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**TenCate's response to reports carried in De Telegraaf regarding rubber infill for artificial grass**

**At the moment TenCate is not denying the reports carried by *De Telegraaf*. Current developments are not share price sensitive for TenCate as such. All the information on the subject was already known, and the Arnhem city council published a press release in the appropriate manner. As a result of all this, TenCate has taken no new measures and the company's view of market prospects has in no way changed. Below the principal points:**

- TenCate has a positive attitude towards any study focusing on personal safety. TenCate is also studying the components developed by the company itself in this field.
- The present news also represents an opportunity, since TenCate recently introduced an alternative infill product onto the market. The price of that product will gradually become more attainable for the amateur market. At present only professional clubs are using it. SBR (styrene butadiene rubber) is relatively cheap and it is chosen by amateur clubs mainly for this reason.
- The study currently being carried out by Arnhem city council is not yet completed. This means that any conclusions that may be drawn are premature. Follow-up research by (bodies such as) the RIVM (National Institute for Public Health and the Environment) will, it is said, be completed by November. The industry is also carrying out follow-up studies. Speed is of the essence in these studies.
- TenCate does not produce rubber-based (car tyres) infill but does strive to avoid application of this infill in installations. This is not because of health risks but because of functional factors. In the end, the customer decides with regard to the specifications. However, the composition of system components we develop, if used jointly in laying down a field, do provide optimum information regarding the properties of a playing field in the long term. This offers greater certainty. TenCate is, therefore, making efforts to achieve more cross selling, which we call a 'system approach'. But this is a gradual process. Strategic partners are required here, partners who will support the quality concept and present it on the market.

- Up to the present, the current news has had no significant impact on TenCate as a company. This is the reason why we have not published a press release on the subject. SBR rubber has an impact only on part of the market. If installations are stopped or postponed on a large scale, we will then discuss the consequences. For the time being we have received no signs that this is happening, except in the case of the playing field in Arnhem – which is the current subject of discussion. What is clear is that artificial grass as such is not under discussion. However, the industry will quickly have to provide more clarity. It is expected that production capacity of alternative infill materials will be scaled up and/or that new developments will be accelerated.
- There is a danger of permanent ‘damage’ to the image of SBR rubber, even if the follow-up studies deliver a positive result. TenCate will have no problems with this as such, provided that affordable alternatives are available in time.
- The future looks bright for the system concept, so that these discussions can be ended once and for all.
- In line with earlier announcements, TenCate is currently developing new systems that will significantly lower the total cost of a playing field (as announced at the publication of the Q3 figures). At the same time, TenCate will be able to take on a future greater share of the turnover. For strategic reasons no further technical information will be released at this stage.

Almelo, 30 August 2006

**Royal Ten Cate**

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