

Corporate News

Huntsman to cut workforce by 9% and announces plans to close pigments plant

Huntsman Corporation announced a company-wide initiative to reduce costs across its divisions and functions. Including steps begun during the fourth quarter of 2008, the company will reduce its full-time employment by approximately 1175 positions by year-end 2009 - more than 9% of Huntsman's 12,770 employees.

Full-time contractors working in the company's divisions and functions will be reduced by an additional 490 positions. Together, these reductions will result in operating cost savings to the company of approximately \$150 million.

Huntsman also announced that its Pigments Division plans to close its titanium dioxide plant located in Grimsby, U.K. The Grimsby plant, the division's oldest and least efficient manufacturing facility, has an annual production capacity of 40,000 tonnes of titanium dioxide. Pigment production at the plant would cease during the first quarter of 2009.

Approximately 200 full time employees and contractors work at the site. Annual operating cost savings resulting from the plant's closure would be approximately \$28 million.

Peter R. Huntsman, President and CEO said, "this restructuring will allow them to improve their business where they most acutely feel the effects of the present global economic slowdown, mainly in their Pigments and Textile divisions. While they are scrutinizing each of their business divisions, they remain optimistic in their current positions in Polyurethanes, Advanced Materials and Performance Products."

He added, "They will also reduce their 2009 capital expenditures to \$230 million - a reduction of \$190 million from the \$420 million spent on capital projects during 2008. The steps announced should take approximately \$340 million out of their cost structure in 2009.

These savings, combined with the \$1 billion in payments they received during December from Apollo Management, L.P. provide their company with a strong balance sheet and significant liquidity. Huntsman is well positioned to generate shareholder value and to prosper in these times of economic uncertainty."

BRÜCKNER presents the latest carpet technology on CHINAFLOOR 2009 in Shanghai

For decades the family-run company BRÜCKNER with domicile and production site in Germany has been specialized with great success on tailor-made carpet finishing and coating lines. Like in the past years, the internationally active company will participate in the DOMOTEX/CHINAFLOOR fair in March in Shanghai. Their experts are looking forward to meeting you in hall W1, Stand 1 H10.

BRÜCKNER's carpet specialists have decades of experience and competence for the planning and manufacturing of customers individual solution. The comprehensive range of products includes not only complete line concepts but also individual units. This includes among other products flow-through dryers for tufting carpets, needle felt carpet finishing and coating lines, carpet back coating lines, finishing lines for artificial turf and non-slip underlays for carpets as well as woven carpet lines. The robust design of the easy-to-maintain lines ensures a long service life.

Energy efficiency and productivity of the lines gets more and more important in the international competition. BRÜCKNER's experienced technologists and engineers offer, therefore, lines with a guaranteed high dryer output and a simultaneously low energy consumption.

The DUO-THERM dryer has been developed on the basis of long years of experience in drying technology. It is the



perfect solution for all thermal treatment processes requiring a differentiation between upper and lower air temperature. It is therefore mainly used in textile and carpet coating lines. Its features are above all a perfect temperature accuracy, low energy consumption and minimum maintenance.

The SUPRA-FLOR carpet dryer, which is designed with a support belt unit, functions according to the flow-through principle. The permeable support belt across the complete dryer length and width prevents a slugging of the fabric web between the support rollers. This ensures also a distortion-free fabric transport through the complete dryer.

As internationally acting company, BRÜCKNER is in the position to erect and commission modular tailor-made lines within very short time and to provide optimal technical support by BRÜCKNER experts throughout the service life of the line. Due to the long years of experience with such projects, BRÜCKNER has many references among well-known carpet producers.

Navis Global TubeTex restructures manufacturing

Navis TubeTex has announced the restructuring of manufacturing operations. The company's primary manufacturing facility in Lexington, NC is shifting to an assembly only operation. Accordingly, the component parts manufacturing operations currently performed in the Lexington facility will be outsourced to a network of local suppliers.

The Lexington site will continue as the global headquarters housing all sales, engineering, technical and customer service, finance and executive functions. The company also has technical service centers in Honduras, Bangladesh, India, and China.

"This move to outsourcing our component parts is a key element in our strategy to offer the latest technology to our customers at competitive prices. This will increase our flexibility and improve our ability to react to customer requirements. We have developed a very extensive network of excellent suppliers within a close proximity to our manufacturing site. This model allows our suppliers to do what they do best which is make component parts and allows us to do what we do best which is design, assemble, and service the highest technology finishing machines in the industry" stated President and CEO William J. Motchar.

