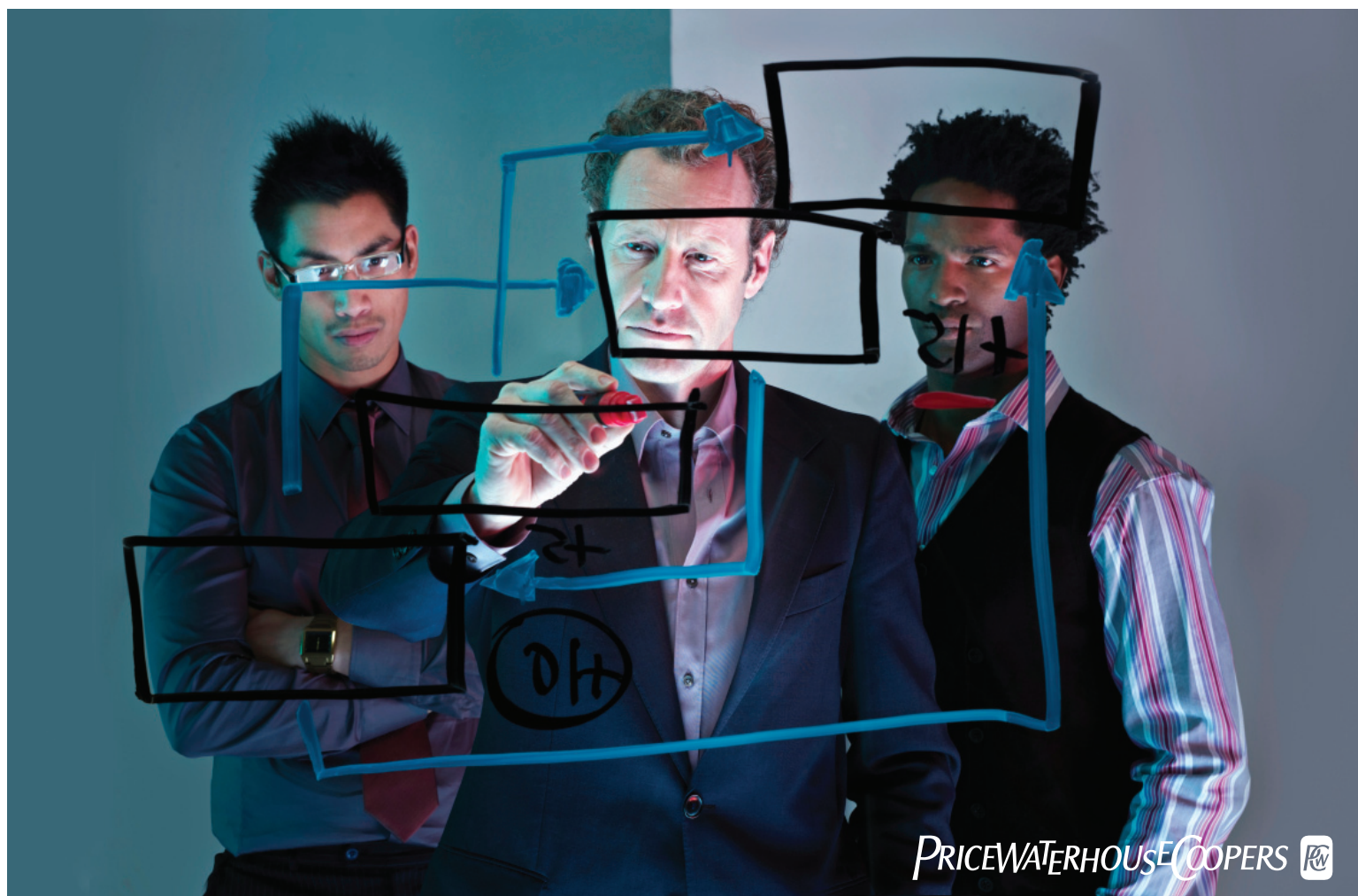


Chemical compounds

Second-quarter 2010 global chemicals industry
mergers and acquisitions analysis

Making smarter deals in a changing environment: Merger integration



Welcome to the second-quarter 2010 edition of *Chemical compounds*, PricewaterhouseCoopers' (PwC) quarterly analysis of mergers and acquisitions (M&A) in the global chemicals industry. In addition to a detailed summary of M&A activity in the second quarter of 2010, we continue our special report series on making smarter deals in a changing environment and look at merger integration and the ever-increasing importance of capturing synergies to maximize deal value. The discussion explores the importance of cost containment, identifies synergy targets, and suggests strategies for successful M&A integration.

Special Report:

Making smarter deals in a changing environment: Merger integration

The question to ask when making an acquisition is: “How can I run this business differently and generate more value than its pre-transaction owners?” The answer should include plans to develop synergies. Failure to arrive at a good answer should put the rationale for the transaction in doubt.

Execution of a good plan to capture synergies is perhaps the hardest and most important part of a transaction. When done well, it unites two entities and improves the operations and financial well-being of the newly formed organization. But without a vision to capture synergies, which makes the whole better than the sum of the parts, a merger integration is in trouble from the start.

