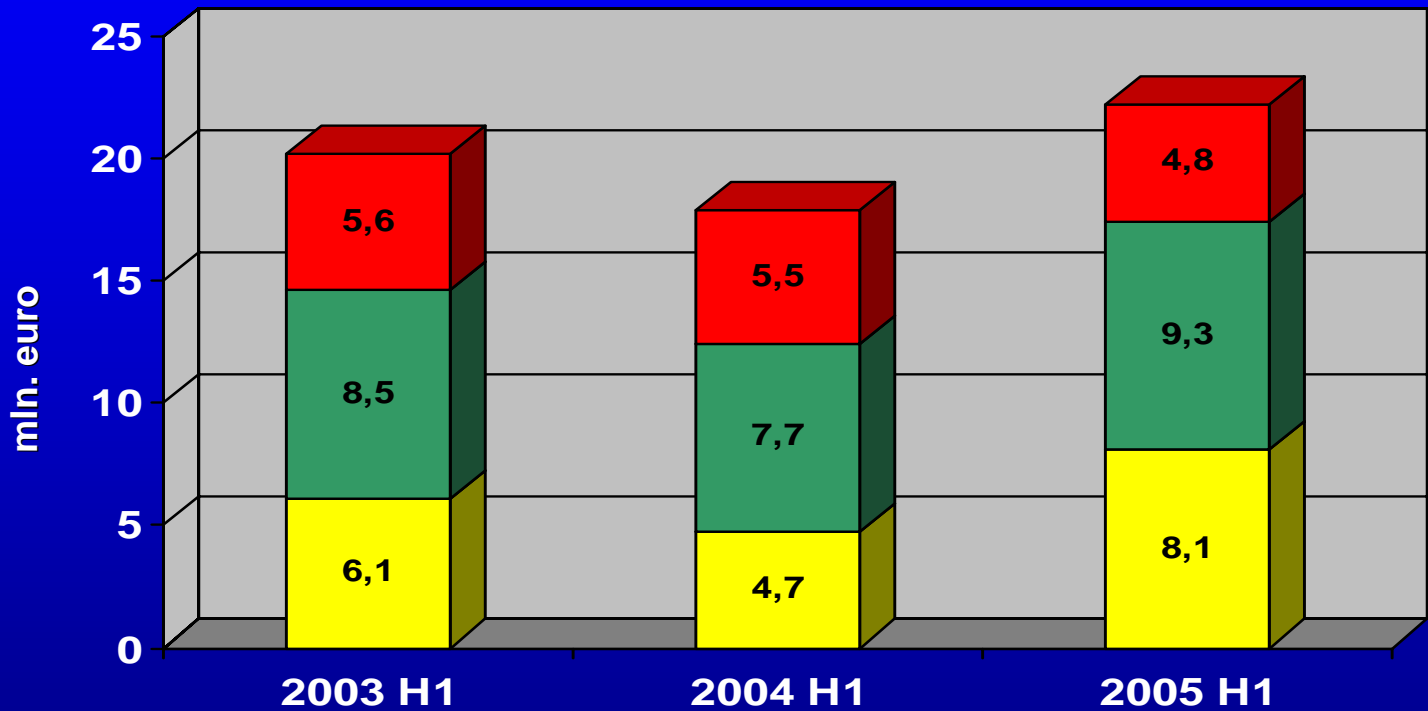
- Divestment Mega Valves in second quarter 2005