Oerlikon Textile sponsored China Textile Round Table Forum 2009

Face the financial crisis, ensure the development of the trade

The "China Textile Round Table Forum 2009", hosted by China Textile Economy Research Centre and "China Textile" Magazine, sponsored by Oerlikon Textile and supervised by China National Textile and Apparel Council (CNTAC), was held on 10 January 2009 in the international Conference Centre of KunLun Hotel in Beijing, with the theme of "Face the financial crisis, ensure the development of the trade". Discussions on economic growth trends and measures to confront the declining market for Chinese textile industry in 2009 were focus of the conference.

Influenced by international financial crisis, 2009 will be a very challenging & difficult year for China's economy and also for China textile industry. Faced with such difficult situation, Chinese government will put forward economic incentives with 4 trillion RMB and measures for the light & textile industry development, to keep the steady development of China macro-economy and textile industry. Textile industry will continuously face uncertain economic conditions in 2009, such as: price fluctuation for raw materials, policy adjustments for finance and taxation as

well as instable RMB exchange rate. Relevant leaders, experts and scholars, and government officials and decision makers were invited to attend the forum and participate in the discussions.

Mr. Yao Jingyuan, general economist of the National Bureau of Statistics, made his speech entitled "2009 China Macroeconomy trend and counter measures". He explained that China's economy was still in a good condition, despite the financial crisis and the very difficult economic conditions.

According to Mr. Yao Jingyuan, the economic situation of the first half year of 2009 will be tough, but under the fundamental guidelines and policies by government such as "ensuring economic growth, expanding domestic demands and adjusting structure", China's economy is expected to develop steadily.

Mr. Wang Tiankai, Vice President of CNTAC, made the speech on the topic "2009 China textile economic trend and policies". In his opinion, Chinese textile industry situation in 2008 was quite grim. His presentation included aspects of "slower production, decline of exports and investment and negative growth of operation benefit". In 2009, international financial crisis and scarce overseas demand will bring even greater pressure to textile exports. However, textile exports will remain important and steady domestic

demand is expected to support the textile industry.



Dr. Carsten Voigtländer, CEO of Oerlikon Textile

Dr. Carsten Voigtländer, CEO of Oerlikon Textile, made the speech on the topic of "Measures to confront the declining textile market". He introduced the experience of Oerlikon

Textile in the areas of marketing, product development, competition and cooperation.

Mr. Sun Huaibin, Director of China Textile Economy Research Centre, and Mr. Xu Weimin, Board Chairman of Jiangsu Dongdu Textile presided over the discussion part. Together with all the participants, Mr. Jia Kang, Director of Ministry of Finance, Mr. Xia Bin, Director of Development Research Centre of The State Council, Mr. Zhu Hongren, Director of Ministry of Industry and Information Technology, and Ms. Bao Ling, Deputy Director of Ministry of Commerce, discussed hot topics and relevant policies about industry, trade and technological development, and analysed in depth national textile industry development policy and related problems.

The conference was successful with about 370 participants.

VDMA: Future materials thanks to textile machinery Three successful junior engineers awarded

On the occasion of the second Aachen-Dresden International Textile Conference, which took place in Dresden short before the turn of the year, the Walter Reiners Foundation of the German textile machinery industry has honoured three successful junior engineers. This time the prizes endowed with 10,000 Euro altogether have been awarded to Dr. Uwe Köckritz, TU Dresden, Mr. Fabian Schreiber, RWTH Aachen and Ms. Cornelia Kowtsch, TU Dresden.

Materials of the future ...

"Such as steel and aluminium have been the materials of the 19th and 20th centuries, fibre composites will be the central materials of the 21st century. The manufacture of these future materials starts from textile machines", outlined the foundation's President Peter D. Dornier, Chairman of the Board of Lindauer Dornier GmbH in his celebratory speech. "The increasing demand for light weight



The foundation's president Peter Dornier (3rd from right) with award winners and professors

components made of carbon fibre used for aircraft construction or in building construction and civil engineering are best examples for a new textile reality, which comprises much more than garments and home textiles", summarised Dornier.

... research of today

The new generation of engineers already responds to this new textile reality with its research projects.

The thesis of Dr. Uwe Köckritz, honoured with the promotion prize for the best dissertation, dealt with fibre reinforcement of concrete. Fabian Schreiber received the promotion prize for the best diploma thesis.

His subject was braiding technology. Cornelia Kowtsch – who received the creativity award for the best seminar paper – developed a concept for three-dimensional structures of fibre composites – the materials of the 21st century.