In today’s recovering economy, the merger integration planning process is more important than ever. Companies must balance a desire to quickly reach their objectives while containing costs. As the number of announced chemical deals grows and as more companies enter this toughest phase of the deal process, organizations focused on outpacing their competitors can lose sight of a deal’s objectives.

For chemical companies that often deal with environmental, health, and safety issues associated with the handling of hazardous materials, there is an added complexity of aligning the processes and procedures of the two entities. The integration of two chemical companies also requires careful supply chain analysis to facilitate end-to-end coordination so that the new company realizes the benefits of the transaction.

“Multinational industrial products companies strengthened their cash positions during the recession, and as they look forward over the next three to five years, acquisitions are seen as a key enabler for revenue growth,” said Jim Smith, a PricewaterhouseCoopers M&A Integration practice leader. “Having done acquisitions in the past, many of these companies are reflecting on how well those deals were executed, and they see opportunities for improvement—opportunities to execute a smooth transaction with an early realization of synergies.”

Although revenue growth is important, improving performance and business margins are also significant motivators for deal activity within the chemicals industry.

Other issues faced by chemical companies as they work toward merger integration include:

- Reputation management
- Suppliers’ and vendors’ environmental and social responsibility
- Workforce health and safety
- Climate strategy, renewable energy, and energy efficiency
- Environmental impacts of production operations
- Persistent, bio-accumulative chemicals in the environment

The importance of cost containment

During the economic downturn, chemical companies spent considerable time and effort right-sizing their cost and organizational structures. Now that the economy is recovering, the time is ripe for acquisitions that improve profitability and stimulate revenue growth, keeping in mind that capturing value depends on making the most of each company’s strengths.

During the integration phase, companies must eliminate unnecessary overhead by streamlining redundant processes. The challenge is to stay lean and hold on to cost-reduction benefits achieved during the downturn. To meet that goal requires identifying and quantifying synergy targets. With a disciplined approach and the right tools, companies can accelerate the integration process and realize savings of 30 percent to 40 percent.

“As companies are making acquisitions, they must be focused, structured, and fast-moving to take out excess overhead and leverage the economy of scale or cost advantages that come with a merger,” said PwC’s Michael Wright, an M&A Integration practice leader. “The value driver initiative could be combining the two back-office finance

functions or consolidating and implementing best practices that eliminate redundancy.” Integrated entities also create synergy by combining purchasing power to drive better costs and terms with strategic vendors and service providers.

Identifying synergy targets

The synergies identified during the merger integration phase can be categorized into three common areas: revenue and market growth; cost reduction and leveraging efficiencies; and capital optimization. Additionally, deals within the chemicals industry are driven by portfolio management and securing or increasing profits through acquisition of high-margin businesses or disposition of low-margin entities.

Revenue and market growth

Those crafting a deal strategy may anticipate synergies from entering into new product markets, expanding to new geographies, or accessing new distribution channels. Other synergies can be realized by leveraging an expanded sales force to reach new customers. Still, more could result from product innovation by combining each company’s research and development efforts and leveraging existing production platforms to deliver new products or services.

Cost reduction and leveraging efficiencies

Typically, opportunities for cost reduction can be found in the income statement, particularly in back-office functional areas such as procurement, payroll, finance, human resources (HR), and information technology (IT). These synergies can result from permanent reductions in departmental operating costs (e.g., head count reductions), better management of combined spend (e.g., policy alignment), or increased productivity from consolidated operations (e.g., economies of scale, better use of technology, vendor consolidation, leveraged purchasing, etc.), among others.

Chemical companies, in particular, have an opportunity to enhance their supply chains by acquiring a business with a more efficient supply chain or one that provides the raw materials for an end product. In these instances, the goal of the transaction is not to diversify the company’s portfolio but to enhance the supply chain as a way to contain costs. Transactions of this type also help companies contain commodity price fluctuations through greater control of materials within the supply chain.

The merger integration process also can create synergy by leveraging spare capacity between two companies. For example, a chemical company might be able to discontinue outsourcing some of its manufacturing processes by using the spare capacity of a company it acquired. The result could be a dramatic improvement in the acquired company’s production levels.

Capital optimization

A company’s balance sheet might also offer synergy opportunities. For example, “hard” assets such as property, plant, equipment, and inventory can be rationalized through combination or closure, or more optimized utilization. “Soft” asset synergies can be realized through better management of working capital, cost of capital, accounts receivable (AR) (e.g., collection periods, AR turnover, etc.), and maximizing debt-to-equity levels.

Staying on track

During the integration phase, both companies must maintain their customer base. They can achieve that goal by making preparations during their due diligence process to define the marketing and sales strategy of the combined company. For example, when a global chemical company sought to acquire a smaller, geographically complementary color pigments business, a primary challenge was to meet customers’ needs while also meeting the ongoing functional needs of the target company.