# Operating result per sector



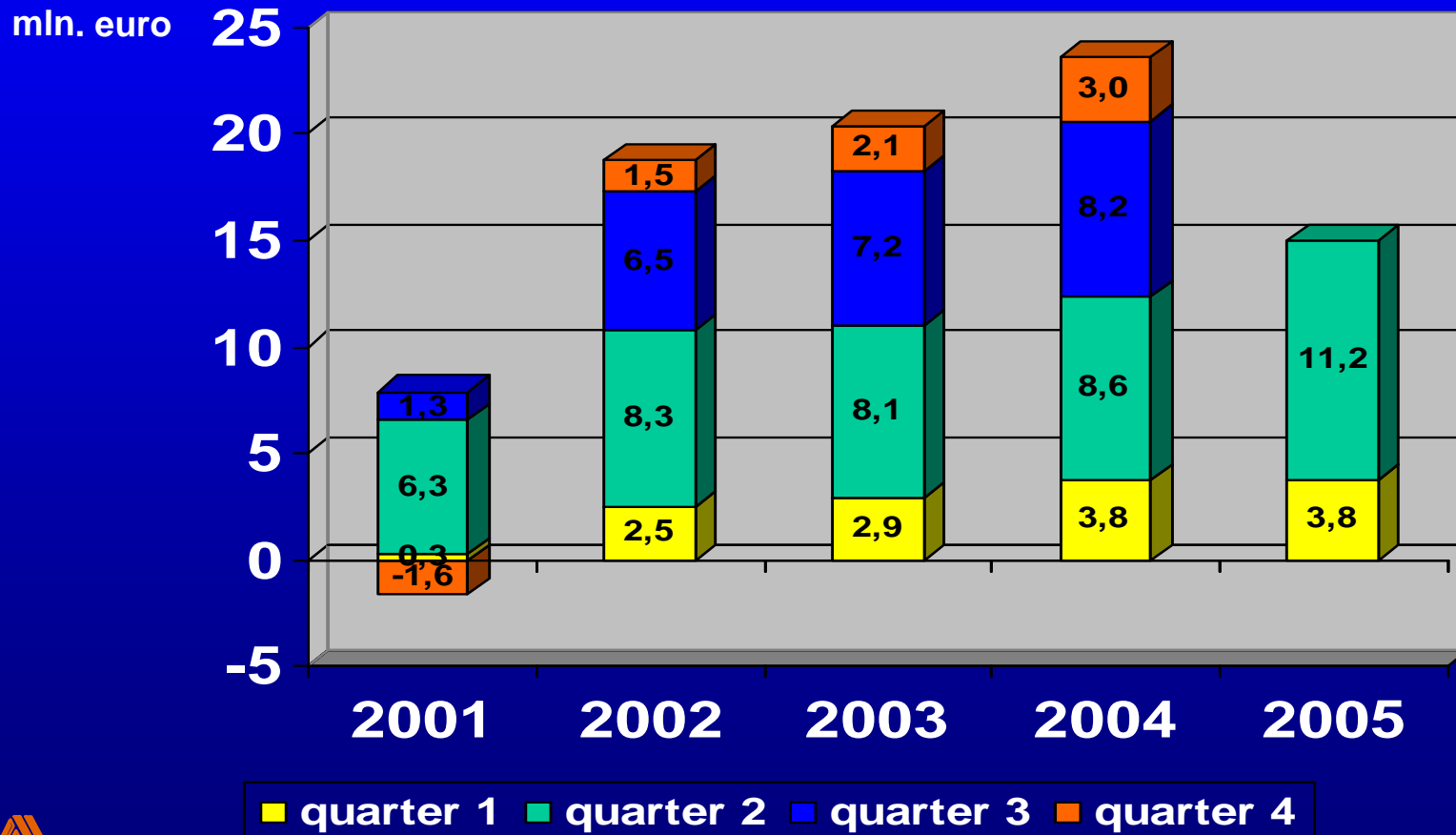
# Operating result per segment



■ Advanced Textiles & Composites ■ Industrial Fabrics & Grass  
■ Technical Components



# Net profit per quarter



# Advanced Textiles & Composites



Protection & Technology



# Information per segment



## Advanced Textiles & Composites



<b>Advanced Textiles &amp; Composites (x €1 mln.)</b>	<b>H1 2005</b>	<b>H1 2004</b>
Net turnover	<b>149,5</b>	104,0
Operating result (EBIT)	<b>8,1</b>	4,7
Ebit margin (%)	<b>5,4</b>	4,5
Investments	<b>3,2</b>	1,5
Depreciation and amortisation	<b>3,1</b>	2,5
Net capital employed	<b>120,5</b>	119,9
RONA (%)	<b>14,0</b>	9,2





# Advanced Textiles & Composites

- **Investments Advanced Textiles in quality improvement, efficiency and new technology**
- **Strong increase turnover of safety fabrics in Europe**
- **Strong increase profit contribution Southern Mills**
- **New products Southern Mills for European market**
- **Major loss reduction Permess in second quarter**
- **Strong growth antiballistic plate material in US**
- **Increase Cetex® production capacity**



# Industrial Fabrics & Grass



CONTAINMENT



DEWATERING



CONSOLIDATION



Sport & Environment



# Information per segment



## Industrial Fabrics & Grass



<b>Industrial Fabrics &amp; Grass (x 1 mln.)</b>	<b>H1 2005</b>	<b>H1 2004</b>
Net turnover	128,1	106,4
Operating result (EBIT)	9,3	7,7
Ebit margin (%)	7,3	7,2
Investments	3,9	1,2
Depreciation and amortisation	3,8	4,4
Net capital employed	134,8	117,2
RONA (%)	15,9	14,0



