
DSM Press Release

DSM Melamine

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DSM invests EUR 90 million in new melamine plant at Geleen

New DSM technology makes relatively small production units competitive

DSM Melamine is going to invest EUR 90 million in a new melamine plant with a capacity of 30,000 tpa and room for expansion in the future at its production site at Geleen, the Netherlands. Part of this sum will be used to expand urea production capacity at the site. Urea is a raw material for melamine. The new plant is scheduled to come on stream towards the end of 2002. It will be based on DSM's high-pressure SLP (Shortened Liquid Phase) process.

Thanks to this technology, DSM is the only melamine producer worldwide that is capable of building 30,000 tpa plants producing melamine at the same cost price as that of melamine produced in the much larger plants based on DSM's gas-phase technology that the company has hitherto been using. Melamine produced via the SLP process is of the same quality as melamine obtained in DSM's gas-phase process.

The new technology is a refined version of a process DSM purchased from the former company MCI in 1997.

This new plant will help DSM Melamine realize its strategic aim of strengthening its position as the global market leader in melamine. The project is also entirely in line with DSM's corporate strategy for the years to come, called 'Vision 2005: Focus and Value'. DSM's aim for the year 2005 is to rank among the global leaders in the field of specialties, that is, products characterized by a high added value, strong growth and stable results. This the company intends to achieve by further increasing its focus on (bio)chemical specialties and performance materials while consolidating its global leadership positions in caprolactam and melamine.

According to Hans Dijkman, Director of DSM Melamine, the demand for melamine is still growing substantially worldwide. *"As the global market leader we intend to expand our output accordingly and strengthen our ties with our customers, who are increasingly operating on a global basis. We are also investing substantial sums of money in debottlenecking our existing plants. This too will help us to increase our melamine output in line with the constantly growing demand,"* says Hans Dijkman.

Melamine

Melamine is a high-quality product that is used mainly in adhesives, impregnation materials, coatings and unbreakable crockery (moulding compounds). The greater part of the overall output is used in wood applications. Melamine can be combined with softwood to obtain high-quality panels that can replace hardwood. This application is one of the main causes of the rapidly increasing demand for melamine.