Once the deal was announced, both companies were tasked with educating their sales force on how the deal would affect each customer segment. They also contacted their most loyal customers from both companies to communicate ways the new company would better serve them through an expanded product portfolio.

It also is critically important for the finance function to deliver a centralized process for monitoring, tracking, and reporting synergies to ensure the new company stays on task and delivers measurable results. Companies depend on their finance function to structure the tracking to measure the capture of deal value, integrate business operations, maintain common controls, provide accurate and consistent financial reporting, ensure tax compliance, and implement business processes that provide the new company with the flexibility it needs to grow and thrive.

Strategies for successful M&A integration

Companies that seek to achieve profound organizational change through a merger or acquisition should consider the following strategies:

- **Manage diligence and integration in lockstep**—In a merger or acquisition, an integrated process for due diligence and integration can help companies better identify issues and opportunities.
- **Envision and plan for day one**—During the deal process, companies that focus on all of the operational details for their new company will be well positioned to hit the ground running as soon as the deal concludes.
- **Secure leadership commitment**—When companies pursue transformation, it is essential to establish executive leadership both for the deal itself and for the organization going forward. This includes defining the span of control, responsibility, accountability, and reporting relationships.

- **Aspire to excellence in deal communication**—How companies communicate about a deal, both internally and externally, matters. This includes the deal announcement, integration progress, and people plans.
- **Prioritize initiatives for maximum impact**—During a deal, companies that don't try to boil the ocean but rather focus on those projects that either generate revenue or drive down cost tend to be more successful in their efforts.
- **Establish an integration management office**—Integration in particular requires rigorous program management and realistic time lines. Without a central governance structure and a methodology driving the integration, people might fail to complete important tasks.
- **Execute quickly and methodically**—Companies should consider all areas touched by the transformation and engage the various stakeholders, such as finance, IT, HR, legal, operations, and sales and marketing. They should also focus on speed, particularly during an integration.
- **Remember to put people issues first**—Especially during a transformative deal, it's critical that the goals for individuals align with the goals of the overall company. People should understand where they fit, what they are being asked to do, and how what they do is associated with the value they provide every day.

Closing deals is tough, but capturing deal value is tougher. In some ways, deciding whether to go forward with a merger or acquisition is the easy part. The act of “owning” after the transaction is complete is the real challenge. In the end, the market will reward or punish shareholders of the combined company depending on how well its management succeeds at achieving stated deal objectives. So, it is imperative that they realize synergies, capture deal value, and share the results with all of those who have a stake in the outcome.

Perspective: Thoughts on deal activity in 2010

The activity we observe in the deal market is in line with our expectations. While the value of announced deals is up in 2010 compared with the same period in 2009, the level of deal activity, from our perspective, is higher than the data suggest. This is being driven by deal processes being conducted at a deliberately slower pace as business owners approach them with more rigor than we saw during the pre-downturn period, thus slowing the time it takes for a deal to be announced and hence recorded in the data.

Compared with 2009, it appears that a larger number of companies are available for sale in 2010. However, some of these sale processes are direct discussions between the two parties or auctions with a small list of targeted companies invited to bid in the process. This increases the importance for companies in search of acquisition candidates to do their homework up-front and be proactive when they think the timing is right.

Additionally, we have noted an increase in the level of cross-border deal activity. As mentioned in our analysis in the subsequent pages, not all of this is showing up in the announced deal data, but we expect this trend to continue as more buyers and sellers re-enter the market and look for good opportunities to reposition their businesses.

With the improvements in the financial markets, we have seen a greater level of private equity activity in certain deal processes. However, the borrowing conditions remain tight enough to give strategic buyers with sound business cases a competitive edge in the bidding process over pure financial buyers.

Based on our current view of the market and the transactions in progress, we are optimistic that the level of activity will remain strong in 2010. Proactive companies willing to invest time up-front so that they can move quickly when opportunities become available will be able to effectively utilize M&A as a growth tool to strengthen their businesses.

