TENCATE

ROYAL TEN CATE

Press release

investor relations

Net profit TenCate € 23.9 million; reduction of net debt position by € 136 million

Dividend € 0.60 per share (60% pay-out)

Highlights 2009

- **Revenues: € 842 million (2008: € 1,033 million; -18% autonomous).**
- **EBITA: € 41.5 million (2008: € 95.4 million).**
- **EBITA margin: 4.9% (2008: 9.2%).**
- **Net profit: € 23.9 million (2008: € 51.1 million).**
- **Stringent cash management effective: net debt reduced by € 136 million to € 195 million.**
- **Operational cash flow € 145 million (+200%).**
- **Exceptional expenditure in EBITA: € 11 million (2008: income € 5 million), € 6.4 million of which for reorganization costs (approximately € 5 million in 4th quarter).**
- **Stock depletion and a restrained policy on credit within synthetic turf activities lead to extra under-utilized capacity.**
- **Steep decrease in costs as a result of reduction in personnel.**
- **Dividend proposal: € 0.60 per share in cash or as stock dividend, entirely at shareholder's discretion (2008: € 0.85 [50% stock dividend / 50% stock dividend option]).**

General performance in the fourth quarter of 2009
Revenues declined by 18% in autonomous terms in the fourth quarter (-5% currency effect) to € 186 million.
At the TenCate Protective Fabrics market group there were temporarily low revenues in the US as a result of high inventories in the chain with regard to a number of products for the US Army.
In the TenCate Space & Aerospace Composites and TenCate Advanced Armour market groups, traditional year-end orders failed to materialize; a part of these revenues will, however, be shifted to the future.
Less emphasis was placed on discounted off-season sales within the TenCate Grass group. TenCate Grass production volume has been adjusted accordingly and this has resulted in lower debtor and stock positions. A substantial part of the revenues from synthetic turf and the result will be moved from the fourth quarter to the new financial year. The trend in the fourth quarter is consequently not representative of market developments in 2010.

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During the fourth quarter measures were taken in the Dutch production at the synthetic turf and composites group, which reduced the break-even level. At the same time some activities were outsourced. This involved costs to the amount of approximately € 5 million in the fourth quarter.
The operating result before the amortization of intangible fixed assets (EBITA) declined in the fourth quarter by € 21.9 million to € 2.4 million (in autonomous terms -85%; currency effect -5%). Approximately half this decrease is the result of exceptional items.

The net result for the fourth quarter amounted to -€ 1.4 million (2008: € 13.8 million).

Annual figures for 2009
Revenues for 2009 as a whole amounted to € 842 million (2008: € 1,033 million). In autonomous terms, this decline in revenues amounted to 18% (currency effect +2%).
The revenues in the second half of the year (€ 408 million) were in line with the first half of the year (€ 434 million).
In view of the situation in international financial markets and among our customers, TenCate adjusted to the new reality and placed the emphasis on cash management. This has resulted in the company no longer temporarily giving the highest priority throughout the year to its objectives relating to revenue growth and profit optimization.

There were non-recurring costs for reorganization (approximately € 6 million) and under-utilized capacity. Furthermore, there is a (legal) dispute with the energy supplier relating to the validity of the delivery contract. This involves a cost variance of approximately € 5 million annually.

Personnel costs in 2009 were reduced by approximately € 17 million. The workforce decreased by 15% over 2009 as a whole.

EBITA declined to € 41.5 million in 2009 (in autonomous terms -58%; currency effect +2%).

Net profit for 2009 amounted to € 23.9 million, compared to € 51.1 million in 2008. Net earnings per share amounted to € 0.97 (2008: € 2.18).

Corrected for the result on divested activities, impairment of assets and exceptional items (for 2009 as a whole: +€ 3.2 million; 2008: -€ 3.5 million), the decline in profits amounted to 42%.

