

Press release

investor relations

TenCate records € 13 million net profit in first half of 2013

Summary of first half of 2013

- Decline in revenues of 5% to € 514 million (organic -6%, currency effect -1%, acquisitions / divestments 2%).
- Defence-related revenues in the US declined by US \$17 million; delay in revenues of the Geosynthetics & Grass sector due in part to adverse weather conditions.
- Increased order positions and recovery in revenues in the second quarter, mainly at TenCate Advanced Armor USA and the Geosynthetics & Grass sector.
- EBITA declined by 8% to € 29 million (organic -9%, currency effect -1%, acquisitions / divestments 2%).
- Net profit € 13 million (H1 2012: €14 million).
- Earnings per share € 0.50 (H1 2012: €0.54).
- Decline in FTEs by approximately 470 since June 2012 on a comparable basis.
- Steep decline in net interest-bearing debt (€ 74 million) at the end of June despite acquisition of Amber Composites; net debt / EBITDA ratio 2.8.

Outlook

Market conditions in the second half of the year are expected to remain challenging as a result of constant pressure on government expenditure. However, the increased order positions and the recovery that occurred during the second quarter inspire confidence for the second half of 2013.

In the Advanced Textiles & Composites sector there is a more positive picture in respect of the second half of the year. The growth in revenues of TenCate Protective Fabrics for protective fabrics in the global industrial market will continue. Deliveries of TenCate Defender™ M to the US Army are expected to remain at the current low level. Sales within TenCate Advanced Composites of aerospace composites for the Airbus A380 and A350 will increase in the second half of the year.

The outlook in respect of the revenue trend within the Geosynthetics & Grass sector is favourable for the second half of the year. The increased capacity utilization rate and cost savings in the Grass group will make a positive contribution to further profit recovery.

Ir. Loek de Vries, President and CEO: *'Despite the continuing unfavourable market conditions, the decline in revenues remained relatively limited in the first half of*

Koninklijke Ten Cate nv

Stationsstraat 11
7607 GX Almelo
Postbus 58
7600 GD Almelo

www.tencate.com
P.Zwinkels@Tencate.com

KvK nr. 06016321
Royal Bank of Scotland
NL74RBOS0448627868
BTW nr. NL 004645054B02

2013. Revenues in the US market from aerospace composites and the revenues from industrial protective fabrics have projected a positive profile.

The number of orders booked in the Geosynthetics & Grass sector showed an upward trend in the second quarter.

Since June 2012 TenCate has adapted its cost base to changing market demand, and staffing levels have been reduced by approximately 470 FTEs, excluding acquisitions.

In the Advanced Textiles & Composites sector there was a continuing government policy of restraint in respect of defence expenditure. Defence expenditure in Europe is currently at its lowest level in ten years. Exposure to defence-related markets has decreased sharply and amounts to approximately 10% of corporate revenues.

TenCate Defender™ M is increasingly being deployed in defence markets outside the US and for use in the emergency response market.

As a result of the measures taken that relate to both cost control and product development, TenCate is well positioned in the armour market.

In the field of digitization of production processes, progress was made with the commissioning of the first digital inkjet machine for the finishing of protective and outdoor fabrics.

Driven by European legislation which has the objective of substantially reducing carbon emissions for the automotive industry, TenCate sees great interest in thermoplastic composite technology. This market will develop gradually in the years ahead. The recently acquired Amber Composites, which will strengthen growth in the field of automotive composites and other sectors, has developed in line with expectations.

The sales organization within the Geosynthetics group was strengthened in order to be able to respond to the growing global market for water management and environmental solutions. TenCate Geosynthetics supplied TenCate Geotube® systems for a number of attractive projects. This solution-focused approach will be further promoted and it forms one of the growth areas within this market group.

TenCate is positioning itself to an increasing extent with high-grade synthetic turf systems. The granting of the tender by the Coöperatie Eerste Divisie (Dutch first division) to TenCate Grass / GreenFields represents a breakthrough in this field in professional football. The Netherlands is a leader with this development, with the largest number of synthetic turf pitches in professional football.'

Performance by sector

Advanced Textiles & Composites Sector

The revenues of the Advanced Textiles & Composites sector declined by 5% to € 228 million in the first half of 2013 (organic -9%, acquisitions / divestments 4%). EBITA decreased relatively more sharply by 26% to € 14.1 million.

