

Press release

investor relations

TenCate decides to record an impairment charge

Ahead of the publication of its 2014 annual results on Friday, 20 February 2015, and based on preliminary data, TenCate has decided to record a (non-cash) impairment charge against goodwill as well as tangible and intangible fixed assets, mainly in TenCate Advanced Armour, for an amount of approximately € 82 million pre-tax.

This impairment charge was triggered by revised forecasts and also relates to the historical performance of TenCate Advanced Armour, which recorded a substantial operating loss in 2014. In this market group, the development of the TenCate ABDS™ active blast countermeasure system is proceeding according to plan.

The impairment charge at TenCate Advanced Armour does not affect the unit's market position. As reported previously, the market group has secured multi-year supply agreements in both the United States and Europe. The timing of the actual delivery of orders remains uncertain, however. In 2015, the cost structure of the Advanced Armour group will be further adapted and made more flexible to better cope with volatile sales volumes, in order to improve the operating result.

Provisional 2014 results

Based on preliminary data, pending the external auditor's review, TenCate recorded organic growth of 4% in 2014, resulting in full-year turnover of approximately € 1,042 million. The 2014 net profit adjusted for non-recurring items will be approximately € 24 million (2013: € 23.2 million), according to preliminary figures.

In addition to the impairment charge, non-recurring items include a pre-tax gain of approximately € 8 million related to a change in the Dutch pension scheme.

After tax, the balance of non-recurring items is approximately € 70 million negative, according to preliminary data. Reported net income (IFRS) for 2014 will be a loss of approximately € 46 million.

The impairment charge has no effect on the net debt / EBITDA ratio; at the end of 2014, TenCate was in compliance with its bank covenants. It is expected that the proposed dividend will be unchanged from the previous year (€ 0.50 per share).

The content of this press release has not been reviewed by the external auditor

Royal Ten Cate

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