

UK Liquid Cleaner Manufacturer Acquired

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CHARTEREDBRANDS/HENKEL IN JOINT VENTURE PURCHASE OF CHEMTEK

Henkel, the Düsseldorf headquartered international manufacturer of consumer products, and Charteredbrands, the Edinburgh based brand-value management company, have made a joint venture acquisition of Chemtek, an independently owned formulator and manufacturer of liquid cleaners for household and commercial use. Chemtek is based on the Coventry Business Park, Coventry, with a workforce of 130 and its turnover in the last financial year was £17.5 million.

The deal sees Charteredbrands acquire 30% of Chemtek's business, with the balance being purchased simultaneously by Henkel. Chemtek formulates and manufactures a wide range of products including laundry liquids, stain removers, shower gels, hand soaps and hair shampoos and was the first to market with own label equivalents to Mr Muscle Shower Shine and Flash Shower Mist.

"This is a very significant purchase for both Henkel and Charteredbrands", states Gervase Cottam, Managing Director of Charteredbrands. "For Charteredbrands it represents a strengthening of our partnership with Henkel, a major player in the global market. Our relationship until now has focused on the marketing, selling and distribution of a range of household products, but the Chemtek deal strengthens our position as a strategic partner with Henkel, involved at all stages of the supply chain.

"It will be very much a case of 'business as usual' for Chemtek, and the workforce can be assured that the factory will continue to operate as before under the new ownership. Phil Collins has been appointed by Henkel and ourselves to continue as Managing Director of Chemtek and the company name will be retained.

Alain Bauwens, Henkel's Corporate International Vice President, comments: "Working with Charteredbrands we have been able to realise our ambitious branded targets in one of the toughest markets in the world. We have been able to work with Charteredbrands in a very open way and they have proved themselves to be a superbly committed, competent and reliable partner"

For the past year, Charteredbrands has worked with Henkel on household branded developments and on retailer brand activities. Henkel manufacture a wide range of laundry, homecare, cosmetic and toiletry products, including familiar brands such as Sellotape, Glist and Schwarzkopf shampoos and conditioners.

Charteredbrands was set up eighteen months ago to manage consumer branded business on an outsourced basis

– brand-value management. The team has experience developed at Unilever, GSK, P&G, Sainsbury's, British Airways, Campbells, United Biscuits, Diageo, CDP, Saatchi and Scottish & Newcastle.

Gervase Cottam concludes: "2004 has been an exciting first full trading year, with turnover rising to £15.5m. We have established ourselves and now look forward to further growth. The Chemtek acquisition is a significant part of this programme.

"In the autumn we took our first step into soft drinks with the management of Pomegreat – the UK's first pomegranate juice drink - and we are in active discussions with a number of other fast moving consumer goods companies."

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Editor's notes

1. Charteredbrands specialises in managing smaller branded businesses that are not considered part of the core portfolio by major manufacturers. Charteredbrands' ability to energize such brands has seen the successful emergence of household names such as Glist dishwasher tablets (now over 10% of this market), Szezy washing-up liquid, Limelite and Zip firelighters.

2. The Henkel Group operates in three strategic areas of competence - Home Care, Personal Care, and Adhesives, Sealants and Surface Treatment. It is headquartered in Düsseldorf and has a total of around 50,000 employees, with 77 percent working outside Germany.