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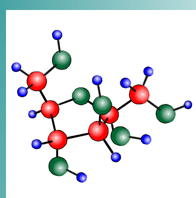
STRATEGIC INTELLIGENCE IN FINE CHEMICALS 2000: THE UNITED STATES AND WESTERN EUROPE



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INTRODUCTION

Kline & Company is pleased to announce the publication of its new, 600+ page syndicated analysis titled STRATEGIC INTELLIGENCE IN FINE CHEMICALS 2000: THE UNITED STATES AND WESTERN EUROPE, which provides an authoritative and comprehensive analysis of this complex and fragmented market, including:

- Distinct and detailed analyses of the pharmaceutical and agricultural segment of the fine chemical business
- Comprehensive assessment of non-custom, custom, captive, and merchant sectors of the pharmaceutical and agricultural fine chemical businesses in each region
- Industry dynamics and key trends, including an assessment of the business implications of outsourcing, custom manufacturing, customer/supplier alliances, and industry customer and supplier base consolidation
- Complete business profiles of upward of 45 fine chemical companies and summary profiles of 80 other firms that currently supply fine chemicals
- Overall business outlook and appraisal

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Table 1
FINE CHEMICAL COMPANIES PROFILED IN DETAIL

United States

- Albemarle
- AlliedSignal/Honeywell
- Bayer Corporation
- Cambrex
- Catalytica Pharmaceuticals
- ChemFirst Fine Chemicals
- ChiRex
- Clariant (including Archimica)
- Degussa-Hüls
- Dow Contract Manufacturing Services
- DSM Fine Chemicals
- Eastman Fine Chemicals
- Great Lakes Chemical
- Laporte Fine Chemicals
- Lonza Group
- PPG Fine Chemicals
- Rhodia
- Sigma-Aldrich

Western Europe

- A H Marks and Company
- Avecia
- BASF
- Bayer
- Borregaard Synthesis
- ChiRex
- Clariant
- Contract Chemicals
- Degussa-Hüls
- DSM
- Dynamit Nobel Group
- Eastman Fine Chemicals
- EMS-Dottikon
- Exchem Organics
- Great Lakes Chemical
- Hickson International
- Honeywell/AlliedSignal
- Kemira
- Laporte
- Lonza Group
- OmniChem
- PCAS
- Rhodia
- Robinson Brothers
- Säurefabrik Schweizerhall
- Group SNPE
- Tessenderlo Group
- Yule Catto & Co

Table 2

FINE CHEMICAL COMPANIES WITH SUMMARY PROFILES

United States

- Aceto Corporation
- Aerojet Fine Chemicals
- Akzo Nobel Chemicals
- Albright & Wilson Americas
- Ashland Specialty Chemical Company
- Avecia
- BASF
- BFGoodrich
- B.I. Chemicals
- Blackman Uhler Chemical Company
- Boulder Scientific Company
- Buffalo Color Corporation
- Callery Chemical Company
- Cedar Chemical Corporation
- Celanese
- Cerac
- Chattem Chemicals
- Chemetall Foote Corporation
- Chemsyn Laboratories
- Deepwater Chemicals
- Diaz Chemical Corporation
- Dixie Chemical Company
- Fairmount Chemical
- FMC Lithium Division
- Fuji Hunt Specialty Products Company
- Ganes Chemicals
- Gaylord Chemical Corporation
- Grant Chemical
- Hall Chemical Company
- Halocarbon Products Corporation
- Hickson DanChem
- ISP Fine Chemicals
- Jame Fine Chemicals
- Johnson Matthey
- Mallinckrodt
- Napp Technologies
- Occidental Chemical
- Ortec
- PCL Group
- Pfanstiehl Laboratories
- Pharmacia & Upjohn
- Phillips Chemical Company
- Pressure Chemical Company
- Regis Technologies
- Reheis
- Rütgers Organics Corporation
- Schweizerhall
- SST Corporation
- Synthetech

Western Europe

- Acros Organics/Gisher Fine Chemicals
- Ascot Fine Chemicals
- Diosynth
- Dipharma
- Expansia
- F2 Chemicals
- Fabbrica Italiana Sintetici
- Finorga
- Few
- Helsinn
- Katwijk Chemie
- Dr. Paul Lohmann
- Macfarlan Smith
- Maybridge Chemical Company
- Miteni
- Nordic Synthesis
- Orgamol
- Organica Feinchemie
- Palindent
- Pheonix Chemicals
- Procos
- Raschig
- Recordati
- Rütgers Organics
- Seac
- Siegfried
- SKW Trotsberg
- Syntec-Synthon
- Thomas Swan
- Venchem
- Witton Chemical Company

THE BUSINESS

U.S. and Western European fine chemical consumption is estimated at around $76 billion, with the U.S. market accounting for an estimated 57% of the total. Leading end-use market segments in both regions are pharmaceuticals and agrichemicals, which together account for almost 90% of total fine chemical consumption in the United States and 82% in Western Europe. Other markets include flavors and fragrances, polymer additives, photographic chemicals, and electronic chemicals.

Key issues impacting the U.S. and Western European fine chemical industry are summarized in Figure 1.

The fine chemical supplier base in the United States and Western Europe has undergone significant change over the last five years, driven by a spate of acquisitions and fundamental restructuring of the fine chemical industry.

Historically, the fine chemical supplier base had been fragmented with more than 500 firms participating in the United States and Western Europe. Traditionally, most of these firms had been medium-sized organizations with sales ranging from between $20 million and $50 million. A new industry supply structure model has now emerged which features fewer, larger firms with the necessary critical mass, global presence, a wide range of technologies and capabilities, and sales typically exceeding $100 million.