The financial policy was focused particularly on net debt reduction. Operational cash flow rose by approximately 200% to € 145 million (2008: € 49 million), principally as a result of the cutback in working capital by € 105 million (excluding exchange rate effect). The tight financial policy has led to TenCate remaining, by its own, well within the covenants agreed with the banks. As a result, it was

possible to avoid refinancing, which would have been detrimental. The debt position was considerably reduced by an amount of € 136 million, which will create scope for resumption of the growth strategy in the new financial year. TenCate still has a credit facility on favourable terms (which was concluded earlier). At the current baseline, priority is once again being given to profit growth.

Dividend policy
The dividend policy is based on a pay-out ratio of 40% of net profit, payable in cash or in shares charged to the share premium reserve, according to the shareholders' preference.
In view of the transient nature of trends during 2009 and the focus on cash management related to this, which resulted in a significant improvement in the financial position, a once-only proposal has been made to increase the pay-out ratio and to fix the dividend at € 0.60 per € 2.50 par value share, entirely in cash, or in shares charged to the share premium reserve, according to the shareholders' preference.

Financial
TenCate has pursued a cautious investment policy. Investments decreased by € 30.7 million to € 17.3 million, with a depreciation and amortization level of € 42.7 million (2008: € 42.3 million). The largest item concerned the investment in Dubai (synthetic turf production) and was related to the completion of the 2008 expansion programme.

The net interest-bearing debt for 2009 decreased to € 195 million (end of December 2008: € 331 million). The available credit facility amounts to € 389 million.
The net financing expenses (corrected for the impairment on an associated company to the amount of € 4.9 million) declined from -€ 13.7 million to -€ 7.8 million, mainly as a result of a lower average interest rate and also due to a lower average debt.

The tax rate at 28% remained virtually the same as in the previous year (27%). The high tax rate in the US was compensated for by such factors as the utilizing of fiscal loss compensation and the forming of deferred tax debits.

Current performance and outlook
There is currently a higher order intake for protective fabrics. Prospects relating to aerospace activities have improved slightly. The military aviation market is developing favourably.

In the light of the order portfolio, the start of the year seems very promising for the TenCate Advanced Armour market group. The recent acquisition of the armour company AML UK represents a strengthening of these activities. This transaction has now been completed.
As announced earlier, a large defence contract (minimum € 40 million) was acquired in January 2010. This contract is related to the armouring concept with

regard to types of helicopter from Eurocopter, a subsidiary of EADS. This contract is of strategic value, as TenCate is directly involved at the design stage and in the integration of the safety concept into the aircraft. This will increase the likelihood of follow-up orders.

A number of orders for vehicle armouring and personal protection to the amount of US$ 25 million were also recently announced in the American market, with an option on an increase to US$ 35 million.

The geosynthetics market in North America is showing no signs of recovery. There are opportunities for infrastructure and environmental projects in the rapidly growing Asian market.
The adjustment to the sales policy in the fourth quarter involving the synthetic turf activities resulted in a sharp drop in off-season pre-sales, but will improve the baseline for the revenues and the result in the current financial year. Policy will be focused on improving margins at the TenCate Grass group.

TenCate's financial position has been considerably strengthened compared with the beginning of last year. Consequently, the company is better able to optimally employ its production capacity and respond to seasonal and project-based fluctuations in demand.

Despite lower net profits for 2009, good strategic progress was made in various areas. The baseline was strengthened, in view of the strongly improved financial position and the reduced cost base. As a result, a higher result is expected for 2010 – barring unforeseen circumstances – despite the fact that in the majority of core markets there is no clear sign of an economic recovery yet.

Performance by sector

Advanced Textiles & Composites Sector

(x € mln.)	**H2 2009**	H2 2008	**2009**	2008
Net revenues	**182.0**	232.8	**397.3**	481.0
EBITA	**11.4**	30.7	**31.7**	61.5
EBITA margin	**6.2%**	13.2%	**8.0%**	12.8%

The autonomous decline in revenues in 2009 amounted to 20% (currency effect +3%). EBITA declined in 2009 by 52% in autonomous terms (currency effect +4%). This decline can mainly be attributed to the TenCate Space & Aerospace Composites and TenCate Advanced Armour market groups.

