

Indian Kiri Dyes & Chemicals Ltd. acquires Dystar and start of production anticipated in first quarter of 2010

Operations at DyStar Textilfarben GmbH and DyStar Textilfarben GmbH & Co. KG at the four German DyStar sites in Brunsbüttel, Leverkusen, Frankfurt am Main and Ludwigshafen are now set to restart under the new management of Kiri Dyes & Chemicals Ltd. (KDCL).

Founded in Ahmedabad in 1998, Kiri Dyes & Chemicals Ltd. today is one of the global market leaders in the manufacture and supply of dyes and intermediates, focussing primarily in the Asian and North American markets. The acquisition of the DyStar Group will provide KDCL access to new markets and customer groups, specifically in Europe.

"The investor has secured financing of the purchase price and also met other conditions. The purchase agreement concerning operations of the German DyStar Group, the necessary assets and the 36 international subsidiaries has been executed," insolvency administrators Miguel Grosser from the law firm JAFFÉ Rechtsanwälte Insolvenzverwalter and Dr. Stephan Laubereau from PLUTA Rechtsanwälte GmbH confirmed today. This leaves up to 750 jobs in Germany and some 2,000 jobs worldwide secure. The exact purchase price was not disclosed.

The investor, BSE-listed Indian manufacturer and supplier Kiri Dyes & Chemicals Ltd., plans to continue the sites in Frankfurt/Main, Leverkusen, Ludwigshafen and Brunsbüttel and resume production as quickly as possible. After the German DyStar Group filed for insolvency at the end of September, only the indigo production in Ludwigshafen continued without interruptions. Meanwhile, DyStar Textilfarben GmbH was also able to carry on full operations, the global supply of dyes, additives and services for the textile and leather processing industries, under the responsibility of insolvency administrator Miguel Grosser even after opening insolvency proceedings on 1 December 2009.

Productions in Brunsbüttel, Geretsried and Leverkusen, on the other hand, needed to be halted at the end of November 2009, requiring staff involved to be laid off. Upon execution of the purchase agreement, the vast majority of the staff laid-off in total can now be reemployed at their old workplaces.

Along with the 90 jobs in Ludwigshafen, KDCL's buyer concept also provides new jobs for around 130 employ-

ees in Brunsbüttel, some 260 in Frankfurt, including the 50 employees of DyStar Textilfarben GmbH in Frankfurt who previously performed central functions from purchasing to sales for the DyStar Group, and roughly 236 in Leverkusen.

"From where we stand, this is a major success to be able to save four production sites in Germany with so many jobs given the current difficult economic setting," the insolvency administrators underlined. "Looked at this way and from the point of view of the creditors, Kiri's concept was without alternative. There was no other binding offer meeting the requirements and the necessary financing conditions."

After an intensive worldwide search for investors, three potential buyers remained in the end with whom negotiations continued. In December 2009, the purchase agreement was finally signed with KDCL. Its execution, however, was conditional on the availability of financing, the necessary anti-trust approvals, and other conditions (consent of the banking consortium and other creditors). The banking consortium and the creditor committees had already given their consent. Now, KDCL has met the financing conditions and the relevant Cartel Authorities have given their approval.

"Synergies of both the companies, DyStar and KDCL, will provide long term sustainable and successful future to DyStar. Dystar and KDCL jointly have created competitive advantages with completion of this acquisition, which will strengthen global leadership of DyStar, and will create high values for all their stake holders such as investors, employees, creditors and vendors. DyStar will continue to operate as an independent company in the market," said Manish Kiri, Managing Director of KDCL.

DyStar's new owner, Kiri Holding Singapore Private Limited, have appointed Manish Kiri as DyStar's new president and chief executive officer. Effective February 4, 2010 Manish Kiri will replace J Mark Allan. Allan will remain with the company as a strategic advisor for a period of 6 months to assist in the transition of duties and responsibilities. 'Manish Kiri, together with the other members of the management team will ensure the stability and continuity of the company and drive it forward', said J. Mark Allan., 'this partnership of DyStar and Kiri Dyes & Chemicals will produce an effective and strong global player in the dyestuffs market.

