

ColorMatrix over the next few months, relative to non-alcoholic beverage markets. BP and ColorMatrix will work jointly to further develop the barrier market for alcoholic beverage packaging; product development efforts are already underway.

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Restructure at Millennium Chemicals includes HQ move and leadership changes

In a bid to improve financial performance, Millennium Chemical is undergoing a wide-ranging shake-up that includes moving its corporate headquarters from New Jersey to Maryland and replacing chairman and CEO William M. Landuyt. Following the resignation of Landuyt, who has been at Millennium's helm since its spin-off from Hanson plc in 1996, Robert E. Lee has been promoted from executive vice president to president and CEO. Lee will lead the implementation of a programme designed to improve the company's cost structure and enhance its ability to achieve its strategic priorities. Worley H. Clark, Jr, previously Millennium's lead director, takes over as chairman of the board.

The company, in line with other chemicals manufacturers, has been hurt by the weak global economy and is now anticipating a substantially greater net loss than estimated for its second quarter this year. Its updated earnings guidance is said to reflect the lower-than-anticipated sales volume and competitive price pressures in Millennium's titanium dioxide business. Sales volume in both the company's major TiO₂ and acetyls product segments have declined, by 15% and 13% respectively, compared to second-quarter 2002. As a result it has suspended dividend payments and is implementing a range of cost-reduction measures.

These measures include the closure of the company's offices in Red Bank, New Jersey, with the loss of 24 jobs, and the relocation of its executive headquarters to its existing administrative offices in Hunt Valley, near Baltimore in Maryland,

effective 1 September 2003. Millennium will also reduce its global workforce by about 4%, or about 175 employees in total. After the job cuts, the company will employ more than 3600 at plants and sales offices worldwide. Through these measures, the company expects to realize annual savings in operating expenses of about US\$20 million, but will record charges totalling \$20–25 million over the next few quarters.

Millennium already has a significant presence in Maryland, with its two major businesses headquartered there as well as its sales and marketing functions. The move to the Baltimore area therefore consolidates all senior management functions in one location. The company also has manufacturing and research facilities in the area.

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FINANCIALS

Albemarle reports 6.6% growth in second-quarter sales

Albemarle reported second-quarter (2Q) 2003 net income of US\$22.6 million, compared to earnings of \$16.9 million for 2Q 2002. Results for the quarter reflect higher net sales of \$269.5 million, up 6.6% against 2Q 2002, due primarily to the favourable foreign exchange effects in Europe and the positive contribution made by recent acquisitions from Ethyl Corp. This was offset in part by lower shipments of brominated flame retardants and certain performance chemicals products. Compared to a year ago, 2Q 2003 margin percentages were down slightly due to higher energy and raw material costs.

For the first six months of 2003, net income amounted to \$43.6 million, up 16.2%, on sales of \$535.0 million, a rise of 10% over the first six months of 2002. Albemarle's Polymer Chemicals business segment has performed well in general this year, with sales and income up in both the first and second quarters compared to the same periods in 2002. 2Q income totalled \$18.7 million on sales of \$150.1 million.