

Kemira Oyj sells ChemSolutions' food and pharmaceutical businesses to Niacet Corporation

Released on 14/12/12

Kemira Oyj signed an agreement today to sell its food and pharmaceutical businesses together with its acetate based chemicals business to Niacet (Niagara Falls, USA). These businesses are a part of Kemira's ChemSolutions segment. All shares of Kemira ChemSolutions BV, including the manufacturing site in Tiel (NL), will be transferred from Kemira Oyj to Niacet Corp. The other businesses of the ChemSolutions segment, including the chemical, feed and de-icing business, which are linked to Kemira's formic acid production in Oulu (Finland), will stay within Kemira.

The businesses sold have a combined revenue of approximately EUR 50 million. 90 employees will be transferred to Niacet as part of the transaction which is expected to close on January 31, 2013.

The agreed transaction price is EUR 82 million and will impact Kemira's cash flow positively in the first quarter of 2013. Kemira will undertake a non-recurring write-down related to the transaction of approximately EUR 18 million, impacting Kemira's reported EBIT in the fourth quarter of 2012.

- In accordance with its strategy, Kemira focuses on products and applications for water quality and quantity management. ChemSolutions's food, pharmaceutical and acetate based chemicals businesses are not part of our core business. There are more synergies for these businesses with Niacet's current portfolio and Niacet is committed to develop the business further, said Wolfgang Büchele, Kemira's President and CEO.

We are currently a leading producer of propionates and acetates in the US focusing on the bakery and pharmaceuticals industry. The agreed deal fits perfectly into our strategy to become a global player in the chosen industries. This is a very exciting opportunity for Niacet and we believe it will position us for continued success and growth both in Niagara Falls and at our new facility in the Netherlands, once the agreement is finalized, said Kelly Brannen, Co-Managing Director of Niacet. To assure a seamless transition for customers and to welcome the Tiel employees to the Niacet family, Larry Montani, Co-Managing Director of Niacet, will relocate to Tiel.

Source Kemira Official Press Release through REUTERS