Italian Textile Machinery workshop in Hangzhou and Wuxi, China

The Association of Italian Textile Machinery Manufacturers (ACIMIT) and the Italian Institute for Foreign Trade (ICE) will hold two technical workshops on Italian textile machinery for the production of technical textiles and nonwovens in China. The events will occur in Hangzhou (24 February, 2009) and in Wuxi (26 February, 2009).

At the technological meeting about ten Italian manufacturers of machinery for technical textiles and nonwovens will introduce their updated technologies, as well as exchanging views and ideas on technology and holding trade talks with local textile operators.

China is a leading market for the Italian companies involved in the production of textile machinery. In 2007 the Italian sales in Chinese market totalled a value of Euro 360 million, and in the first semester of 2008 the exports reached Euro 173 million. The most requested Italian machinery were the spinning ones (34% of the total export toward China), followed by weaving machines (21%) and knitting machines (20%).

300 Italian companies (with 20,000 employees) that in 2007 produced machinery for a value of about Euro 2,400 million, pay the highest attention to the requests of the textile industry to propose new solutions of innovation, productivity, safety with the utmost satisfaction of their clients.

The quality of the Italian textile technology is testified by the high number of Countries where the Italian machinery are sold: about 130. In 2007 exports represented 78% of total sales. Asia (with a share of 43%) is the main destination for Italian sector exports, followed by Europe (38%), Latin America (9%), North America (5%) and Africa (5%).

The sector of technical and innovative textiles is a reality which is gaining more and more importance in terms of size, thanks to the technological features of its products and to its continuous offer of new and promising market niches. ACIMIT estimates that about 100 of its member companies are involved in the production of machinery for technical textiles or nonwovens. This sector is observing a steadily growing turnover, accounting for 10% on the total turnover of Italian textile machinery industry.

These workshops in China are part of ACIMIT and Italian Institute for Foreign

Trade promotional programme for technical textiles and nonwovens sector, which in 2009 includes also a Meeting Point "Italia" at Techtexil Frankfurt, a workshop in India for automotive textiles, a workshop in the Unites States and other activities focalized on Brazilian market.

Dow Corning's UK education center achieved Eco-Center status

An education center at Dow Corning's manufacturing site in the UK has been awarded Eco-Center status because of the high level of sustainability practices it follows. The Eco-Center classification recognizes that the education center is operated under an eco-code. It shows that Dow Corning is dedicated to bring environmental concerns to the forefront and demonstrates the importance of sustainable development to the local community.



The center itself must also ensure that waste is reduced, reused or recycled; that waste is monitored; that energy and water are conserved; fair-trade refreshments are used as much as possible and that visitors are informed about the status of the building and the eco-friendly cleaning materials which are used.

The education center at the Barry site, which is one of only a few centers to be given this prestigious award in Wales, is designed to be sustainable with solar panels (which use Dow Corning silicon), ground source heating and rainwater harvesting to supply the washrooms.

"It is often a misconception that chemical industries are harmful to the environment, but the new status of the center is ongoing proof that as a company we are committed to sustainable living and teaching best practices to the local community," says Peter Cartwright, Executive Director of Environment, Health and Safety.

The activity of the center will be monitored throughout the year and an operating external committee will ensure that the center sustains progress towards sustainable goals.

Novozymes has recently been ranked among the global 100 most sustainable corporations

No one can predict what the future holds but the Canadian magazine Corporate Knights and New York-based investment research firm Innovest Strategic Value Advisors Inc. give their take on those 100 companies they believe to be the safest long-term bets.

The list tracks which companies are doing best in several major sustainability-related areas, including human capital, environmental risks, governance and more and add the results in order to determine which 100 companies are poised to still be around in the year 2109.

The Global 100 list was started in 2005 and it is the fourth time that Novozymes is on the unranked list where goliaths such as Google, Apple and Microsoft didn't make it. Companies from 15 countries were included in the top 100, the majority of which are American and British companies.

According to Corporate Knights' editor Toby Heaps, companies like the Global 100 that prudently take care of the interests of all their stakeholders offer the best bet for society and investors in the long term.

Furthermore the companies on the list are predicted to succeed during the global financial crisis due to good management making them more agile to changing circumstances.

"We're very proud once again to be listed on the Global 100 list," says Thomas Nagy, Executive Vice President for Stakeholder Relations at Novozymes. "Generally, the response from stakeholders is immensely important to our ability to develop an appropriate approach to sustainability.

