

Press Release

investor relations &
corporate communication

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The Securities shall be offered only to qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive (2003/71/EC). Any investor will also be deemed to have represented and agreed that any Shares acquired by it in the offer have not been acquired on behalf of persons other than such qualified investors.

TenCate strengthens its position in the synthetic grass market by acquiring Mattex Leisure Industries and announces an offering of new ordinary shares

Royal Ten Cate nv has reached agreement with the owners of Mattex Leisure Industries ("Mattex") on the acquisition of its synthetic grass activities by means of a purchase of assets and liabilities. Mattex, based in Dubai, is a producer of, among other things, synthetic grass fibers.

This acquisition will considerably strengthen TenCate Thiolon's strategic position.

The synthetic grass activities of Mattex will be acquired by a new company that is to be formed: TenCate Thiolon Middle East LLC. This company is expected to generate sales of approximately US\$ 70 million in 2007. With the acquisition an amount of US\$ 178 million will be involved. This amount will be financed in part by a new issue of ordinary shares which will amount to less than 10% of the TenCate's issued share capital. TenCate expects the acquisition, which is subject to a number of conditions, to be completed in the first quarter of 2007.

Also as result of this takeover, TenCate expects its net profit, apart from the result on divestments, to rise by at least 25% in 2007.

Rationale for the acquisition

Demand for synthetic grass fibers has risen sharply and is expected to increase further, particularly due to the broader acceptance of synthetic grass within the soccer community. In 2006, in spite of its significant expansion of production capacity in Europe and the United States, TenCate Thiolon was not entirely able to meet the rapid increase in demand. This expansion resulted in high initial costs in 2006. The acquisition of Mattex, which is predominantly specialized in monofilament fibers, will strengthen the further development of TenCate Thiolon strategically and operationally.

As a result of the acquisition, TenCate Thiolon will be able to target the entire market with a broad and distinctive product portfolio. This acquisition will strengthen its commercial relations, because TenCate Thiolon will be able to respond more effectively to the demand for customized fibres and synthetic grass systems.

The TenCate Grass group expects to achieve synergies through an increase in efficiency and economies of scale.

Organization

TenCate Thiolon Middle East will be fully integrated in the TenCate Grass group. The current management team of Mattex, with the exception of its general manager, will continue to be employed by TenCate Thiolon Middle East. During the transitional phase the general manager will make a contribution to the integration process as an adviser.

Financing

TenCate intends to finance the acquisition using a new guaranteed syndicated credit facility and an issue of new ordinary shares, with the number of shares to be issued being less than 10% of TenCate's outstanding share capital. The issue of the new ordinary shares will be executed by way of an accelerated book build offering (the "Offering").

The Offering will be structured as a private placement of shares outside the United States in reliance on Regulation S under the U.S. Securities Act 1933 to eligible institutional investors only. No prospectus has been or will be published in connection with the placing of the new ordinary shares. ABN AMRO Rothschild will act as sole global coordinator and bookrunner in relation to the Offering. The Offering will be launched immediately following this announcement and is expected to close on Monday 12 February 2007 at 17:30 hours CET, but may be closed earlier or later at the discretion of ABN AMRO Rothschild. The placement is conditional upon the admission of the new ordinary shares to listing and trading on Euronext Amsterdam N.V.'s Eurolist by Euronext and certain other customary conditions, but is not conditional upon the completion of the acquisition of Mattex.

The new ordinary shares will entitle the holders thereof to receive any dividends pertaining to the financial year 2006 and beyond. Based on the closing price of Friday 9 February 2007 of € 24,75, the equity issue would result in raising approximately € 52 million. It is expected that settlement of the Offering will take place on Thursday 15 February 2007. The new shares are interchangeable with any TenCate shares already issued. TenCate has agreed, subject to exceptions customary in offerings of this nature, not to issue or offer any new shares or related securities within 180 days of the closing of the Offering.

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Trading update fourth quarter and annual accounts for 2006

The annual accounts for the financial year 2006 will be published on Thursday, 1 March 2007. In anticipation of this, the following provisional results can already be announced. The auditing of the annual accounts in respect of the financial year 2006 has not yet been completed at this time.

Fourth quarter of 2006

Compared with the fourth quarter of 2005 consolidated sales in the fourth quarter increased by 7.4% to approximately € 171 million.

Sales declined in the United States, especially in the Geosynthetics & Grass sector, as a result of a downturn in the economy.

The operating result in the fourth quarter amounts to approximately € 9.7 million (+50% compared with the fourth quarter of 2005). This operating result includes a non-recurring income in the amount of more than € 4 million, relating to, among other things, the sale of TenCate's head office in Almelo.

Net profit in the fourth quarter amounts to approximately € 6.5 million (fourth quarter 2005: € 6.3 million). Excluding the result from divested companies, the net profit figure in the fourth quarter of 2006 shows a positive difference of in total € 2.4 million, compared to the fourth quarter of 2005.

Annual results for 2006

The consolidated sales in respect of 2006 amount to approximately € 770 million, which represents an autonomous growth of 4.9% compared to 2005.

The operating result for 2006 amounts to € 50 million, representing an increase of 30%.

The net profit for 2006 as a whole amounts to approximately € 76 million, which exceeds our previously announced forecast. Corrected for the result on divestments of € 42 million, the autonomous increase in net profit amounts to 9% compared to 2005.

Forecast

A sharp rise in sales and profit is expected in respect of the financial year 2007, partly as a result of the acquisitions we have made. The strengthening of Ten Cate Thiolon's position in the synthetic grass market is expected to exert a significantly positive effect on sales and results. TenCate Thiolon Middle East is

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expected to make a strong contribution to the net profit, in part due to its low cost base and favourable local tax regulations. In addition to the synthetic grass activities, continuing growth is expected in other strategic core markets. Large orders for fire-resistant safety fabrics for the American army were recorded at the end of 2006. Expectations are that above-average growth will be generated in this field.

The position in the area of armour composites has been strengthened, including by the soon to be completed acquisition of Roshield. Sales of composites (aerospace, armour and industrial applications) are expected to continue to grow further, in part as a result of the new projects in the aircraft industry which were announced earlier, such as those at Airbus, Boeing and Embraer. Our order book is developing positively in the field of Geosynthetics. Globally, TenCate occupies a strong position in the projects market.

In respect of 2007 TenCate expects to generate a growth in net profits of at least 25%, corrected for results of divestments.

Conference call with Webcast

TenCate will organize a conference call today, Monday 12 February, 2007, starting at 10.00 a.m. CET. A presentation regarding the acquisition of Mattex will be followed by a question and answer session. To participate in the conference call, please call the following number within 10 minutes prior to commencement:

Phone nr. : +31 (0)20 – 7188530
Passcode: 9475879

The conference call will also be webcast. The live audio webcast can be accessed via the home page of TenCate's website at www.tencate.com, and will be archived and available for replay following the event.

Almelo, 12 February, 2007
Royal Ten Cate nv

For further information:

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