Key figures (x € 1m)	H1 2013	H1 2012	Change
Revenues	228.4	240.9	-5%
EBITA	14.1	19.0	-26%
EBITA margin	6.2%	7.9%	
Investments in tangible and intangible fixed assets	2.9	5.7	-49%
Depreciation	5.3	5.3	0%
Amortization	3.9	2.6	50%
Average net capital invested	309.4	313.9	-1%
FTE excluding temporary personnel (end of half-year)	1,518	1,657	-8%

Deliveries of TenCate Defender™ M to the US Army unexpectedly did not continue in the second quarter. Currently there are dozens of armies outside the US actively conducting wearing trials. The revenues from the TenCate Tecasafe™ portfolio (industrial markets) grew by more than 20% compared with the first half of 2012. However, margins outside the defence market are at a lower level. By contrast, the sales potential of the international industrial market is great. Based on the requirement for higher levels of employee protection, this will continue to be a growth market

TenCate Advanced Composites as a whole showed 14% growth in revenues. Revenues in the United States were positively affected by deliveries to the space sector. In time the growth in revenues will be positively impacted in the long term by deliveries to Airbus Industries, when deliveries for the Airbus A380 and Airbus A350XWB have reached the expected level.

Automotive composites is a new activity that should contribute to the future growth of TenCate. The acquisition of Amber Composites is an addition to the existing product portfolio of composite materials and supports this ambition.

The partnership between BASF, Owens Corning and TenCate is progressing well. BASF recently announced that it will come with a specific package of products and solutions in October 2013, under the brand name Ultracom™, which will contain TenCate thermoplastic laminate and tapes (TenCate Cetex®). This is an integral

solution-focused approach, for which BASF has predicted substantial market potential over time.

TenCate, in cooperation with complementary partners, follows a similar approach. TenCate is currently working with suppliers and OEMs on a number of developments, with the aim of generating new revenues within one to three years. Material developments, production technology of structural parts (parts manufacturing) and design capacities come together in this.

The results of TenCate Advanced Armour showed a mixed picture. In Europe there was a sharp decline in revenues compared with the first half of 2012, mainly as a result of delays in deliveries to Eurocopter.

Sales in the United States staged a recovery in the second quarter and consequently showed growth in revenues over the first half of 2013. The development of the TenCate ABDS™ active blast countermeasure system is in the official qualifying phase of US government agencies.

Geosynthetics & Grass Sector

The revenues of the Geosynthetics & Grass sector declined by 5% to € 250 million (organic -4%, currency effect -1%); EBITA declined by 6% to € 14.9 million.

Key figures (x € 1m)	H1 2013	H1 2012	Change
Revenues	249.7	261.7	-5%
EBITA	14.9	15.8	-6%
EBITA margin	6.0%	6.0%	
Investments in tangible and intangible fixed assets	1.5	3.3	-55%
Depreciation	11.0	12.4	-11%
Amortization	2.5	3.2	-22%
Average net capital invested	419.4	432.4	-3%
FTE excluding temporary personnel (end of half-year)	2,123	2,379	-11%

In the first half of 2013 TenCate Geosynthetics showed a decline in revenues of 7%, partly as a result of delays in projects caused by adverse weather conditions. In the course of the second quarter revenues returned to the level of last year. Demand from Europe, in particular Eastern Europe, and the United States recovered, while sales in Asia lagged behind. In the United States especially margins were under pressure. Sales of TenCate GeoTube® systems rose by approximately 20%, which had a positive effect on margins. This increase in revenues occurred mainly in Europe and Africa.

The order book of TenCate Geosynthetics showed an upward trend for the second half of the year.

TenCate Grass showed an improvement in the operating result for the first half of the year. End-users are devoting more attention to quality and sustainability. TenCate holds a strong position in synthetic turf yarns and innovative (woven) systems, which have proved their worth at top level. A further improvement in the alignment of the upstream with the downstream activities (marketing of synthetic turf systems) and strategic partners is expected to further increase effectiveness in the market and strengthen profitability.

Technologies Sector / Technical Components Sector / Holding & Services

The revenues of other activities relate to TenCate Enbi and Xennia Technology. TenCate Enbi showed an improvement in both revenues and result. During the second quarter of 2013 Xennia Technology completed a reorganization that was started in the fourth quarter of 2012. In this focus was applied and the emphasis placed on the commercialization of developed products, knowledge and skills. Consequently, Xennia's result rose, with reduced revenues.