Independent ratings, benchmarks, and awards based on well-defined criteria are valuable responses to what we do. Obtaining independent feedback of this nature is important, and it's a goal for us to consistently be one of the very best among our peers in this respect."

Most of the companies are older companies, with the average age at 102. The list was in connection with the World Economic Forum in Davos, where Novozymes was represented by CEO Steen Riisgaard.

BASF takes steps to optimize its structures

BASF is taking steps to optimize its structures in order to sharpen the company's focus on its customer industries. At the same time, BASF is laying the foundation for the rapid and efficient integration of Ciba's businesses. In particular, BASF's Performance Products segment is being developed further. The initial organizational changes will be effective as of April 1, 2009. BASF expects the approvals of the relevant antitrust authorities and the closing of the Ciba transaction toward the end of the first quarter of 2009. The so-called "Discovery Phase" will begin immediately after closing. During this phase, which is expected to last about two months, joint teams consisting of BASF and Ciba employees will analyze the acquired businesses in depth.

The goal of the analysis is to define a market-oriented positioning for the combined businesses as well as the optimal organizational structure. The actual integration process is then expected to start in the second half of 2009 on the basis of these results.

Dr. John Feldmann, member of the Board of Executive Directors responsible for the Performance Products segment, explained the benefits of the changes: "With these initial steps, we are very clearly focusing our business on the needs of our customers and markets and sharpening the profile of the segment's divisions. At the same time, we are creating the conditions that we need to integrate the new Ciba businesses rapidly and efficiently in the next step. After closing, we will develop the detailed organization for the combined businesses with our new divisions together with colleagues from Ciba."

The Performance Products segment currently consists of the Acrylics & Dispersions, Care Chemicals and Performance Chemicals divisions. As of April 1, 2009, the new division Paper Chemicals will also form part of the segment. This division will initially consist of BASF's business with paper chemicals business, binders and kaolin minerals, which is currently part of the Acrylics & Dispersions division. The head of the new division will be Dr. Ehrenfried (Fred) Baumgartner (56), who is currently responsible for BASF's Inorganics division. Following the completion of the Discovery Phase, Ciba's business with products for paper manufacturing will be integrated into the new division.

The current Acrylics & Dispersions division will be renamed Dispersions & Pigments. This division will bundle BASF's business with raw materials for the coating and paint industry. As a result, the existing dispersions business will be complemented by the pigments and coatings resins business that is currently part of the Performance Chemicals division. The acrylics business will be reassigned to the Petrochemicals division, which will then encompass the key steps in the propylene value chain. The superabsorbents business will be assigned to the Care Chemicals division. The majority of Ciba's Coating Effects business will be integrated into the Dispersions & Pigments division after the Discovery Phase.

In the Care Chemicals division, BASF is now combining all businesses that contribute to cleaning, personal care and animal hygiene in addition to human and animal nutrition as well as pharma. The assignment of the superabsorbents business to Care Chemicals will strengthen the divi-

sion's portfolio with additional consumer-related products for personal care.

In the future, the Performance Chemicals division will primarily offer innovative and specific solutions for a broad range of industries including plastics processing, automotive, refineries, oil fields and mining, as well as leather and textiles. Ciba's plastics additives business, among others, will be assigned to this division after the Discovery Phase.

Review of leather and textile chemicals division

The leather and textile chemicals business also forms part of the activities of the current Performance Chemicals division. For several years, this business has been characterized by low market growth and high competitive pressure.

In order to improve competitiveness, BASF has implemented a series of restructuring and efficiency programs in the past years. However, these measures have not been sufficient to ensure the long-term profitability of the business.

Hans W. Reiners, head of the Performance Chemicals division, said: "Our employees have worked hard to improve the business in recent years. In view of the difficult market situation, the results are not sufficient to ensure long-term success with our own means." The business unit has therefore introduced an additional program to increase efficiency, which is expected to reduce costs by 25 million by 2011.

In addition to implementing this cost-reduction program, BASF is reviewing future strategic options. In particular, these include the formation of a joint venture or the complete sale of the business. "The market requires this step not just because of the fragmented supplier structure and the low market growth," said Reiners.

BASF operates production plants for leather and textile chemicals in Germany, Spain and Turkey, as well as in Brazil, India and China. The business, which employs approximately 1,300 people, posted global sales of about 400 million in 2007. Leather and textile chemicals include products and concepts for weaving, pretreatment, optical brightening, analog and digital printing, coating and finishing, as well as dyeing auxiliaries in addition to chemicals for all wet-end and finishing processes in the leather and fur industries. ♦