Commentary

Deal activity in second-quarter 2010 remains positive

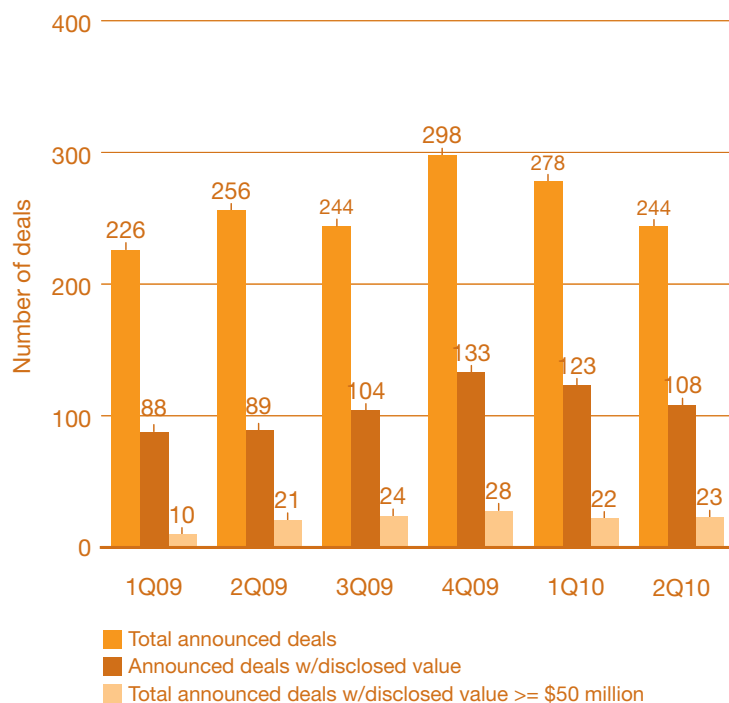
In line with our expectations, deal activity in the second quarter of 2010 maintained the pace set at the beginning of the year. Deal activity for announced deals with a value greater than \$50 million in the second quarter stayed consistent with the first quarter, and activity in the first half of 2010 is up 45 percent compared with the same period in 2009. Total announced deals stand at 522 for the first half of 2010 compared with 482 for the same period in 2009, representing an 8 percent increase.

Given the level of market activity we are seeing for deals in process but not yet announced, we expect a rise in announced deals in the second half of 2010. However, we continue to see an increase in the length of time to announce deals, as companies maintain a strong focus on planning, diligence, and negotiations.

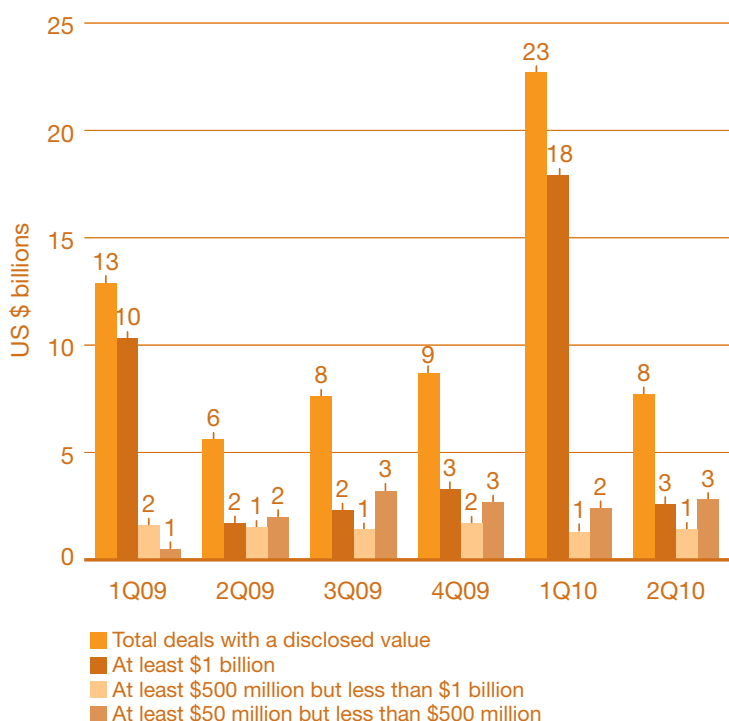
Deal value buoyed by large deal activity in the first half of 2010

The second quarter of 2010 is in line with our expectations, with \$8 billion of total deal activity. This is comparable to 2009 but significantly lower than the first quarter of 2010, which had 5 large deals (those greater than \$1 billion transaction value) with a total deal value of almost \$18 billion. In second-quarter 2010, only 2 large deals with a total value of less than \$3 billion were announced. In general, we have noted a significant trend toward fewer large deals since the downturn began. We have noted an increase in the size of deals in the pipeline, but many have not progressed to the stage of being announced. Assuming these deals close, we expect to see the average deal size increase during upcoming quarters. See page 9 for additional information on large deals.

Quarterly deal activity by number of deals (1Q09–2Q10)

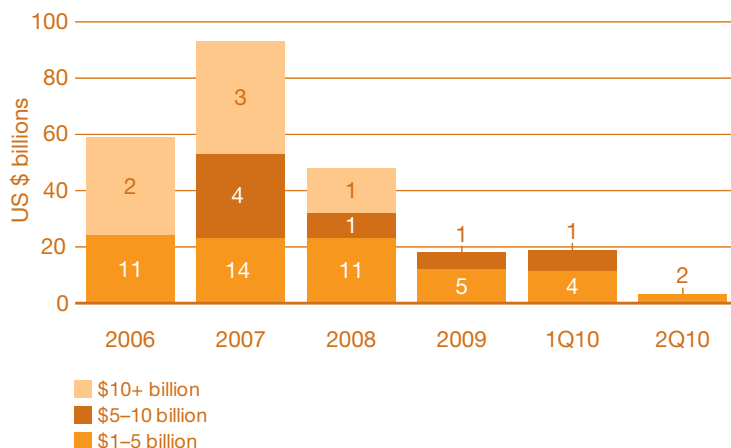


Deal activity by total deal value (1Q09–2Q10)