Key figures (x € 1m)	H1 2013	H1 2012	Change
Revenues	35.6	37.0	-4%
EBITA	-0.3	-3.5	-91%
Investments in tangible and intangible fixed assets	0.4	0.6	-33%
Depreciation	1.5	1.0	50%
Amortization	1.3	1.5	-13%
Average net capital invested	67.6	63.8	6%
FTE excluding temporary personnel (end of half-year)	625	626	0%

Other financial information for the first half of 2013

The investment policy of TenCate was cautious with € 4.8 million (2012: € 9.6 million) of investments in tangible and intangible fixed assets, and was well below the level of depreciation of € 17.8 million. The net interest-bearing debt amounted to € 238 million at the end of June 2013, which represented a decrease of € 74 million compared with the first half of 2012. Despite the acquisition of Amber Composites, the operational cash flow and the focus on working capital led to a reduction in the net interest-bearing debt in the first half year. The net debt / EBITDA ratio was 2.8 at the end of June and remained well within the covenant.

Statement by the Executive Board

'Based on the information available to us, the Executive Board hereby states that the interim report, prepared in accordance with IAS 34, Interim Financial Reporting, gives a true and fair view of the assets, the liabilities, the financial position and the profit of Royal Ten Cate and the companies included in the consolidation, and that the interim report provides a true and fair view of the information required pursuant to Article 5:25d, subsections 8 and 9 of the Dutch Financial Supervision Act.'

Royal Ten Cate
Almelo, 25 July 2013

For further information:

On Thursday, 25 July 2013 the Executive Board press conference concerning the interim results for 2013 will be held for the media in Dutch in the Amsterdam Hilton at 10.30 CET. At 14.00 CET the analysts' meeting - also in Dutch - will take place at the same location.

TenCate (Corporate)

Pieter Zwinkels, investor relations manager

Tel. + 31 (0)546 544 318

Mobile + 31 (0)6 1088 6338

e-mail p.zwinkels@tencate.com

Internet www.tencate.com

Royal Ten Cate (TenCate) is a multinational company that combines textile technology with chemical processes and material technology in the development and production of functional materials with distinctive characteristics with the mission of 'Protecting People'.

Systems and materials from TenCate come under four areas of application: personal protection and defence; mobility; infrastructure and the environment; sport and recreation. TenCate occupies leading positions in protective fabrics, composites for space and aerospace, antiballistics, geosynthetics and synthetic turf. TenCate is listed on NYSE Euronext and included in the AMX index.

KEY FIGURES

For the first half year

in millions of euros	2013	2012		
<u>Condensed consolidated profit & loss account</u>				
Revenues	513.7	539.6	-5%	
Operating result before depreciation and amortisation (EBITDA) *)	46.5	50.0	-7%	
Operating result before amortisation (EBITA) *)	28.7	31.3	-8%	
Operating result before amortisation as % of revenues *)	5.6%	5.8%	-0.2%	
Operating result (EBIT) *)	21.0	24.0	-13%	
Net profit *)	13.0	14.0	-7%	
<u>Condensed consolidated balance sheet</u>				
Average net invested capital	796.4	810.1	-2%	
Net interest-bearing debt at period end	238.1	312.4	-24%	
<u>Condensed consolidated statement of cash flows</u>				
Net cash flow from operating activities	29.3	18.8	56%	
Investments in / divestments of tangible and intangible fixed assets	-4.6	-9.4	-51%	
Net acquisition / disposal of operating companies and associated companies	-22.2	-15.3		
<u>(x 1.000)</u>				
Number of outstanding shares at period end	26,791	26,498	1%	
Average number of outstanding shares (before dilution)	26,212	25,887	1%	
Average number of outstanding shares (after dilution)	26,308	26,075	1%	
<u>Earnings per share</u>				
Net profit per share *)	0.50	0.54	-7%	
Diluted net profit per share *)	0.49	0.54	-9%	
<u>Employees</u>				
FTE ex contracted staff at period-end	4,266	4,662	-8%	
of which in the Netherlands	780	815	-4%	
<u>Quarterly key figures</u>				
	Q2		Q1	
	2013	2012	2013	
			2012	
Revenues	271.9	282.9	241.8	256.7
Operating result before amortization (EBITA) *)	16.2	18.1	12.5	13.2
Net profit *)	8.4	8.9	4.6	5.1

