

Press release

investor relations

TenCate Trading Update relating to the second quarter of 2009

Net profit second quarter well over € 13 million

- TenCate remains well within bank covenants

In advance of the publication of the half-year figures on Wednesday 26 August 2009 and on the basis of provisional results, it is announced that net profit for the second quarter fell back by approximately 26% compared with the second quarter of 2008. With a stringent cost reduction policy and a tight liquidity management, as of 30 June 2009 TenCate remained well within the covenants agreed with the banks. The debt / EBITDA ratio improved compared to the previous quarter to approximately 2.5 (covenant 3.0).

Performance

As a result of the current economic climate TenCate has given priority to managing financial risks. Priority was given to debt reduction and maintaining a strong balance sheet, above short-term profit.

Sales in the second quarter fell back 24% compared with the second quarter of 2008 to approximately € 230 million. For the first six months sales amounted to approximately € 430 million (-15%).

Profit was negatively corrected to take account of the downward revaluation of a non-strategic minority interest of the Geosynthetics group amounting to approximately € 5 million. At the end of the second quarter the 50% interest in Geofabrics Australasia Pty Ltd was sold, with a book profit of approximately € 10 million.

Explanatory notes

Advanced Textiles & Composites

- The growth in sales of protective fabrics for defense applications, in particular the growth in sales of TenCate Defender™ M, amply compensated for the sharp decline in demand in the industrial market as well as the slight decline in sales in the emergency response market;
- In the aircraft sector there has been a drop in demand for aerospace composites, which can in part be attributed to the scaling down of inventories within the entire value chain. Deferment of the construction of

new aircraft by major aircraft manufacturers contributed to the failure of the expected growth in sales to materialize. The market for small aircraft (Cirrus) showed a strong recovery at the end of the second quarter;

- Sales of composites for military aircraft and spacecraft showed an increase;
- Sales in armour composites in the second quarter of this year were, in accordance with expectations, lower than in the same period of last year. The reason for this was that no large deliveries of orders took place in the American market in the second quarter, unlike the previous year.

Geosynthetics & Grass

- The geosynthetics market in the US has become weaker compared with the past year as a result of the virtual cessation of the usual infrastructure projects. The European and Asian markets showed a reasonable to good performance. In view of the proportion of sales of the American market, the group's overall level of sales in the first half-year declined by well over 20% compared with the first half-year of 2008;
- Customers in the synthetic turf sector were cautious as a result of a cash crunch, so that scarcely any orders were placed in the run-up to the season. Credit limits were reduced by insurers, putting pressure on the sales potential in the first half of the year.

Royal Ten Cate
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Royal Ten Cate (TenCate) is a multinational company which combines textile technology with related chemical processes and material technology in the development and production of functional materials with distinctive characteristics. Products of TenCate are sold worldwide.

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