

# Press Release



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Covestro AG  
Communications  
51365 Leverkusen  
Germany

Contact  
Lars Boelke  
Telephone  
+49 214 6009 4206  
Email:  
Lars.Boelke  
@covestro.com

In response to positive market developments:

## **Covestro continues MDI production in Tarragona**

### **Closure of production facility suspended**

Materials manufacturer Covestro has resolved to continue manufacturing the rigid foam precursor MDI in Tarragona (Spain). The plant closure that had originally been planned for the end of 2017 has been suspended for the time being. The main reason for this decision was the significant increase in demand for MDI. Furthermore, Covestro has managed to get access to important raw materials – in particular chlorine – for the Tarragona site for the next years beyond the end of 2017. According to current plans, the impact on the employees will be minimized.

“This is good news for the Tarragona site and our employees. Through our continued operations in Tarragona, we want to reliably meet our customers’ growth further on,” said Andrea Firenze, Managing Director of Covestro S.L. in Spain.

The continuous optimization of the production worldwide remains an important element of Covestro’s strategy. The aim is to operate the most efficient facilities when compared with competitors.

“The decision is a clear statement that we remain committed to the MDI market. We will investigate various options for additional MDI to cover the growing demand”, added Markus Steilemann, Head of the Business Unit Polyurethanes and Board Member for Innovation. In this context, Covestro is committed to its plans to increase MDI production at its German site in Brunsbüttel.



MDI is an important component in the manufacture of polyurethane rigid foam, which is amongst other applications used for effective building insulation and along the entire cold chain. The energy savings achieved lead to reductions in CO<sub>2</sub> emissions.

### **Covestro in Spain**

Covestro has two locations in Spain that currently employ around 330 people. The Covestro site in Barcelona (Zona Franca) is dedicated to the manufacturing of resins and the production of coatings, textile and fabric treatments, acrylic dispersions and polyurethanes. At the end of 2016, the company announced the incorporation of a new production line of polyurethane dispersion for coating textiles.

At the Tarragona location, Covestro operates an MDI facility, a polyurethane system house and infrastructure facilities that are also available to other companies in the chemical park. In addition, a logistics center for hydrochloric acid will be built here, with an investment of around three million euros.

### **About Covestro:**

With 2016 sales of EUR 11.9 billion, Covestro is among the world's largest polymer companies. Business activities are focused on the manufacture of high-tech polymer materials and the development of innovative solutions for products used in many areas of daily life. The main segments served are the automotive, electrical and electronics, construction and the sports and leisure industries. Covestro, formerly Bayer MaterialScience, has 30 production sites around the globe and employs approximately 15,600 people (full-time equivalents) as of the end of 2016.

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