With this new supply structure model firmly in place, current and potential suppliers of fine chemicals are facing a variety of strategically challenging questions, including:

- **How can we continue to compete successfully and profitably in this business?**
- **What type of business strategy should we use to target the U.S. and Western European markets?**
- **Do we have a sufficient in-depth and non-biased under-standing of this dynamic business?**
- **Which acquisition or strategic alliance opportunities would significantly enhance our current business and strengthen our overall presence in the long term?**
- **What sort of infrastructure do we need to serve the customer base, which is increasingly becoming international?**
- **What sort of organizational culture and structure will be required in the future to successfully participate in this market?**
- **What can we learn from our competitors' and customers' business strategies?**

THE REPORT

This report has been expressly designed for senior executives, management in business and strategic planning and new business development, as well as market research and information resource personnel at firms that currently participate in the fine chemical arena or are seeking to further understand this business with an eye to market entry through acquisition, joint venture, or strategic alliance.

A key component/requirement of successful and actionable strategic business plans is a real-world understanding of the U.S. and Western European fine chemicals business and a detailed assessment of the current and potential customer base, supply chain dynamics, and the current and potential competitive arena. Kline's authoritative analysis, **STRATEGIC INTELLIGENCE IN FINE CHEMICALS 2000: THE UNITED STATES AND WESTERN EUROPE**, will provide subscribers with the necessary customer, competitive, and business intelligence to develop effective strategic plans and will serve as a critical reference source to answer the industry's most challenging questions. This foundation of information and insight will help facilitate the efficient allocation of financial, marketing, and manufacturing resources needed for future business development, as shown in Figure 2.

RESEARCH METHODOLOGY

Kline's research approach places the greatest emphasis on primary research to ensure that the foundation of business intelligence and insight is accurate and current. The report is based primarily on a series of interviews with upward of 145 persons at more than 200 organizations, including fine chemical customers, manufacturers and marketers, distributors, trade associations, and government agencies throughout the United States and Western Europe. The report also draws on suppliers' product literature; an analysis of statistical data from government agencies, trade associations, and industry organizations; and non-confidential information from Kline's database.

SUBSCRIPTION TERMS AND PRIVILEGES

STRATEGIC INTELLIGENCE IN FINE CHEMICALS 2000: THE UNITED STATES AND WESTERN EUROPE is only available only by subscription. In order to maximize the value and usefulness of this program to each charter subscriber, the following privileges and services will be made available:

- **One day of strategic planning assistance with members of the survey team at the Kline Group's offices in Little Falls, NJ, or Brussels, Belgium, to be used at the client's discretion within three months of receipt of the report. These meetings are typically utilized as company-specific work sessions to help each subscriber obtain maximum value from both the program and Kline's extensive expertise**
- **A global license to an online version of the study, which will provide unlimited access to charter subscriber employees**
- **Three copies of each report volume in hard copy**

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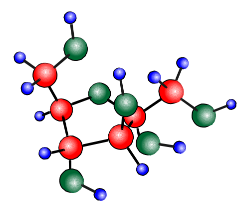
KLINE'S CREDENTIALS

Established in 1959, Kline & Company is recognized worldwide as one of the leading business consulting firms that specializes in the chemical industry. The company helps management solve practical problems in marketing, strategy development and implementation, acquisition and divestiture programs, and the appraisal of new technology. The firm provides its clients with facts, forecasts, and recommended solutions to business problems, based solidly on the realities of the market, as well as on modern strategic principles.

Figure 1

KEY ISSUES IMPACTING THE U.S. AND WESTERN EUROPEAN FINE CHEMICAL INDUSTRY

- Continued supplier base consolidation and dominance of European firms
- Pharmaceutical companies will seek greater assistance from fine chemical companies at more stages of the value chain than ever before



- Increasing consolidation of pharmaceutical and agricultural companies on a global basis
- Continued trend toward outsourcing, although this will be at slightly slower rates than in recent years

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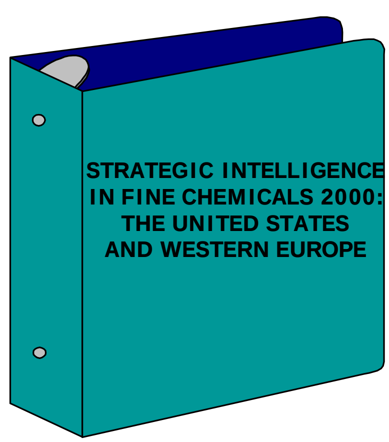
Figure 2

STUDY VALUE TO SUBSCRIBERS

- Develop competitive business strategies for sustainable presence in this business
- Develop effective market-entry strategies



- Identify acquisition and alliance opportunities
- Efficiently allocate financial, marketing, and manufacturing resources
- Understand industry dynamics

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STRATEGIC INTELLIGENCE IN FINE CHEMICALS 2000: UNITED STATES AND WESTERN EUROPE

Please enter our subscription to your comprehensive study **STRATEGIC INTELLIGENCE IN FINE CHEMICALS 2000: UNITED STATES AND WESTERN EUROPE**. This subscription includes three copies of the finished report, an online version of the study, and one day of strategic planning assistance within the scope of the study. Additional hard copies of the report will be available for a nominal fee.

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PART 1

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Volume/Chapter	Price, $ (U.S. funds)	Check here to indicate subscription preference
WHOLE STUDY	**$32,000**	❑
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WESTERN EUROPEAN REGIONAL ANALYSIS	19,600	❑
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Western Europe	17,500	❑
United States	15,000	❑
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Summary profiles-a	500-b	❑

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b- Price for each single profile.

PART 2

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SELECTION INDICATOR

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Detailed Profiles:

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Summary Profiles:

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WESTERN EUROPE

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Summary Profiles:

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