*) adjusted for accounting policy change pensions

KEY FIGURES PER SEGMENT

For the first half year

in millions of euros	2013	2012	
Advanced Textiles & Composites			
Revenues	228.4	240.9	-5%
EBITA	14.1	19.0	-26%
EBITA margin	6.2%	7.9%	-1.7%
Capital expenditures	2.9	5.7	-49%
Depreciation	5.3	5.3	-
Amortisation	3.9	2.6	50%
Average net capital employed	309.4	313.9	-1%
FTE ex contracted staff at period-end	1,518	1,657	-8%
Geosynthetics & Grass			
Revenues	249.7	261.7	-5%
EBITA	14.9	15.8	-6%
EBITA margin	6.0%	6.0%	-
Capital expenditures	1.5	3.3	-55%
Depreciation	11.0	12.4	-11%
Amortisation	2.5	3.2	-22%
Average net capital employed	419.4	432.4	-3%
FTE ex contracted staff at period-end	2,123	2,379	-11%
Other			
Revenues	35.6	37.0	-4%
EBITA*)	-0.3	-3.5	-91%
Capital expenditures	0.4	0.6	-33%
Depreciation	1.5	1.0	50%
Amortisation	1.3	1.5	-13%
Average net capital employed	67.6	63.8	6%
FTE ex contracted staff at period-end	625	626	-

*) adjusted for accounting policy change pensions

CONDENSED CONSOLIDATED PROFIT & LOSS ACCOUNT

For the first half year

in millions of euros	2013	2012 ^{*)}	%
Revenues	513.7	539.6	-5%
Cost of goods sold	407.1	426.3	-5%
Gross margin	106.6	113.3	-6%
Marketing and sales costs	35.8	33.9	6%
Research and development costs	12.5	11.6	8%
General and administrative costs	37.3	43.8	-15%
	85.6	89.3	-4%
Operating result (EBIT)	21.0	24.0	-13%
Net finance costs	-5.0	-6.2	-19%
Pre-tax income	16.0	17.8	-10%
Profit tax	-4.7	-5.2	-10%
Net income associates	0.1	-0.3	nm
Result after tax	11.4	12.3	-7%
Non-controlling interest	-1.6	-1.7	6%
Net Profit TenCate (Shareholders of parent company)	13.0	14.0	-7%
Earnings per share			
Net profit	0.50	0.54	-7%
Diluted net profit	0.49	0.54	-9%

*) adjusted for accounting policy change pensions

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the first half year

in millions of euros	2013	2012 ^{*)}
Result after tax	11.4	12.3
Other comprehensive income, net of profit tax		
Foreign currency translation differences for foreign operations	3.6	7.1
Actuarial results ^{**)}	7.6	0.7
Result hedge accounting	1.4	-
Other comprehensive income, net of profit tax	<u>12.6</u>	<u>7.8</u>
Total comprehensive income	24.0	20.1
Non-controlling interest	<u>-1.5</u>	<u>-1.6</u>
Total comprehensive income (Shareholders of parent company)	25.5	21.7

^{*)} adjusted for accounting policy change pensions

^{**)} items that will never be reclassified subsequently to profit or loss. Other items of other comprehensive income are or may be reclassified subsequently to profit or loss

CONDENSED CONSOLIDATED BALANCE SHEET

in millions of euros

	30 June 2013	31 December 2012	30 June 2012
Fixed assets			
Intangible fixed assets	281.7	269.4	282.5
Tangible fixed assets	183.6	196.7	215.3
Financial fixed assets	<u>42.9</u>	<u>47.0</u>	<u>37.8</u>
Total fixed assets	508.2	513.1	535.6
Current assets			
Inventories	225.4	226.4	262.1
Trade and other receivables	200.2	159.7	209.6
Cash and cash equivalents	<u>44.5</u>	<u>26.7</u>	<u>20.9</u>
Total current assets	<u>470.1</u>	<u>412.8</u>	<u>492.6</u>
Total assets	978.3	925.9	1,028.2
Group equity			
Total shareholders' equity	475.1	457.2	476.6
Non-controlling interest	<u>-2.6</u>	<u>-1.9</u>	<u>2.0</u>
Group equity	472.5	455.3	478.6
Long-term liabilities			
Long-term debts	223.7	220.3	288.0
Provisions and deferred profit tax liabilities	<u>53.4</u>	<u>62.5</u>	<u>43.9</u>
Total long-term liabilities	277.1	282.8	331.9
Short-term liabilities			
Cash loans and overdrafts	58.9	36.3	45.3
Trade creditors and other payables	163.8	142.4	168.6
Provisions and profit tax liabilities	<u>6.0</u>	<u>9.1</u>	<u>3.8</u>
Total short-term liabilities	228.7	187.8	217.7
Total liabilities	<u>505.8</u>	<u>470.6</u>	<u>549.6</u>
Total group equity and liabilities	978.3	925.9	1,028.2

