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Grace Announces Filing of Form 10 Registration Statement for Spin-Off of Construction Products and Darex Packaging Technologies

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Spin-Off to be Named GCP Applied Technologies Inc.; Transaction Expected to be Completed in First Quarter 2016

COLUMBIA, Md.--(BUSINESS WIRE)--W. R. Grace & Co. (Grace) (NYSE: GRA) today announced the filing of an initial Form 10 registration statement with the U.S. Securities and Exchange Commission in connection with its previously announced plan to spin off its Construction Products operating segment and Darex Packaging Technologies business to form a new independent publicly traded company. The planned separation, which is expected to be tax-free to Grace's U.S. shareholders, remains on track to be completed in the first quarter of 2016.

The new company created by the separation will be named GCP Applied Technologies Inc. (GCP Applied Technologies or GCP). There will be no change in the name of the 161-year-old W. R. Grace & Co.

"The filing of the registration statement is an important milestone in executing our plan to create two industry leaders," said Fred Festa, Grace Chairman and Chief Executive Officer. "Both Grace and GCP Applied Technologies benefit from talented and experienced leadership teams and are strategically positioned to generate significant value for shareholders. Both companies will remain committed to safely and sustainably providing the high quality, innovative products and services our customers have come to expect from Grace. We are pleased with the progress we are making on the separation."

GCP Applied Technologies

GCP Applied Technologies, to be headquartered in Cambridge, MA, will be a leading global provider of products and technology solutions for customers in the specialty construction chemicals, specialty building materials, and packaging sealants and coatings industries.

GCP's construction products are used in commercial, residential, and infrastructure projects around the world. They have been specified in projects with demanding product, performance, and engineering requirements ranging from the Getty Center in Los Angeles and the London Underground to Hong Kong's Bank of China Tower and the Guggenheim Museum Bilbao in Spain. Darex Packaging Technologies are used by many of the world's most recognized brand owners and are part of over 300 billion food and beverage cans and packages produced each year.

"We are very excited to continue our long history of innovation to meet the needs of our customers and of growing our businesses globally," said Grace President and Chief Operating Officer Gregory E. Poling, who will become the President and Chief Executive Officer of GCP Applied Technologies. "We are confident that our leading segment positions, global manufacturing footprint, and focus on operational excellence will continue to benefit our customers, employees, and shareholders. Our new name is a natural fit and reflects our long heritage. Many of our customers refer to us as 'GCP,' and incorporating 'Applied Technologies' into our name expresses two important dimensions of the value we deliver to our customers—innovative technologies that are highly practical and linked to results for our customers."

GCP will have manufacturing, research and development, sales and technical service sites in over 40 countries on six continents, with more than 70 manufacturing sites worldwide. As of December 31, 2014, the GCP Applied Technologies business segments had approximately 2,400 employees worldwide.

The company today launched a website at gcpat.com where investors can follow progress toward the separation.

Grace and the Separation

After the separation, Grace will consist of the company's existing Catalysts Technologies and Materials Technologies operating segments, excluding the Darex Packaging Technologies business. The company will continue to be a global leader in process catalysts and specialty silicas, and a high margin, technologically advanced business focused on sales and earnings growth, strong cash flow, and high returns on capital.

The separation is expected to be completed by way of a pro rata distribution of GCP Applied Technologies common stock to Grace shareholders. The company expects that each Grace shareholder will receive one share of GCP Applied Technologies common stock for each share of Grace common stock held by the shareholder on the record date, still to be determined. Grace common stock will continue to trade on the New York Stock Exchange under the symbol "GRA." GCP Applied Technologies' stock exchange and symbol will be announced soon.

The separation remains subject to the satisfaction or waiver of a number of conditions, including the effectiveness of the registration statement on Form 10 for GCP Applied Technologies common stock, certain other conditions described in the registration statement, and other customary matters. Approval by Grace's shareholders is not required for completion of the separation.

A copy of the Form 10 registration statement is available on the investor relations section of Grace's website: <http://investor.grace.com/> or on the SEC's website at: www.sec.gov.

About Grace

Built on talent, technology, and trust, Grace is a leading global supplier of catalysts; engineered and packaging materials; and specialty construction chemicals and building materials. The company's three industry-leading business segments—Grace Catalysts Technologies, Grace Materials Technologies, and Grace Construction Products—provide innovative products, technologies, and services that improve the products and processes of our customer partners in over 155 countries around the world. Grace employs approximately 6,500 people in over 40 countries. Grace's 2014 net sales were \$3.2 billion. More information about Grace is available at grace.com.

This announcement contains forward-looking statements, that is, information related to future, not past, events. Such statements generally include the words "believes," "plans," "intends," "targets," "will," "expects," "suggests," "anticipates," "outlook," "continues," or similar expressions. Forward-looking statements include, without limitation, expected financial positions; results of operations; cash flows; financing plans; business strategy; operating plans; capital and other expenditures; competitive positions; growth opportunities for existing products; benefits from new technology and cost reduction initiatives, plans and objectives; and markets for securities. For these statements, Grace claims the protection of the safe harbor for forward-looking statements contained in Section 27A of the Securities Act and Section 21E of the Exchange Act. Like other businesses, Grace is subject to risks and uncertainties that could cause its actual results to differ materially from its projections or that could cause other forward-looking statements to prove incorrect. Factors that could cause actual results to materially differ from those contained in the forward-looking statements include, without limitation: risks related to foreign operations, especially in emerging regions; the cost and availability of raw materials and energy; the effectiveness of its research and development and growth investments; acquisitions and divestitures of assets and gains and losses from dispositions; developments affecting Grace's outstanding indebtedness; developments affecting Grace's funded and unfunded pension obligations; its legal and environmental proceedings; uncertainties that may delay or negatively impact the separation transaction or cause the separation transaction to not occur at all; uncertainties related to the company's ability to realize the anticipated benefits of the spin-off; the inability to establish or maintain certain business relationships and relationships with customers and suppliers or the inability to retain key personnel during the period leading up to and following the separation transaction; costs of compliance with environmental regulation; and those additional factors set forth in Grace's most recent Annual Report on Form 10-K, quarterly report on Form 10-Q and current reports on Form 8-K, which have been filed with the Securities and Exchange Commission and are readily available on the Internet at www.sec.gov. Reported results should not be considered as an indication of future performance. Readers are cautioned not to place undue reliance on Grace's projections and forward-looking statements, which speak only as the date thereof. Grace undertakes no obligation to publicly release any revision to the projections and forward-looking statements contained in this announcement, or to update them to reflect events or circumstances occurring after the date of this announcement.

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