Atlas Copco plans to acquire Quincy Compressor

Atlas Copco has acquired Quincy Compressor from EnPro Industries for \$190 million. EnPro, which will record a pretax gain of approximately \$140 million in the first quarter, has announced that deal will let EnPro to grow in core areas where it has stronger and more competitive market positions.

Quincy, whose results are reported in EnPro's Engineered Products segment, had sales of \$174 million for the full year of 2008. The business has approximately 400 employees at facilities in Bay Minette, Alabama; Quincy, Illinois; Dixon, California; and Kunshan, China.

Founded in the 1920s, Quincy Compressor designs and manufactures reciprocating compressors, rotary screw compressors and vacuum pumps, mainly under the Quincy brand. Its products are sold through independent distributors and agents, with more than three-quarters of sales in the United States.

Atlas Copco is planning to further develop the Quincy brand independently. The acquisition, expected to be completed during the first quarter of this year, will expand Atlas Copco's Compressor Technique business area, which develops, manufactures, markets, distributes and services oil-free and oil-injected stationary air compressors, portable air compressors, gas and process compressors, turbo expanders, electric power generators, air treatment equipment and air management systems.

Steve Macadam, president and chief executive officer of EnPro said, "Atlas Copco is one of the world's premier air compressor companies, and therefore, a more logical owner for Quincy. As part of Atlas Copco, we are confident Quincy will have even greater opportunity for long-term success."

Oeko-Tex Association revises applicable test criteria

The Oeko-Tex Association revised and expanded the applicable test criteria, limits and by-laws of the product certification process as per Oeko-Tex Standard 100 effective 1 January 2010. The new provisions will go into effect following a three-month transition period:

- ❖ Synthetic fibres, yarns, plastic parts etc. will be tested for polycyclic aromatic hydrocarbon substances (PAH) in all four Oeko-Tex product classes. An overall limit of 10 mg/kg applies to the 16 defined substances, and 1 mg/kg to benzo[a]pyrene.

- ❖ Considering that diisobutylphthalate (DIBP) will likely be added to the list of REACH substances of very high concern, this softener will be excluded from use as part of the Oeko-Tex certification process (in addition to already tested phthalates).
- ❖ Based on the EU Directive 2009/425/EC in connection with products such as printed textiles, gloves and textile floor coverings etc., the Oeko-Tex Association also added dioctyltin (DOT) to the list of prohibited tin-organic substances. A limit of 1.0 mg/kg applies to baby articles (product class I), as well as 2.0 mg/kg for articles of the other Oeko-Tex product classes.
- ❖ The transition provision for total lead content in metallic materials will be extended.

ASTM Fire Standards for upholstered furniture, mattresses and bedding

A new ASTM International compilation features the latest information on mandatory and voluntary fire testing, as well as flammability performance and quality control test standards, for textiles such as upholstered furniture, mattresses and bedding was announced on February 12, 2010.

ASTM Fire Standards for Upholstered Furniture, Mattresses and Bedding includes 20 key ASTM International fire testing standards, two Federal regulations (16 CFR 1632 and 16 CFR 1633) and eight California Technical Bulletins.

This book is an excellent companion to participants of the ASTM training course, Regulatory Compliance for the Flammability of Upholstered Furniture, Mattresses, and Bedding.

ASTM International is one of the largest international standards development and delivery systems in the world. ASTM International meets the World Trade Organization (WTO) principles for the development of international standards: coherence, consensus, development dimension, effectiveness, impartiality, openness, relevance and transparency. ASTM standards are accepted and used in research and development, product testing, quality systems and commercial transactions.

ASTM Fire Standards for Upholstered Furniture, Mattresses and Bedding, is available for \$99 USD.