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the first half year

in millions of euros

	<u>2013</u>	<u>2012</u>
<u>Cash flow from operating activities</u>		
Result after tax *)	11.4	12.3
Adjustments:		
Depreciation and amortization	25.5	25.9
Financing	0.2	0.1
Profit tax	-0.3	4.1
Change in working capital	-6.5	-20.0
Change in provisions and pension liabilities	-2.0	-5.6
Other	1.0	2.0
Net cash flow from operating activities	29.3	18.8
<u>Cash flow from investing activities</u>		
Investments in (in)tangible fixed assets	-4.8	-9.6
Acquisitions of operating companies less cash acquired	-22.2	-15.3
Other	1.0	-0.4
Net cash used in investing activities	-26.0	-25.3
<u>Cash flow from financing activities</u>		
Net drawing of long-term debts	-0.5	7.6
Dividend payment to shareholders	-7.6	-12.2
Other	0.3	0.3
Net cash flow from (used in) financing activities	-7.8	-4.3
Change in cash and cash equivalents	-4.5	-10.8
Cash and cash equivalents on 1 January	-8.7	-12.7
Effect of exchange rate fluctuations on cash and cash equivalents held	-0.4	0.2
Cash and cash equivalents on 30 June	-13.6	-23.3

*) adjusted for accounting policy change pensions

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN GROUP EQUITY

in millions of euros	2013	2012
Group equity as at 1 January	455.3	469.5
Changes:		
Total comprehensive income after profit tax	24.0	20.1
Dividend to shareholders	-7.6	-12.2
Share-based payments	0.8	1.0
Share options exercised	0.3	0.3
Acquisition of non-controlling interests	-0.3	-0.1
Group equity as at 30 June	472.5	478.6

EXPLANATORY NOTES ON THE CONDENSED CONSOLIDATED INTERIM REPORT

Reporting entity

The condensed consolidated interim report of Royal Ten Cate (the Company), established in Almelo, for the first half year of 2013 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 2012 consolidated financial statements. The condensed consolidated 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 2012 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 24 July 2013.

Accounting policies

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 99 to 109 of the consolidated financial statements for the 2012 financial year.

Change in accounting policy

As of 2013 IAS 19 (2011) is applied. In order to determine the expected return on plan assets as part of the pension costs the discount rate that is used to determine pension liability will be applied.

The effect of the change in accounting policy on the result and equity is as follows:

	2013	2012
Cost of goods sold	0.7	0.7
Marketing and sales costs	0.1	0.1
General and administrative costs	0.2	0.2
Profit tax	-0.3	-0.3
Total profit decrease	<u>0.7</u>	<u>0.7</u>
Actuarial result	1.0	1.0
Tax on actuarial result	-0.3	-0.3
Total increase other comprehensive income	<u>0.7</u>	<u>0.7</u>

Risks and uncertainties

The 2012 annual report includes a detailed description of the risk management of TenCate. No significant change has occurred in the risk profile included herein. The continuing uncertain political climate combined with the present economic conditions may have a negative effect on market developments for TenCate in 2013.

Estimates

The preparation of this condensed consolidated interim report requires judgement by management, who makes 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 judgements made by 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 2012 financial statements.

Segment information For the first half year

The table below presents each of the reporting segments.

Segment information	Advanced Textiles & Composites		Geosynthetics & Grass		Other		Consolidated	
	2013	2012	2013	2012	2013	2012	2013	2012
EUR x 1 million	2013	2012	2013	2012	2013	2012	2013	2012
External revenues	228.4	240.9	249.7	261.7	35.6	37.0	513.7	539.6
Inter-segment revenues	-	-	-	-	-	-	-	-
Total revenues	228.4	240.9	249.7	261.7	35.6	37.0	513.7	539.6
EBIT*)	10.2	16.4	12.4	12.6	-1.6	-5.0	21.0	24.0
Net finance costs							-5.0	-6.2
Profit tax*)							-4.7	-5.2
Net result from associated companies							0.1	-0.3
Result after tax*)							11.4	12.3
Minority interests							-1.6	-1.7
Net Profit TenCate							13.0	14.0

*) adjusted for accounting policy change pensions

Acquisitions and their effects

On 15 January 2013 the Group acquired full control over the company Amber Composites Ltd in the United Kingdom. Amber is a British manufacturer of thermoset composites for the industry and the automotive market. The acquisition is aimed at accelerating operations in the European market in the field of thermoset composite material. This acquisition has been included in the reporting of the Advanced Textiles & Composites sector.