In 2008 there were occasional large American orders for vehicle armouring. In Europe major orders were deferred. This makes it difficult to compare the revenues with 2009.

Within the TenCate Space & Aerospace Composites market group there was a slow-down in building rates and a delay at the start of the production of the new generation of aircraft. Considerable stock depletion also occurred in the entire production chain, which gave rise to a temporary halt in production of the related composite materials (TenCate Cetex®). This trend had already started in the fourth quarter of 2008. The outlook for TenCate Cetex®, however, remains positive.

The start of two development centres in 2009 in which TenCate occupies a leading position, in part supported by Airbus (TAPAS) and Boeing (TPRC), underline the importance of innovative lightweight materials for the aviation industry and other areas of application (wind energy, automotive, etc.).
In the military aerospace and satellite industries TenCate's composite materials are being used more and more.
The economic situation led to a decline in the demand for safety fabrics for professional wear and work wear for industrial customers. This trend affected Dutch production in particular, which principally serves this market. American demand for flame-retardant fabrics for military uniforms by contrast continued to rise significantly, which compensated to a large extent for the decline in revenues within the TenCate Protective Fabrics market group.

Geosynthetics & Grass Sector

(x € mln.)	**H2 2009**	H2 2008	**2009**	2008
Net revenues	**199.3**	261.3	**392.1**	497.8
EBITA	**12.3**	20.9	**16.8**	37.8
EBITA margin	**6.2%**	8.0%	**4.3%**	7.6%

The autonomous decline in revenues of the Geosynthetics & Grass sector amounted to 19% (currency effect +1%). The decline in revenues in 2009 occurred in both market groups in equal measure. EBITA for 2009 as a whole fell by 51% in autonomous terms (currency effect 0%), which can mainly be attributed to the TenCate Grass group. The effects of the tight financial markets had a negative effect on customers' purchasing capacity, and TenCate exercised caution in relation to suppliers' credit. As a result of the risk-limiting revenue policy, there were considerable under-utilization results.

At the TenCate Grass group therefore cyclical economic factors to a lesser extent form the underlying causes of the decline in revenues and profit. In the fourth quarter in particular TenCate actively focused on reducing the financing of customers and the limiting of stockpiling. The traditional pre-season sale of synthetic turf products was at a considerably lower level in the fourth quarter. As a result of forced stock depletion, margins were under pressure during the entire year.

The geosynthetics market in the US remained at a low level. The promised incentives from the American government relating to infrastructure projects have not yet resulted in recovery in the projects market.

The Asian and South American markets developed favourably.

Technologies / Technical Components Sector / Holding & Services

(x € mln.)	**H2 2009**	H2 2008	**2009**	2008
Net revenues	**27.2**	26.9	**52.7**	53.8
EBITA	**-3.1**	-1.5	**-7.0**	-3.9

The result in this sector is due entirely to the Holding, which derived its income mainly from the interest on loans. This interest is not visible at EBITA level. Xennia Technology and TenCate Enbi made a positive contribution to the result.

In the fourth quarter an increase in revenues could be seen at TenCate Enbi and there was recovery in the results, partly due to the cost measures implemented. The increase in revenue can in part be attributed to newly developed products for new markets, such as insulation products for solar boilers and the automotive sector.

Xennia Technology is making good progress in the marketing of components for industrial inkjet applications and has made a positive contribution to the result of this sector. From 2010 onwards, Xennia will to an increasing degree start to supply specialist inks for advanced printing and coating applications, in addition to components,

Royal Ten Cate
Almelo, Thursday 4 March 2010

For further information:

The press conference on the annual results 2009 will be webcast in Dutch only on 4 March 2010 between 10:30 and 12:00 hrs CET. Register via www.tencate.com.