Large deals (2006–2009, 1Q10, 2Q10)

Value greater than \$1 billion (and number of deals in category)



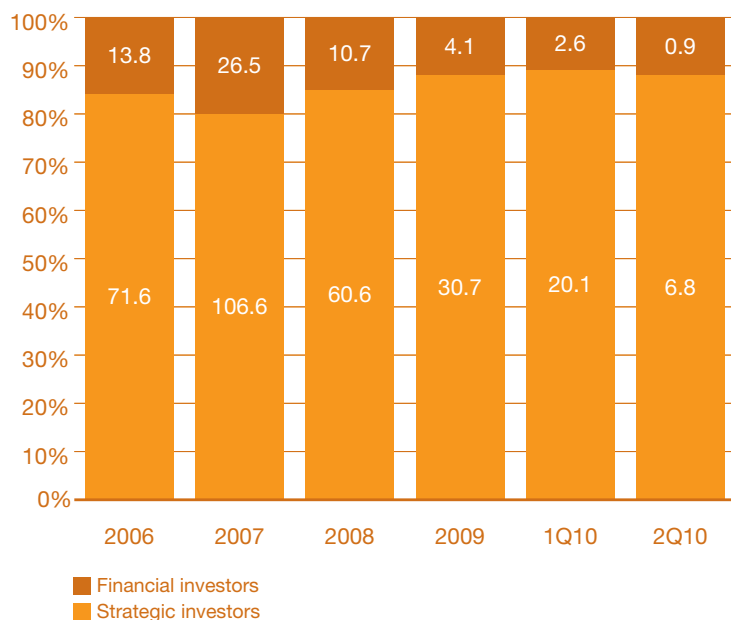
Number and value of large deals in first-half 2010 exceed all of 2009

Two additional deals with a value greater than \$1 billion were announced in the second quarter of 2010, putting the total for 2010 at seven, exceeding the six large deals in 2009. Five deals with a value greater than \$1 billion were announced in the first quarter of 2010. Their total value of \$17.9 billion already surpasses the total large deal value for all of 2009. This upturn is consistent with our expectations for M&A activity in 2010.

It should be noted that one of the largest deals in the industry in second-quarter 2010 (BASF/Cognis) has not been recorded in our data as a large deal because the actual value of the acquisition was \$0.9 billion, but after taking into account assumed debt and other various liabilities acquired, the enterprise value was approximately \$3.8 billion. This provides further credence to the increased M&A activity expected for the remainder of 2010.

Deal value by investor group (2006–2009, 1Q10, 2Q10)

Measured by percentage of deal value (actual deal value in billions shown in chart)



Deal activity by investor type

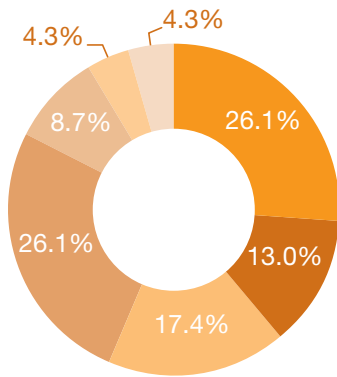
The number of deals announced by strategic investors continues to outpace deals announced by financial investors for several reasons. Many strategic investors have come through the economic downturn with relatively strong balance sheets and are looking to use M&A as a tool to continue to reposition and grow their companies. On the other hand, financial investor activity remains low as the current debt markets, although improved over 2009, do not permit the leverage that financial investors could achieve prior to the downturn. Although not portrayed in the data, we are seeing a higher level of financial investor activity in the bidding process. We expect to see this level of activity continue, which eventually will result in financial investors announcing more deals as the debt markets continue to improve and allow for higher leverage.

Regional distribution of second-quarter 2010 deals

Consistent with trends we expected to see in 2010, the second quarter has seen a rise in cross-border deals. Seven of the 23 announced deals with a value greater than \$50 million were cross-border deals, representing \$4.5 billion or 66 percent of total deal value for second-quarter 2010. Additionally, the acquirers are evenly spread throughout the world, consistent with our expectations. Active target nations are within Asia Pacific, North America, and South America.

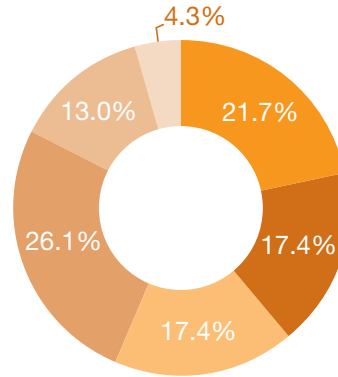
Number of deals (2Q10) by target nation

Measured by number of deals worth \$50 million or more



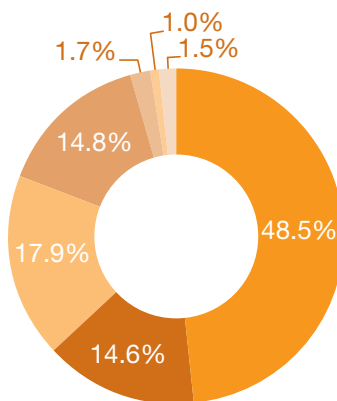
Number of deals (2Q10) by acquirer nation