The acquisition has been recorded in the accounts in accordance with the Acquisition method (IFRS 3). The amounts of the acquisition have been allocated to the acquired assets and liabilities identified, which are based on the fair value. The purchase price allocation for the above-mentioned acquisition has not yet been finalized.

The effect of the acquisition on the assets, liabilities, revenues and the result after tax for the first half of 2013 is not material. The Group incurred costs of €0.4 million in 2013 relating to the acquisition in 2013 in connection with external legal fees and due diligence costs, which have been included in general & administrative expenses.

Goodwill

The movements of goodwill in the first half year are as follows:

in millions of euros	Total
Balance as of 1 January 2013	214.5
Acquisitions	7.6
Exchange rate differences	0.6
Balance as of 30 June 2013	222.7

In the first half year of 2013 Ten Cate assessed whether there are any indications for goodwill impairment. As a result of this assessment there are no major changes to report with respect to the conclusions presented in the 2012 annual report.

Profit tax expense

The Group's consolidated effective tax rate for the first half year was 29.4% (first half of 2012: 29.2% after accounting policy change pensions).

Share capital and share premium

- **Issuance of ordinary shares**

In May 2013, 293,701 shares were issued in connection with a stock dividend. On 30 June 2013 the number of outstanding shares amounted to 26,791,367 (31 December 2012: 26,497,666).

- **Repurchased shares**

In the first half of 2013, 18,000 repurchased shares were issued through the exercise of options. On 30 June 2013 the balance of repurchased shares amounted to 566,287 (31 December 2012: 584,287).

- **Dividend**

At the Annual General Meeting of Shareholders on 18 April 2013 the dividend was set at €0.50 per ordinary share of €2.50. The dividend was made payable in cash or as a stock dividend on 15 May 2013. The ratio was two new shares for 73 dividend rights.

On 15 May 2013, €7.6 million was paid in cash and 293,701 shares were issued in connection with the stock dividend.

Pensions

The pension expenses in the first half year are recorded on the basis of a proportionate share of the expected annual costs in 2013. In the first half 2013 an actuarial gain of €10.1 million before tax was recognized, in particular as a result of an increase in the discount rate in the first half of 2013.

Long-term liabilities

The syndicated loan facility amounted to €450.0 million on 30 June 2013 (31 December 2012: €450.0 million). The net debt on 30 June 2013 amounts € 238.1 million (30 June 2012: €312.4 million). The Group has agreed a ratio of net debt to EBITDA in a covenant with the banks in the participating bank syndicate. The actual ratio at the end of June was 2.80, remaining within the bank covenant limit.

Investments, divestments and liabilities

In the first half of the year investments in intangible and tangible fixed assets amounted to €4.8 million. At the end of the first half of the year, the Group had entered into investment commitments amounting to €1.4 million.

Related parties

In the first half of the year associates and other participating interests and a joint venture purchased goods from the Group amounting to €7.4 million (2012: €11.5 million). At the end of the first half of the year outstanding trade receivables due to the Group from associated and other participating interests amounted to €3.7 million (2012: €4.9 million) and from joint ventures €4.8 million (2012: €4.8 million). The Group had trade accounts payable to associates and other participating interests amounting to €0.1 million (2012: €0.2 million).

Events subsequent to the balance sheet date

No material events have taken place since 30 June 2013.

Almelo, 24 July 2013

Executive Board

Review report

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

Introduction

We have reviewed the accompanying condensed consolidated interim financial information of Royal Ten Cate, Almelo, which comprises the condensed consolidated balance sheet as at 30 June 2013, the condensed consolidated profit and loss account, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in group equity and the condensed consolidated cash flow statement for the period of six months ended 30 June 2013, and the selected explanatory notes. The Board of Directors 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

We conducted our review in accordance with Dutch law including standard 2410, "Review of Interim Financial Information Performed by the Independent 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 2013 are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

Amstelveen, 24 July 2013
KPMG Accountants N.V.

T. van der Heijden RA