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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 products are sold throughout the world.
Systems and materials from TenCate come under four areas of application: safety and protection; space and aerospace; infrastructure and the environment; sport and recreation. TenCate occupies a leading position in safety fabrics, composites for space and aerospace, antiballistics, geosynthetics and synthetic turf. TenCate is listed on the NYSE Euronext (AMX).

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KEY FIGURES

in millions of euros	2009	2008		1st half year 2009	1st half year 2008	2nd half year 2009	2nd half year 2008
Consolidated profit & loss account							
Revenues	842.1	1.032.6	-18%	433.6	511.6	408.5	521.0
Operating result before depreciation and amortisation (EBITDA)	75.4	126.1	-40%	38.7	59.4	36.7	66.7
Operating result before amortisation (EBITA)	41.5	95.4	-56%	20.9	45.3	20.6	50.1
Operating result before amortisation as % of revenues	4.9%	9.2%	-47%	4.8%	8.9%	5.0%	9.6%
Operating result (EBIT)	32.7	83.8	-61%	16.3	40.4	16.4	43.4
Net profit	23.9	51.1	-53%	15.2	25.4	8.7	25.7
Consolidated balance sheet							
Net capital employed	620.9	746.6	-17%	707.9	711.5	620.9	746.6
Net interest-bearing debt	195.5	331.1	-41%	287.2	349.1	195.4	331.1
Consolidated cash flow balance							
Cash flow from operating activities	144.8	48.7		42.3	-11.3	102.5	60.0
Investment / divestments of tangible and intangible fixed assets	-12.9	-35.2		-7.3	-25.0	-5.6	-10.2
Free cash flow	131.9	13.5		35.0	-36.3	96.9	49.8
Net acquisition / disposal of operating companies and associated companies	3.3	-88.1		9.1	-86.7	-5.8	-1.4
(x 1,000)							
Number of outstanding shares at period end	25,068	23,967	5%				
Average number of outstanding shares (before dilution)	24,544	23,426	5%				
Average number of outstanding shares (after dilution)	24,616	23,495	5%				
Per-share data							
Net profit	0.97	2.18	-56%	0.61	1.08	0.36	1.10
Diluted net profit	0.97	2.17	-55%	0.61	1.08	0.36	1.09
Employees							
Number of staff at year-end	3,805	4,437	-14%	4,193	4,858	3,805	4,437
- of which in the Netherlands	862	931	-7%	945	1.114	862	931

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KEY FIGURES PER SEGMENT

				1st half year		2nd half year	
in millions of euros	**2009**	**2008**		**2009**	**2008**	**2009**	**2008**
Advanced Textiles & Composites							
Revenues	397.3	481.0	-17%	215.3	248.2	182.0	232.8
EBITA	31.7	61.5	-48%	20.3	30.8	11.4	30.7
EBITA margin	8.0%	12.8%	-38%	9.4%	12.4%	6.2%	13.2%
Capital expenditures	4.2	11.7	-64%	2.2	5.4	2.0	6.3
Depreciation	9.4	9.0	4%	4.9	4.2	4.5	4.8
Amortisation	4.8	8.6	-44%	2.6	3.6	2.2	5.0
Net capital employed	234.0	286.4	-18%	261.9	269.6	234.0	286.4
Number of staff-years at period-end	1,340	1,651	-19%	1,487	1,728	1,340	1,651
Geosynthetics & Grass							
Revenues	392.1	497.8	-21%	192.8	236.5	199.3	261.3
EBITA	16.8	37.8	-56%	4.5	16.9	12.3	20.9
EBITA margin	4.3%	7.6%	-43%	2.3%	7.1%	6.2%	8.0%
Capital expenditures	9.0	29.0	-69%	5.3	21.8	3.7	7.2
Depreciation	22.3	20.0	12%	11.8	9.0	10.5	11.0
Amortisation	3.0	3.0	0%	1.5	1.3	1.5	1.7
Net capital employed	332.7	427.4	-22%	389.3	407.1	332.7	427.4
Number of staff-years at period-end	1,795	2,129	-16%	2,030	2,266	1,795.0	2,129
Other							
Revenues	52.7	53.8	-2%	25.5	26.9	27.2	26.9
EBITA	-7.0	-3.9	-79%	-3.9	-2.4	-3.1	-1.5
Capital expenditures	4.1	7.3	-44%	0.6	2.2	3.5	5.1
Depreciation	2.2	1.7	29%	1.1	0.9	1.1	0.8
Amortisation	1.0	-	0%	0.5	-	0.5	-
Number of staff-years at period-end	670	657	2%	676	864	670	657