Measured by number of deals worth \$50 million or more



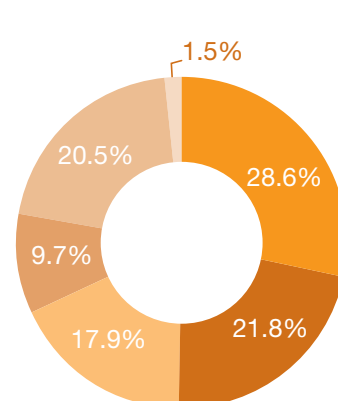
Value of deals (2Q10) by target nation

Measured by value of deals worth \$50 million or more



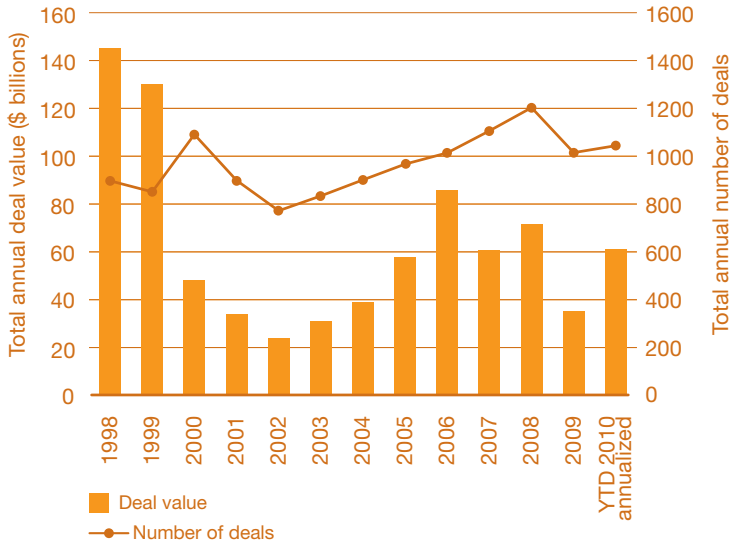
Value of deals (2Q10) by acquirer nation

Measured by value of deals worth \$50 million or more



North America
 Western Europe
 South America
 Asia Pacific
 Middle East
 Eastern Europe
 Africa

13-year comparison deal activity, 1998 to 2010



Deal activity remains consistent regardless of economy

To provide a longer-term perspective of the level of deal activity, we analyzed the volume and value of deal activity during the past 13 years. In contrast to the value of transactions, which varied substantially across the period, the volume of transactions was relatively stable, even during economic downturns. This is due to a consistent level of small deal activity in the chemicals industry, which is driven by companies using M&A as a tool to continually reposition their business. During periods of economic downturn, large deal volume drops significantly, reducing total deal value. As the economy continues to recover, we are seeing an upturn in the level of deal activity in the pipeline, including larger deals. Eventually, we expect to see this increase in activity show up in the announced deal data.

Large deals in 2009

| Month announced | Target name | Target nation | Acquirer name | Acquirer nation | Status | Value of transaction in US\$ bln | Category |
|-----------------|-------------------------------|---------------|--------------------------------|-----------------|-----------|----------------------------------|--------------------------------------|
| Feb | CF Industries Holdings Inc | United States | Agrium Inc | Canada | Withdrawn | 5.60 | Fertilizers & Agricultural Chemicals |
| Jan | Terra Industries Inc | United States | CF Industries Holdings Inc | United States | Completed | 4.75 | Fertilizers & Agricultural Chemicals |
| Jul | Nufarm Ltd | Australia | Sinochem Corp | China | Withdrawn | 2.29 | Fertilizers & Agricultural Chemicals |
| Nov | Mitsubishi Rayon Co Ltd | Japan | Mitsubishi Chemical Hldgs Corp | Japan | Completed | 1.91 | Commodity Chemicals |
| Apr | Morton International Inc | United States | K+S AG | Germany | Completed | 1.68 | Specialty Chemicals |
| Oct | Brazilian Renewable Energy Co | Brazil | ETH Bioenergia SA | Brazil | Completed | 1.39 | Commodity Chemicals |
| Feb | NOVA Chemicals Corp* | Canada | IPIC | Utd Arab Em | Completed | 0.50 | Commodity Chemicals |

*This transaction is included in our data at this value based on data parameters. However, the enterprise value is substantially larger, standing at \$2.3 billion when including assumed debt.

