

Media release

CU Chemie Uetikon GmbH in Lahr (Germany) to be sold to Barclays Private Equity

CPH Chemie + Papier Holding AG is to sell its CU Chemie Uetikon GmbH fine chemistry business unit based in Lahr (Germany) to Barclays Private Equity. The contractual parties signed a corresponding purchase agreement on 27 October. The parties agreed not to divulge the sale price involved.

Following its investment in the new PM7 paper machine, and in view of the strategic challenges ahead in the paper manufacturing sector, the CPH Group intends to focus its resources on three main business activities for its next growth phase. As a result, CPH Chemie + Papier Holding AG has decided to dispose of its fine chemistry operations, and is selling its CU Chemie Uetikon GmbH subsidiary, which is domiciled in Lahr (Germany), to Barclays Private Equity. The corresponding purchase agreement was signed on 27 October. The transaction is still subject to the approval of the relevant competition authorities, but is expected to be concluded by the end of November.

The sale of CU Chemie Uetikon GmbH will permit CPH Chemie + Papier Holding AG to reduce its debt levels following its investment in the new PM7 paper machine for Perlen Papier AG, its paper manufacturing subsidiary. This in turn will provide the CPH Group with greater business scope and enable it to focus its financial resources on further developing its remaining business segments of paper production, packaging and silicate chemistry.

CU Chemie Uetikon GmbH has been a member of the CPH Group since 1991, and is active in the organic fine chemistry sector. The company is an established European manufacturer of fine chemicals and active pharmaceutical ingredients (APIs).

The sale of CU Chemie Uetikon GmbH does not include BioUETIKON Ltd. of Dublin (Ireland). BioUETIKON, which specialises in biotechnological synthesis processes, was acquired by the CPH Group in 2006 and assimilated into CU Chemie Uetikon GmbH. CPH Chemie + Papier Holding AG is now seeking a strategic solution for its BioUETIKON Ltd. subsidiary.

The profitable fine chemistry business (i.e. CU Chemie Uetikon GmbH and BioUETIKON Ltd. combined) accounted for just under CHF 35 million or 8.4% of the CPH Group's total net sales last year. For the first half of 2011, the group's fine chemistry operations generated net sales of CHF 22 million.

In Barclays Private Equity, CPH Chemie + Papier Holding AG is pleased to have found an experienced private equity company which will now work with CU Chemie Uetikon GmbH to initiate and pursue the next phase in its further growth. CPH Chemie + Papier Holding AG also thanks the management and personnel of CU Chemie Uetikon GmbH for their many years of work, service and commitment on the CPH Group's behalf, and wishes them all a successful future under their new owners.

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Further information:

Dr. Peter Schildknecht
CEO
CPH Chemie + Papier Holding AG
Phone +41 41 455 8757

Michel E. Segesser
Head of HR & Communications
CPH Chemie + Papier Holding AG
Phone +41 41 455 8751