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

			first half year		2nd half year	
in millions of euros	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Revenues	842.1	1.032.6	433.6	511.6	408.5	521.0
Changes in inventories of finished products and work in progress	-29.8	18.0	-8.8	6.6	-21.0	11.4
Raw materials and manufacturing supplies	-391.6	-562.0	-204.7	-282.3	-186.9	-279.7
Work contracted out and other external expenses	-63.1	-60.7	-32.4	-27.4	-30.7	-33.3
Personnel costs	-173.0	-190.3	-92.4	-95.9	-80.6	-94.4
Depreciation	-33.9	-30.7	-17.8	-14.1	-16.1	-16.6
Amortisation	-8.8	-11.6	-4.6	-4.9	-4.2	-6.7
Other operating costs	-109.2	-111.5	-56.6	-53.2	-52.6	-58.3
Total operating expenses	-809.4	-948.8	-417.3	-471.2	-392.1	-477.6
Operating result (EBIT)	**32.7**	**83.8**	**16.3**	**40.4**	**16.4**	**43.4**
Impairment financial fixed assest	-4.9	-	-4.9	-	-	-
Net finance costs	-7.8	-13.7	-4.7	-4.1	-3.1	-9.6
Pre-tax income	20.0	70.1	6.7	36.3	13.3	33.8
Profit tax	-5.6	-19.1	-1.8	-10.9	-3.8	-8.2
Result from divested activities after profit tax	9.5	-	10.1	-	-0.6	-
Net income associates	-0.8	-	-0.1	-	-0.7	-
Result after tax	**23.1**	**51.0**	**14.9**	**25.4**	**8.2**	**25.6**
Profit for the period attributable to:						
Shareholders of parent company (net profit)	23.9	51.1	15.2	25.4	8.7	25.7
Minority interests	-0.8	-0.1	-0.3	-	-0.5	-0.1
Result after tax	**23.1**	**51.0**	**14.9**	**25.4**	**8.2**	**25.6**
Other comprehensive income. net of profit tax						
Foreign currency translation differences for foreign operations	-6.5	11.8	-1.1	-14.9	-5.4	26.7
Result hedge accounting	-0.2	-	0.7	-	-0.9	-
Other comprehensive income. net of profit tax	**-6.7**	**11.8**	**-0.4**	**-14.9**	**-6.3**	**26.7**
Total comprehensive income	**16.4**	**62.8**	**14.5**	**10.5**	**1.9**	**52.3**
Total comprehensive income attributable to:						
Shareholders of parent company	17.2	62.9	14.8	10.5	2.4	52.4
Minority interests	-0.8	-0.1	-0.3	-	-0.5	-0.1
Total comprehensive income attributable to	**16.4**	**62.8**	**14.5**	**10.5**	**1.9**	**52.3**