Large deals in first-quarter 2010

| Month announced | Target name | Target nation | Acquirer name | Acquirer nation | Status | Value of transaction in US\$ bln | Category |
|-----------------|--------------------------|---------------|------------------------------|-----------------|-----------|----------------------------------|--------------------------------------|
| Feb | Airgas Inc | United States | Air Products & Chemicals Inc | United States | Pending | 7.02 | Industrial Gases |
| Jan | Quattor Participacoes SA | Brazil | Braskem SA | Brazil | Completed | 4.13 | Other |
| Feb | Terra Industries Inc | United States | Yara International ASA | Norway | Withdrawn | 4.10 | Fertilizers & Agricultural Chemicals |
| Mar | Styron Corp | United States | Bain Capital Partners LLC | United States | Completed | 1.63 | Commodity Chemicals |
| Feb | Fosfertil | Brazil | Mineracao Naque SA | Brazil | Intended | 1.03 | Fertilizers & Agricultural Chemicals |

Large deals in second-quarter 2010

| Month announced | Target name | Target nation | Acquirer name | Acquirer nation | Status | Value of transaction in US\$ bln | Category |
|-----------------|----------------------|---------------|--------------------------------|-----------------|---------|----------------------------------|--------------------------------------|
| Jun | National Starch | United States | Corn Products International | United States | Pending | 1.30 | Specialty |
| Jun | Albaugh Inc | United States | Makhteshim Agan Industries Ltd | Israel | Pending | 1.28 | Fertilizers & Agricultural Chemicals |
| Jun | Cognis Holding GmbH* | Germany | BASF SE | Germany | Pending | 0.86 | Specialty Chemicals |

* This transaction is included in our data at this value based on data parameters. However, the enterprise value is substantially larger, standing at \$3.8 billion when including assumed debt and certain liabilities.

Large deal summary for second-quarter 2010

National Starch/Corn Products International

Corn Products International announced that it will acquire National Starch in a \$1.3 billion deal. National Starch is a subsidiary of Dutch paint, coatings, and chemicals company Akzo Nobel NV, which acquired the National Starch business as part of the buyout of ICI plc in 2008.

Albaugh Inc./Makhteshim Agan Industries Ltd

Makhteshim Agan Industries Ltd (Makhteshim) of Israel signed a letter of intent to acquire Albaugh Inc., an Ankeny-based manufacturer of herbicides and insecticides, for USD 1.283 billion. The consideration was to consist of USD 340 million in cash, the assumption of USD 280 million in liabilities, USD 450 million in notes, and the issuance of 59 million new ordinary shares valued at USD 208.211 million. The shares were valued based on Makhteshim's closing stock price of USD 3.529 on June 25, 2010, the last full trading day prior to the announcement.

Cognis Holding GmbH/BASF SE

BASF SE agreed to acquire the entire share capital of Cognis Holding GmbH, a Monheim am Rhein-based manufacturer of chemicals, from Cognis Holding Luxembourg Sarl, for EUR 700 million (USD 858.790 million). Originally, in March 2010, Goldman Sachs Group Inc. and Permira Advisers LLP were rumored to be seeking a buyer for an undisclosed majority interest in Cognis GmbH (Cognis). In June, BASF SE was rumored to have agreed to acquire Cognis. It should be noted that the enterprise value is substantially larger, standing at \$3.8 billion when including assumed debt and certain liabilities.

Capturing deal value through successful integration

Patience is not a virtue when it comes to integration. Yet in mergers and acquisitions, the chaos surrounding post-deal activities often impedes companies' ability to simultaneously focus on maintaining current operations, realizing valuable synergies, and achieving timely operational integration.

Research shows that most mergers and acquisitions fail to meet expectations. Despite the best intentions, deals can fall short when the time comes to begin translating carefully developed strategy into the right mix of people, process, and technology. Smart buyers can improve their odds by taking steps to execute a fast-paced integration that makes early use of disciplined planning, a well-coordinated launch, and a relentless focus on the value drivers behind the deal.

Successful acquirers are both quick and thorough in making the transition to the new entity because they carefully plan for that process well in advance. They use the time between the deal's announcement and its closing to develop a strategy for integrating the two companies and implementing synergies. As a result, their integration plans and major players are set before the transaction closes. They also transfer all the knowledge gained from their due diligence to the integration effort. They act quickly and decisively, prioritizing integration activities to reduce uncertainty among workers. And they limit the integration time frame, realizing there is more willingness to change if it is done quickly.

These companies maximize shareholder value by aligning integration strategies and priorities with strategic goals, addressing stakeholder concerns through ongoing communications, reducing workers' concerns over who will be responsible for what by assigning managers to specific roles and responsibilities early, and treating integration as they would any other business process—in a highly disciplined, consistent manner.

How PricewaterhouseCoopers can help

Over the years, PwC has developed a winning approach to launching and managing enterprisewide integrations. Our solution includes a proven integration methodology and an expansive set of process tools, templates, and guides to support the overall integration.

Through a centralized Integration Management Office (IMO) staffed by experienced PwC integration management professionals, we are able to uniformly roll out our methodology and facilitate the overall integration process across the combined organization.

PwC's M&A integration specialists help clients merge entities rapidly to capture desired synergies and allow for a quick return to "business as usual." This helps increase shareholder value and frees up human and financial capital for reinvestment in core operations.

Our capabilities include both integration specialists and functional specialists to assist in the management and coordination of overall integration activities enterprisewide, and to provide tactical experience in critical functional areas as needed.

