



connection

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INFORMATION BULLETIN FOR HUNTSMAN POLYURETHANES RIGID FOAM CUSTOMERS

FROM THE EDITOR

In the global business world of today, strategic alliances are increasingly important to reinforce market leadership positions and to accelerate research and development capabilities.

*This issue of **connection** focuses on the strategic alliance in the rigid PU foam market, between Huntsman Polyurethanes and Shell. You will also learn about the formation of an exciting marketing alliance in Germany, formed by leading German manufacturers of sandwich panels and PU-foam systems.*

The sandwich panel building market is heading for a bright future. And, finally, we have included an update on the latest development of the European Commission's proposal to modify the dates for the phase-out of HCFCs in the appliance and construction sector.

*If you wish to find out more about the topics covered in this issue of **connection**, please contact your commercial/technical contact at Huntsman Polyurethanes.*

We wish you a happy new Millennium!

Regards,

Werner Van Peteghem - Marketing Executive

RIGID POLYOLS: A STRONG STRATEGIC ALLIANCE IS BORN

The long-awaited Huntsman/Shell global alliance in the rigid polyols market entered into effect as of 1 December 1999. The alliance means that Huntsman Polyurethanes will continue to build on its strength as a global marketing business, managing all sales and marketing activities for the alliance from strategy to implementation. Shell, meanwhile, will be responsible for all planning and manufacturing technology of all the alliance rigid polyether base polyols. The Shell customer portfolio has now fully been integrated into the established global rigid PU foam business of Huntsman Polyurethanes.

To complete the strategic move, Huntsman Polyurethanes transferred all its rigid base polyol manufacturing technology to Shell. Shell, on the other hand, transferred its formulation and development know-how in rigid polyurethane to Huntsman Polyurethanes.

The synergies created by the alliance offer critical advantages. With a world-wide presence, the alliance will yield new opportunities for investment to support market and customer growth in the global market. In addition, the alliance will enhance vital technical know-how in all major rigid polyurethane foam applications

like the leading Shell's pipe-in-pipe business, now acquired by Huntsman Polyurethanes.

From a customer perspective, the synergies of the alliance will result in important advantages, including:

- Access to a broader range of base polyols and systems
- Flexibility in development and supply of tailor-made polyols
- Strengthened global technical service and development support



All the alliance polyol products will be marketed under the name 'Daltolac'¹ for base polyols and 'Daltofoam'¹ for polyol systems. The MDI will be sold under the name 'Suprasec'¹. Of course, the products previously marketed under Shell's 'Caradol' and 'Caradate' trademarks remain the same, only the name changes.

Thirteen people from Shell's rigid polyurethane business have transferred and are now fully integrated in the Huntsman Polyurethanes organisation. The alliance will deliver value to its customers through a further enhanced service and product portfolio.

¹ 'Daltolac', 'Daltofoam' and 'Suprasec' are trademark of Huntsman ICI Chemicals LLC

GALILEO TO STIMULATE SANDWICH BUILDING CREATIVITY



Industry indications are that architects are becoming increasingly convinced of the design and building benefits of sandwich panels. The manufacture of sandwich panels is now highly specified with regard to materials, structural qualities and assembly techniques. Rapid technological innovation of sandwich

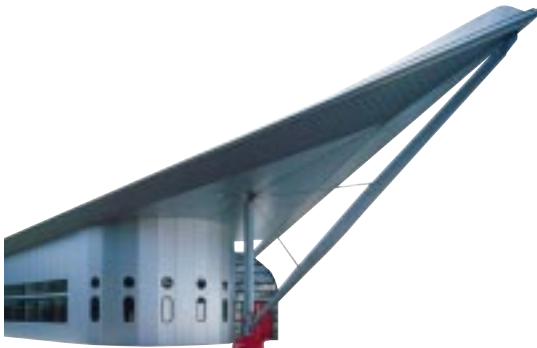
panels has produced a bright future for these vital construction elements.

To enhance the awareness and usage of such panels in construction, leading German manufacturers of sandwich panels and PU-foam systems have formed a marketing alliance called 'Galileo - Kreatives Bauen mit Sandwich'.

The 'Galileo' alliance brings together ems-Isoliertüren Mickleit GmbH & Co.KG., Hoesch Siegerlandwerke GmbH, Huntsman ICI (Germany) GmbH, Metecno Bausysteme GmbH and Romakowski GmbH & Co.KG. Galileo's main objective is to focus on the proactive and positive positioning of polyurethane-cored sandwich panels in the German market. This will be achieved by providing regular, targeted information to architects, universities and the specialist planning and construction industry press. The alliance has also developed a special website where relevant information will be posted over time (<http://www.sandwichbau.de>).

Sandwich panels, which consist of two metal sheets with a rigid polyurethane foam core, are available in a wide variety nowadays and they live up to almost every architectural and structural challenge in the construction industry.

The optimum structural and physical properties of sandwich panels allow great freedom of design. At the same time, advanced technical details offer users a comprehensive, high-quality building solution. Their design, combined with the insulating values offered by the polyurethane foam, avoids the creation of heat bridges while factory-fitted seals can ensure low joint permeability values.



"It is not because things are difficult that we do not dare; it is because we do not dare that they are difficult"
Seneca

It is the objective of the Galileo alliance to strongly market this building technique and related benefits in the German market.

HUNTSMAN GAINS TIME FOR PHASE-OUT OF HCFCs

The European Parliament has rejected the amendments proposed to bring forward the dates for the phase-out of HCFCs in the appliance and construction sector. This would have adversely affected a series of applications.

The decision was taken at the plenary session in the Parliament on 16th December 1999 in Strasbourg.

In the EU, the use of HCFCs is controlled by a Regulation which sets a CAP (limit) of 2.6%, a run-down starting with a 35% cut on 1 January 2004 and a phase-out in 2015.

The European Commission and the Council had agreed a draft proposal to accelerate the phase-out of HCFCs and to introduce a CAP of 2% from January 2001.

Mike Jeffs of Huntsman Polyurethanes - under the auspices of ISOPA - led the industry and conducted a 40-month advocacy campaign to ensure that the changes were more reasonable. ISOPA joined forces with BRUFMA, the British Rigid Urethane Foam Manufacturers Association to inform the appropriate individuals.

This decision will help the industry to properly plan the conversion towards alternative substances within a more reasonable timescale. Following this lengthy programme, the industry can now draw a line and concentrate on managing other important and crucial environmental issues.

IN BRIEF

ISOPA will host the three-day UTECH 2000 conference and exhibition on 28 - 30 March 2000 in The Netherlands Congress Centre, The Hague, The Netherlands. The conference has a new format designed to broaden minds and horizons across the entire polyurethanes industry.

The programme will appeal to a wide spectrum of participants, from commercial strategists to technical innovators.

Anyone active in the polyurethanes business should make sure they attend this key event, the only major polyurethanes meeting in the world this year and is kindly invited to visit the Huntsman Polyurethanes stand.

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