

Press Release

Investor Relations &
Corporate Communication

TenCate, Hellendoorn and Overijssel invest in space, knowledge and work

This afternoon T.W. Rietkerk, Member of the Executive for the province of Overijssel, J.J. van Overbeeke, the Mayor of the municipality of Hellendoorn and L. de Vries, Chairman of the Executive Board of TenCate, will sign a letter of intent. In this letter the parties set out their intentions in respect of two industrial sites to be redeveloped for housing in the town centre and the concentration of industrial operations which is to be developed at the High Tech Materials Park in Nijverdal Noord. Through concentrating operations in Nijverdal Noord, the structural nuisance for those living in the neighbourhood, such as traffic-related nuisance, industrial odours, noise and the storage of hazardous substances, will be removed. This will produce a sustainable improvement in the physical quality of this area and the residential and work climate in Nijverdal.

This close cooperation will result in optimal coordination of the interests of the parties involved, with their major joint objectives being:

- Improvement in the physical quality of the area and in the quality of life.
- Improvement in the residential and work climate as a result of the relocation of industrial operations away from residential areas.
- Investment in environmental projects, aimed at sustainable production.
- Growth of high-calibre regional employment.
- Investment in knowledge-intensive industrial operations, focused on innovative solutions in the field of materials and mechatronics.
- Development of modern, efficient production facilities with a regional appeal.
- Redevelopment of the locations at P.C. Stamstraat and Hoge Dijkje in Nijverdal.
- Conservation of a national industrial monument and historical heritage.

The signing of the declaration of intent will take place at TenCate in Nijverdal at 4.30 pm this afternoon.

Innovation

TenCate sees the joint initiative with the local and provincial authorities as recognition of the innovative opportunities that the merging of textile technology and chemistry has to offer. TenCate's developments in the past few years may provide a positive stimulus for an innovative platform for new materials to be used in diverse areas of application.

Knowledge centre

In addition to the concentration of operations in Nijverdal Noord, an open knowledge centre will be established around the TenCate companies. In this knowledge centre joint initiatives will be developed by industry, universities and other knowledge institutions in the field of new products and production processes. This is in line with the plans of the Innovation Platform Twente, the objective of which is to achieve clustering of the Materials & Mechatronics sectors.

Relocation of operations

TenCate is investing in the further modernization of its companies in Nijverdal Noord, with its focus on further growth and an increase in employment at the High Tech Materials Park. As a result of this concentration of operations, the locations at P.C. Stamstraat and Hoge Dijkje in Nijverdal will become vacant. The relocation of industrial operations out of the centre of Nijverdal will have positive effects on the environment and the quality of life for its residents.

Redevelopment

The vacating of the premises in P.C. Stamstraat offers the local authorities opportunities for housing development in the town centre. This will provide scope for improvement to the environmental quality and the creation of a top quality residential environment. The redevelopment of the Hoge Dijkje location also offers, in addition to housing, opportunities for the creation of a working environment with retail trade and public functions. It will also ensure the conservation of an important national industrial monument and historic heritage. Thanks to this redevelopment, road safety will improve as a result of a sharp drop in freight traffic in the centre. There will also be positive consequences for the ecological area along the River Regge.

Investment

The development of the High Tech Materials Park will involve a total investment of € 137 million, a minimum of € 77 million of which will be invested by Royal Ten Cate. An amount of € 23 million is required for investment by TenCate and the local authorities in the shared knowledge centre that is to be established. The remaining € 37 million should be obtained from the proceeds from, among other things, the sale of the P.C. Stamstraat and Hoge Dijkje locations. The project is expected to be completed within a period of seven years.

Sustainable enterprise

As a part of the letter of intent, TenCate is making every effort to further reduce energy and water consumption and to decrease the nuisance to the surroundings. This is in line with TenCate's emphasis on sustainable enterprise, where efforts are being made to achieve the minimum of impact on the environment. The concentration of operations will enable water and energy to be used as efficiently as possible.

Expansion of competitive strength

The open knowledge centre is in line with the activities of three TenCate operating companies. TenCate Protective & Outdoor Fabrics develops and manufactures products such as protective fabrics. TenCate Aerospace Composites is a supplier of composite materials to the aerospace industry and others. TenCate Grass manufactures artificial grass for sports applications.

Regional competitive strength can be further expanded through open cooperation with training institutions, knowledge centres and industrial partners, to develop expertise in a specialist area of knowledge, focused on materials technology and advanced, efficient production potential.

Almelo, 13 July, 2006

Royal Ten Cate

For further information:

TenCate

Bert Jan Lambregtse, Head of Corporate Communication

Tel: +31 546 544 306

Mobile: +31 6 2331 7352

Province of Overijssel

Katja Pronk, Press Officer

Tel: +31 38 4999 252

Mobile +31 6 18 303907

Municipality of Hellendoorn

Karin Zomer, Press Officer

Tel: +31 548 630 307

Mobile +31 6 542 48121