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in millions of euros	31-12-2009		31-12-2008	
Fixed assets				
Goodwill	161.9		165.1	
Other intangible fixed assets	41.9		47.0	
Tangible fixed assets	214.7		247.4	
Financial fixed assets	25.5		10.9	
Deferred profit tax receivables	19.8		14.2	
Total fixed assets		463.8		484.6
Current assets				
Inventories	155.0		211.5	
Receivables				
- Trade debtors	100.8		168.9	
- Profit tax receivables	3.2		2.5	
- Other receivables	12.9		16.3	
Cash and cash equivalents	12.8		5.4	
Total current assets		284.7		404.6
Total assets		748.5		889.2
Equity				
Share capital	62.7		59.9	
Share premium reserve	46.9		49.7	
Statutory reserve	-11.1		-5.9	
Other reserves	258.4		212.1	
Undistributed result	23.9		51.1	
Total shareholders' equity	380.8		366.9	
Minority interests	4.1		5.1	
Group equity		384.9		372.0
Long-term liabilities				
Long-term debts	192.0		316.2	
Pension liabilities	21.0		24.3	
Provisions	10.4		9.6	
Deferred profit tax liabilities	4.3		5.2	
Total long-term liabilities		227.7		355.3
Short-term liabilities				
Cash loans. overdrafts	14.7		19.4	
Repayment of long-term debts	1.6		0.9	

Trade creditors and other payables	112.1		132.6	
Provisions	4.8		4.4	
Profit tax liabilities	2.7		4.6	
Total short-term liabilities		135.9		161.9
Total liabilities		363.6		517.2
Total group equity and liabilities		748.5		889.2

CONSOLIDATED OVERVIEW OF CHANGES IN SHAREHOLDERS EQUITY

in millions of euros	**2009**	**2008**
As at January. 1st	366.9	310.1
Exchange rate differences	-6.7	12.2
Result hedge accounting. after tax	-0.2	-
Result	23.9	51.1
Total result	17.0	63.3
Cash dividend	-4.5	-8.6
Issued share capital	-	-
Premium on issued share capital	-	-
Share based payments transactions settled in equity instruments	1.2	1.7
Purchased shares for share savings & option scheme	-	-
Deliverance of own shares re share savings & option scheme	0.1	0.4
Total other changes	-3.2	-6.5
As at end of year	380.8	366.9

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CONSOLIDATED CASH FLOW STATEMENT

in millions of euros	2009		2008	
Cash flow from operating activities				
Result after tax	23.1		51.0	
Adjustments:				
Depreciation	33.9		30.7	
Amortisation	8.8		11.6	
Net interest income and expense	8.0		17.4	
Impairment financial fixed assets	4.9		-	
Profit tax	5.6		19.1	
Net result from associated companies	0.8		-	
Result from divested activities	-9.5		-	
Result from sale of tangible fixed assets	-1.3		-6.7	
Costs of option scheme	1.2		1.7	
Change in provisions and pension liabilities	-2.2		-2.2	
Total cash flow from operating activities before change in working capital		**73.3**		**122.6**
Changes in working capital:				
Inventories	48.1		-14.6	
Receivables	62.9		-0.7	
Short-term liabilities	-15.5		-20.5	
Total changes in working capital		**95.5**		**-35.8**
		168.8		**86.8**
Interest paid		-9.0		-18.7
Profit tax paid		-15.0		-19.4
Total cash flow from operating activities		**144.8**		**48.7**
Cash flow from investing activities				
Income from sale of tangible fixed assets	4.4		12.8	
Interest received	1.1		-	
Receipt of long-term receivables	-		-	
Divested activities less cash	22.0		-	
Acquisitions of operating companies less cash acquired	-0.3		-88.1	
Investments in intangible fixed assets	-4.2		-1.2	

Investments in tangible fixed assets	-13.1		-46.8	
Investments in financial fixed assets	-18.4		-	
Increase in long-term receivables	-2.0		-	
Total cash flow from investing activities		**-10.5**		**-123.3**
Cash flow from financing activities				
Issue of repurchased shares	0.1		0.4	
Change of long-term debt	-117.3		74.4	
Dividend payment to shareholders	-4.5		-8.6	
Total cash flow from financing activities		**-121.7**		**66.2**
Change in cash & cash equivalents		**12.6**		**-8.4**
Cash & cash equivalents at the beginning of the period		-14.0		-7.7
Currency differences in cash		-0.5		2.1
Cash & cash equivalents at the end of the period		**-1.9**		**-14.0**