(To purchase ASTM publications, contact ASTM Customer Relations (phone: 610-832-9585; service@astm.org).

Lenzing to invest Euros120 Million on site expansions

Lenzing Group has announced an investment worth 120 million euros in 2010 to expand production sites in Europe and Asia. Sites benefiting from the investment include a pulp production plant in Lenzing, Austria; a fiber plant in Heiligenkreuz, Austria; and a Tencel® plant in Grimsby, England.

Capacity will be increased to 260,000 tons per year and an eco-friendly ozone bleaching facility for pulp production will be added to the Lenzing plant. Tencel capacity at Heiligenkreuz will be expanded from 10,000 tons to 60,000 tons per year; and the Grimsby site will be renovated so it can manufacture a special Tencel fiber.

In addition, a previous expansion at its Indonesia-based subsidiary PT South Pacific Viscose (SPV) is set to go live after two years under construction. A fourth production line will add capacity for an additional 60,000 tons per year, taking total annual production at the facility to 220,000 tons. "Already today we expect that demand will exceed Indonesian production capacity," said Friedrich Weninger, head of fiber production and member of the management board. "We will therefore begin with debottlenecking production right after start-up, with the aim to increase SPV production capacity by another 18,000 tons to 238,000 tons per year."

We are expecting continuing strong demand for Lenzing fibers over the coming years," said Peter Untersperger, chairman of the Lenzing management board. "By these projects, we, as the world market leader, intend to secure and enhance our lead in terms of quantity as well as quality."

PHMA is authorized to handle all products eligible for Drawback Scheme

PHMA has been authorized by the Ministry of Textile Industry vide notification No. 3(1)TID/09-P-I dated 15.2.2010 to handle following products for implementation of the scheme of Drawback of Local Taxes and Levies: Garments, Knitwear, Home Textiles, Socks, knitted hand gloves & bathrobes, knitted Towels and fabrics. Moreover, in the Annexure III, Para-d should be substituted with the following and will read as: "Copy of B/L-House Airway Bill along with Airway Bill (FCR along with Master Bill of Lading). Master Bill of Lading will be mandatory in cases of documents against payment (DPs) while it will not be mandatory in

cases of Letters of Credit (LCs)." PHMA are advised to amend their application and members, who are yet not registered with Ministry of Textile Industry, are advised to file their applications for registration soonest possible.

SATRA accredited to test products for US consumer safety compliance

Since the American Consumer Product Safety Commission (CPSC) introduced the Consumer Product Safety Improvement Act (CPSIA) in August 2008, there have been a number of changes to the limits of lead allowed in certain products, and to the testing required in order to show compliance.

After 11th February 2010, all manufacturers, importers or retailers of children's products and other consumer goods being sold in the US are required to provide evidence of third-party testing of their products and to show compliance with the CPSIA. Items intended for the children's market that are covered by the Act include toys, furniture and jewellery. As a CPSC-accredited laboratory, SATRA can provide third-party test reports showing compliance with the US regulations. The Technology Centre can also offer guidance on how a product is affected by the CPSIA, the testing required and interpretation of the results.

Oerlikon Barmag sold first polyester poly-condensation system for India

The first Oerlikon Barmag poly-condensation system commenced production in India last autumn. The plant – with a nominal annual capacity of 100,000 tons – currently produces 150 tons of POY a day as well as 150 tons of polyester chips a day.

In addition to engineering and equipment supply, the project's scope of delivery also comprised the assembly and commissioning monitoring both for the poly-condensation system and the downstream polyester POY spinning system.

The erection and commissioning of the plant has been realized in a record period of six and half months. The guaranteed performance figures were achieved within the shortest possible time following commissioning, hence confirming the Oerlikon Barmag concept; as a total solutions provider, the technology leader also masters all aspects of extensive projects and looks after the plant from the PTA (purified terephthalic acid) system all the way through to the DTY package. ♦