



Press release

investor relations

Royal Ten Cate not ordered to pay damage claim

In spite of the explanation that Ten Cate gave to the daily newspaper *De Telegraaf* in respect of the judgement, the suggestion was erroneously made by this newspaper that Ten Cate would have to pay the claim for damages by United Fabrics.

The Court of Appeal in Arnhem passed judgement in the public hearing of 10 February 2004 relating to a claim submitted by United Fabrics. These legal proceedings have been going on for a considerable time and the alleged claim was earlier wholly rejected by the Court in Almelo. The Court of Appeal has now likewise judged that there is no question of a breach of contract in respect of the so-called 'commercial alliance'. For the rest, the Court of Appeal judged that Ten Cate had not complied with the so-called 'management alliance'. Ten Cate contests this and is currently considering this decision.

Both the Court in Almelo and the Court of Appeal in Arnhem judged that United Fabrics has not succeeded, or not succeeded sufficiently in substantiating what damage has been sustained. The Court of Appeal, however, has given United Fabrics the opportunity, by means of a follow-up procedure for the determination of damages, to prove that damage has been sustained, as well as to prove the causal link between that damage and the insufficient substance given to the management alliance. Ten Cate does not consider it likely that United Fabrics will be able to satisfy this heavy burden of proof.

In the annual report for 2003 mention was made of the recent decision of the Court of Appeal. On the basis of the present assessment of Ten Cate there are no reasons to reach a different risk assessment. In the opinion of Ten Cate, the risk in respect of the claim lodged that Ten Cate will continue to contest is not of material importance. A specific provision was therefore not made.

Almelo, 11 March, 2004

For further information:

F.R. Spaan

Head of Investor Relations/Corporate Affairs

0546 54 43 38

f.spaan@tencate.com

www.tencate.com