



Press release

investor relations

Ten Cate Thiolon invests in capacity expansion for synthetic turf

As a result of further sales growth of synthetic turf, investment projects amounting to €10 million for Ten Cate Thiolon (www.thiolongrass.com), part of the sector Industrial Fabrics & Grass of Royal Ten Cate, have been approved. Taken into consideration the total amount of investments in fixed assets of Royal Ten Cate during the whole of 2004, this is a substantial investment for the company. The investment is aimed for capacity increase as well as for future cost reductions and improvements of logistics. Investments will take place in both the US and The Netherlands. The sector Industrial Fabrics & Grass showed a sound organic growth. For 2006 Ten Cate Thiolon sees a continuation of its growth, which will also take place in other segments than specific sport applications. Landscaping is such an example. In de United States multi-sport pitches for universities and high-schools form an important area of sales as well.

In the sport market the brand Thiolon Grass® stands for high-grade synthetic turf that has a prominent position with marketing companies and installers in the offerings of their systems. Especially in the US and the top segment of the European market, there is growing demand for such products for several applications. Thiolon Grass® combines durability with sliding friendly properties for players. Soccer is currently a substantial growth market and there is a gradual shift in perception with top clubs towards the use of synthetic turf. This is also caused by stimulating activities by UEFA and FIFA. Synthetic turf creates improved possibilities for regions with less favourable climate conditions, which will stimulate soccer globally. Similar developments are seen with other sports. An increased need to save water is an argument to use synthetic turf as well.

Injury-related costs are a major aspect for top clubs and synthetic grass provides, with its constant and predictable surface, a positive contribution to medically safe and individually targeted training methods and control over physical aspects. Ten Cate Thiolon works together with knowledge institutes and includes health and safety in its research and development. For the further growth of the market and a broad acceptance of synthetic turf it is important that this knowledge is broadly applied. In particular for the further growth in the volume market for soccer and other “contact sports” like American football and rugby, an affordable, safe and durable grass surface is a key development. Ten Cate Thiolon is well positioned to meet the requirements of the market and will maintain its leadership.

Concluding, the current developments in terms of quality and performance will lead to a greater acceptance of synthetic turf, which stimulates market growth. Therefore Ten Cate Thiolon foresees good opportunities for further growth in the future.

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