# Industrial Fabrics & Grass

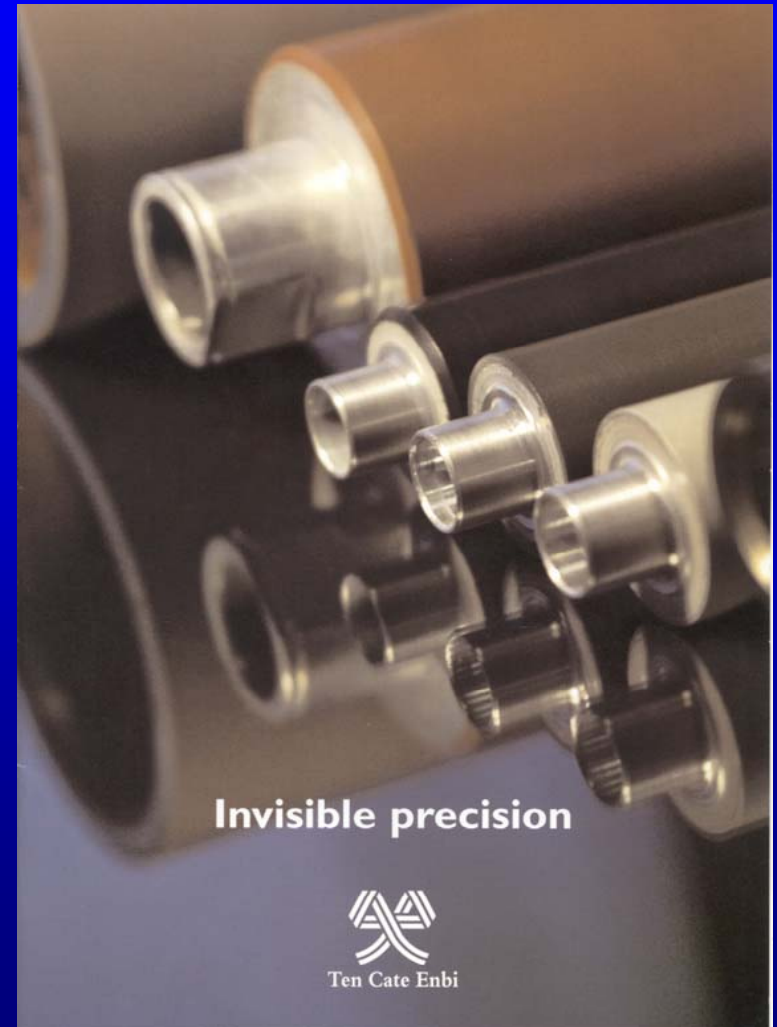
- **Autonomous growth turnover +24%**
- **Turnover growth +35% in US**
- **Added Value under pressure; EBIT margin stable at 7,3% as result of controlled cost**
- **Operating result increases 21% (25% autonomously)**
- **Investments in production capacity**



# Technical Components



Packaging for consumer products



Industrial Solutions

Components for office equipment

# Information per segment



## Technical Components



Technical Components (x €1 mIn.)	H1 2005	H1 2004
Net turnover	73,1	92,6
Operating result (EBIT)	4,8	5,5
Ebit margin (%)	6,6	5,9
Investments	1,4	1,0
Depreciation and amortisation	2,5	2,9
Net capital employed	51,9	81,3
RONA (%)	15,7	13,7



# Technical Components

- **Autonomous decrease turnover 3% resulting from reduction loss making activities**
- **Result improvements Ten Cate Enbi halted resulting from shifting orders to US and Asia**
- **Closing Enbi France: €1 mln charge in Q3**
- **Ten Cate Plasticum steadily improves turnover and profit**
- **Divestment Mega Valves: book profit €2 mln.**



# Synbra Group (50%)

- **Leading producer of styrenics**
  - Building sectorw (isolation)
  - Protective packaging (food and industry)
- **Profit contribution under pressure as a result of high oil prices**
- **Tax gain 2004 realized in first quarter 2005**
- **Decreased turnover in packaging products**
- **Slight growth in building sector**





# International Financial Accounting Standards (IFRS)

- Result 2004 adjusted with + €0,5 mln. for comparison reasons
- Correction Equity - €24 mln.
  - Pension provision - €35 mln.
  - Deferred taxes + €11 mln.



# Forecast 2005

- **Raw material cost and currency effects (US dollar) causes uncertainty**
- **Continuation commercial performance in second half, in particular in US**
- **Condition: Stable raw material prices and commercial margins on level of mid 2005**
- **Provision made for IFRS related value changes of (off balance sheet) financial instruments (hedged positions) or fixed assets**
- **Important growth of net profit: €26 - €29 mln.**

(2004: €23.7 mln. on the basis of IFRS)



# Royal Ten Cate



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1 September 2005