



PRESS RELEASE

May 2011

FENZI GROUP SEES LIKELY DIFFICULTIES IN THE IG SEALANT SUPPLY CHAIN

Supplies of raw materials for IG sealant production are likely to become difficult. The leader in chemicals for secondary flat glass processing outlines the situation.

Japan's devastating earthquake in March is having a very strong impact on the country's industry and exports. The catastrophe (earthquake, tsunami and nuclear crisis) has already led to a stoppage in industrial activity at many production sites.

In an extremely interconnected world economy, the repercussions of the disaster in Japan are obviously being felt on a global scale. Take for example, the number of Japanese companies that play a fundamental role in the supply chains for the electronics, auto and chemical sectors.

The consequences of the earthquake are also being felt in the area of IG sealants with companies finding it difficult to obtain supplies because of the stoppage of the Toray Thiokol production facility in Chiba. This facility produces and caters to approx. 35% of the worldwide demand for polysulphide polymer. Production of the polymer stopped on 12 March and is not likely to resume until July. To make matters worse, there are problems in getting the infrastructures and electricity throughout Japan up and running again and this is deeply affecting the production chain.

Because of the very fact that it is becoming difficult to source various materials, the supply chain for other IG sealants is also feeling the pressure (polyurethane, butyl, silicone and hot-melt).

Over the coming weeks therefore, problems are likely to emerge with the sourcing of IG sealants and for this very reason the costs of the products will increase.

Given this complicated situation, Fenzi's priority is to guarantee supplies to its customers. A sales management policy has been put in place in order to ensure product availability to those who have been using Fenzi products for some time.

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