

Film company is sold

Bekaert and Saint-Gobain have signed an agreement regarding the sale of Bekaert's speciality films activities to Saint-Gobain

Performance Plastics Corporation, an Ohio, US based corporation of the Saint-Gobain group.

The transaction covers the production facilities in San Diego (US), Zulte (Belgium) and Suzhou (China), the operations under development in China and all sales and service centres worldwide. The deal involves all employees currently working in the speciality films platform, which is known as Solar Gard Speciality Films.

Solar Gard Speciality Films is reportedly a market leader in the development, manufacture and distribution of window films and other speciality films for automotive, architectural, photovoltaic and custom coating applications.

It is claimed that Saint-Gobain offers opportunities that will help strengthen Solar Gard's leadership position, particularly in the architectural and energy market – where both companies say they are

'committed to building a more sustainable future' through the development of energy efficient products.

Bekaert acquired the Speciality Films business in 2001 and while the business continued to grow successfully, it is claimed that technological synergies within Bekaert have proven to be limited over time. It is believed that the future growth of Solar Gard can therefore be best secured within the Saint-Gobain Group, which 'sees significant product and market synergies' between Solar Gard and its Innovative Materials businesses (performance plastics and flat glass activities).

The transaction is subject to customary closing conditions. Bekaert and Saint-Gobain expect to close the deal in the course of 2011. Subject to final determination of transaction costs and other expenses, Bekaert expects the transaction to result in a capital gain of approximately €10m, and in a reduction of Bekaert's consolidated net debt of approximately €80m.