

Bayer



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Investor News

Bayer MaterialScience closes MDI Facility at New Martinsville, W.Va., USA

New Martinsville, W.Va. / October 11, 2006 – The methylene diphenyl isocyanate (MDI) facility at the Bayer MaterialScience plant in New Martinsville, W.Va., with an annual design capacity of 160 million pounds (approx. 73kt), will close on June 30, 2007. Approximately 230 positions will be affected by the closure.

“The economies of scale are changing in the MDI marketplace, and Bayer is consolidating production to several world-scale plants, including its plant in Baytown, Texas,” said Jim Covington, New Martinsville General Plant Manager.

To better serve our Northeastern U.S. customers, New Martinsville will continue to be an MDI, TDI and HCL transloading and distribution center, sourcing material from our Baytown plant.

The New Martinsville facility will continue to produce other isocyanates and polyols, coatings raw materials and thermoplastic polyurethanes, Covington said. Isocyanates and polyols are combined to make flexible and rigid polyurethane foams, which are used in furniture, automotive, construction, appliance and sporting goods applications.

Changing technology capabilities and market requirements have lead to new standards for world-scale facilities. Therefore Bayer’s MDI production has been consolidated into expanded facilities in Baytown, and further world-scale plants in Uerdingen and Brunsbuettel, Germany; and Tarragona, Spain. Bayer is currently constructing the world’s largest single-train MDI facility with a capacity of 350 kt pa in Caojing, China, which is setting a new standard in the industry. This plant is expected to come on stream in 2008.

“By concentrating our capacities in these high-technology, high-performance facilities, we are ideally equipped for the future and will be able to react to increased global demand for MDI with cost-effective production,” said Michael Koenig, Senior Vice President of Global Production and Technology, Isocyanates. “With the investment in Caojing, we demonstrate the implementation of our strategy to follow our customers and produce MDI locally.”

Bayer MaterialScience LLC is one of the leading producers of polymers and high performance plastics in North America and is part of the global Bayer MaterialScience business with nearly 19,000 employees at 40 sites around the world and 2005 sales of 10.7 billion euros. Our innovative developments in coating, adhesive and sealant raw materials, polycarbonates, polyurethanes and thermoplastic urethane elastomers enhance the design and functionality of products in a wide variety of markets, including the automotive, construction, electrical and electronics, household and medical industries, and the sports and leisure fields. Our inorganic basic chemicals unit produces chlorine and related essential products for the chemicals industry.

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