

PRESS-RELEASE

11th September 2015
Nizhny Novgorod
Russian Federation

Collaborating Agreement between ZAVOD SINTANOLOV LLC and Government of Nizhny Novgorod region as a part of the Import Substitution Program

On the 11th September 2015 **Zavod sintanolov LLC (NORCHEM Group of Companies)** and **Government of Nizhny Novgorod region** signed the Collaborating Agreement for realization of a new investment project on building of *a fatty alcohols & fatty acids plant* on the territory of Kstovo district in Nizhny Novgorod region.

Zavod sintanolov LLC is the largest Russian consumer of fatty alcohols which are used for the production of different surfactants for detergents and household chemistry. Today this type of raw materials is fully imported, and this is the reason why the new project for development of home manufacture will have a great interest for the Russian industry and is of high priority from the perspective of the import substitution.

By signing of the mentioned Collaborating Agreement, with the support of the Government of Nizhny Novgorod region, the specialists of the Company start evaluation of financing options and development of the detailed feasibility study of the project. Even now, a good many of the participants of the surfactants' market believe, that the production of the new plant will be in demand because of the high import ratio in this market segment, especially due to currency fluctuations. It should also be considered, that the market of the cosmetics and perfumery products grows by 3-5 percent annually, and the construction of such a plant will give a tangible competitive advantage to domestic producers.

It is expected that the designed output of the new production will be around 60 000 TPA of fatty acids and fatty alcohols of different midcuts, up to 40% of the output volume is aimed for captive use by the **NORCHEM companies**.

It is planned to fit the production with equipment of the Italian company **DESMET BALLESTRA**, the long-time business partner of **NORCHEM**, who has already participated in several large and successful **NORCHEM** projects.

***Zavod sintanolov LLC** today is the leading Russian manufacturer of surfactants, polyethylene glycols and their derivatives under **NORCHEM** trademark. The assortment of the company is represented by the wide range of products of oxyethylation, hydroxypropylation, sulphonation and alkylation for diverse industrial fields (cosmetics, household chemistry, pharmacy, construction & building industry, agrochemistry, oil-field chemistry, metal industry etc.). Two production sites of the company are situated in Leningrad and Nizhny Novgorod regions.*

See additional information at WWW.NORCHEM.RU.

Marketing department
Zavod sintanolov LLC / NORCHEM™

The statements published in the press-release are forward-looking statements. They are based on the current beliefs and expectations of the company's top-management. The forward-looking statements are open-ended and therefore may be changed. The company doesn't make commitments to fulfill the forward-looking statements if the conditions change unless otherwise provided by law.