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EXPLANATORY NOTES ON THE ABRIDGED CONSOLIDATED INTERIM REPORT

General information

The abridged consolidated interim report of Royal Ten Cate (the Company) for the first to the fourth quarter of 2009 inclusive 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.
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 abridged interim report was prepared by the Executive Board and released for publication by the Supervisory Board on 3 March 2010.
The financial statements for 2009 were audited and will be approved by KPMG Accountants and will be presented to the Annual General Meeting of shareholders for adoption on 8 April 2010.

Acounting policies and determination of earnings

As of 1 January 2009 the Group determines and presents operating segments based on the information that is provided internally to the Chief Operating Decision Maker (CODM), 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 the abridged consolidated interim report requires judgement 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 abridged 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 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 engineering, environmental projects, recreational and industrial applications and of synthetic turf fibres and backing for a variety of applications.

Other
Manufacturing and sale of rubber and foam rollers for the office equipment industry and related products, development, production and sale of ink jet technology and related components for industrial applications, as well as country holding and service companies and eliminations.

Acquisitions
On 31 March 2009 the Group acquired 49% of 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 consideration in cash of € 12.6 million including acquisition costs. The Group has an option to buy the other 51% of the shares, while 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 associated companies in the financial statements.

On 29 December 2009 the Group's interest in GreenFields was extended from 20% to 32% as a result of a restructuring of GreenFields. On the same date the Group received preference shares in GreenFields, for a contribution of accounts receivable on GreenField. This interest has been included in the financial statements as an investment in associated companies.

The associated companies have a value of € 18.9 million as of 31 December 2009 (31 December 2008: nil)

Profits Tax
The tax rate at 28% remained virtually the same as last year (27%). The high rate of tax in the US was compensated for by such factors as the utilizing of fiscal loss compensation and the forming of deferred tax debits.

Impairments
This relates to an impairment loss of € 4.9 million, with respect to the investment in a non-strategic equity participation within the Geosynthetics & Grass segment.

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 of 31 December 2009 the number of outstanding shares amounted to 25,067,580 (2008: 23,966,901).

Repurchased shares
In 2009 no repurchased shares were issued through the exercise of options. Some 5,855 shares were issued in connection with the unit-linked savings plan. At the end of the year

the balance of repurchased shares amounted to 521,392 (as of 31 December 2008: 527,247).

Long-term liabilities
The syndicated loan of € 389 million (as of 31 December 2008: € 400 million), which is available for drawing in various currencies, was concluded with a syndicate of twelve banks on 16 February 2007 and was amended on 27 February 2008. Of this facility, € 185 million was drawn on 31 December 2009 (31 December 2008: € 306 million). Divestments have led to a reduction in the facility, which means that as of 31 December 2009 a maximum of €389 million can be drawn. The term of the loan is five years (until 16 February 2012). The repayment will take place in its entirety on the expiry date. The loan is valued at the amortized cost price in accordance with the effective-interest method.

The interest rate due is linked to the net debt/EBITDA ratio, which is calculated each quarter over the twelve preceding months. The interest margin on Euribor or Libor will be between 0.40% and 1.00%. At the end of 2009 the margin amounted to 0.625% (as of 31 December 2008: 0.725%).

Related parties
During the 2009 financial year, associated companies, other (non-consolidated) participating interests and joint ventures purchased goods from the Group for an amount of € 20.9 million (2008: € 25.7 million). As of 31 December 2009 the outstanding trade receivables due to the Group from associated companies amounted to € 6.6 million (2008: € 13.4 million) and from joint ventures € 0.1 million (2008: € 1.3 million). The Group has less than € 0.1 million in outstanding trade accounts payable to associated companies and joint ventures.

Almelo, 3 March 2010
Executive Board