Our merger integration services and capabilities include:

- Designing the integration program and IMO
- Day one planning and execution readiness
- Robust synergy analysis, implementation, and tracking
- Blueprinting and executing business process and systems integration
- Providing functional integration assistance and tactical implementation support
- Helping deliver effective communications, people, and change management

Chemical company case study: Integration management supports a smooth, on-time consolidation

Client: Global chemical company

| | |
|--------|---|
| Issue | <p>A global chemical company sought to acquire a smaller, geographically complementary color pigments business in Asia with strong manufacturing and sourcing capabilities. The acquisition would place the combined company as a global leader in the manufacture of pigments. To be successful, the client engaged PwC to help consolidate separate and overlapping sales organizations and distribution models and capture desired synergies.</p> <p>Challenges to deal success included filling in the gaps in pre-deal due diligence, completing comprehensive integration planning, transitioning operations onto a single, new enterprise resource planning platform, and managing stakeholders across both the existing and acquired business on an ongoing basis.</p> |
| Action | <p>An experienced PwC team specializing in finance, IT, and sales integration focused on achieving the accelerated transition needed to help the company move toward full integration and minimize business disruption. Project objectives included:</p> <ul style="list-style-type: none">• Providing the integration management framework to achieve timely synergy and performance goals• Supporting multiple functional groups as they worked to achieve seamless integration• Delivering proactive communication across the organization and to external stakeholders• Mitigating key integration risks, such as the disruption of ongoing operations, a decline in employee productivity, and the loss of key employees to competitors <p>In addition, the PwC team delivered day one work plans and timely status reports. PwC also assisted in a detailed communication strategy among multiple stakeholders and transition services agreement scoping, which temporarily provided for the ongoing functional needs of the target company.</p> |
| Impact | <p>The newly combined company achieved an accelerated and smooth day one with no disruption to ongoing operations, and a successful consolidation of service providers, products, customers, and management reporting into the new entity.</p> <p>The client noted that PwC brought deep merger integration knowledge and experience to the project, including IT integration, system implementation, and project management techniques. The PwC team helped the company discontinue its reliance on third parties for services and has been able to consolidate operations with its own providers.</p> <p>PwC was able to partner with the client to address its business issues. The integration was completed on time, according to specification. As a result, the client was able to strengthen its global business and international workforce while enhancing value to customers through an expanded product portfolio.</p> |

PricewaterhouseCoopers' chemicals experience

Deep chemicals experience

PwC continues to have the leading market share in the industry. Our Chemicals Industry practice is comprised of a global network of more than 2,700 partners and client service professionals. Our chemicals team encourages dialogue on emerging trends and issues by holding conferences for industry executives. PwC is also a sponsor of leading industry conferences and frequently authors articles for, or is quoted in, leading industry publications. Our involvement with these organizations represents PwC's commitment to furthering industry dialogue with chemicals industry leaders. Our professionals are concentrated in areas where the chemicals industry operates today and in the emerging markets where the industry will operate in the future.

Quality deal professionals

PwC's Transaction Services practice, with more than 6,500 dedicated deal professionals worldwide, has the right industry and functional experience to advise you on all factors that could affect the transaction, including market, financial accounting, tax, human resources, operating, IT, and supply chain considerations. Teamed with our Chemicals Industry practice, our deal professionals can bring a unique perspective to your deal, addressing it from a technical aspect as well as from a chemicals industry point of view.

Global connection

PwC's Chemicals Industry practice is a part of an Industrial Products group that consists of 31,000 professionals, including approximately 15,800 providing Assurance services, more than 9,000 providing Tax services, and 6,200 providing Advisory services.



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PricewaterhouseCoopers Chemicals practice

PwC's Chemicals practice is a global network of professionals who provide industry-focused Assurance, Tax, and Advisory services to more than 200 public and private chemicals companies. Our leadership team consists of:

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Methodology

Chemical Compounds is an analysis of deals in the global chemicals industry. Deal information was sourced from Thomson Reuters using the Thomson-defined industry sector of Chemicals and Allied Products for targets, and other selected upstream and downstream industries (e.g., Oil & Gas, Mining, Drugs, etc.) acquired by companies that are part of the Thomson-defined Chemicals and Allied Products designation. This analysis includes all mergers and acquisitions for disclosed or undisclosed values, leveraged buyouts, privatizations, minority stake purchases and acquisitions of remaining interest announced between January 1, 2006 and June 30, 2010, with a deal status of

completed, intended, partially completed, pending, pending regulatory approval, seeking buyer, seeking buyer withdrawn, unconditional (i.e., initial conditions set forth by the acquirer have been met but deal has not been completed) or withdrawn. Geographic categories generally correspond to continents with exceptions for Australia (included in the Asia Pacific category), Europe (divided into Western and Eastern categories based upon UN definitions) and the Middle East (defined as a separate category based upon US CIA World Factbook). Where the number of deals is referenced in this analysis it means the number of all deals with disclosed or undisclosed values unless otherwise noted.

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