

Houghton's Acquisition of Shell MWO

Frequently Asked Questions

Financial

1) What was the value of the acquisition?

As a privately held company, Houghton will not disclose the value of the sale.

2) Is Houghton positioning itself for an IPO?

Houghton is always looking for the best ways to grow the company, yet still deliver the best products and the most comprehensive service to customers. As of right now, there is no news to share regarding an IPO.

3) What effect do you think this will have on Shell's stock?

Houghton International is a privately held company and does not comment on such issues. You are welcome to contact David Williams in Shell's investor relations department at +31 (0)70 377 3600 (The Netherlands).

Business Strategy

1) Why did Houghton decide to purchase Shell's Metalworking and Metal Rolling Oils business?

Shell's Metalworking and Metal Rolling Oils business fits into Houghton International's growth strategy to better serve its customers by building the most successful and respected metalworking fluids company in the world. Shell's Metalworking and Metal Rolling Oils business has been a strong player in this industry for many years, and it makes sense to combine forces. Specifically, Shell Metalworking and Metal Rolling Oils has:

- Some of the best talent in the market;
- Solid products and technologies;
- A well-established distributor network; and
- A strong global presence, especially in high-growth countries such as China, Brazil, Mexico, Russia, Turkey, India and Thailand.

2) Clearly, Houghton is in acquisition mode. What can we expect next?

There is no information about further acquisitions at this time. However, as a leader in metalworking fluids, Houghton will continue to consider all ways to provide its global customer base with the best fluid technologies and services available.

Personnel

1) Who will lead the newly combined business?

Paul DeVivo will remain on as CEO. He and the Houghton executive management team assume responsibility for the Shell Metalworking Oils business on Day 1.

2) Where will the Shell MWO business be headquartered?

The newly combined businesses will be headquartered in Valley Forge, Pa., at the site of the current Houghton International headquarters.

3) Are any Shell MWO executives joining Houghton? If so, who and what positions will they hold?

There are a number of key people from the Shell MWO/MRO business joining Houghton from a variety of disciplines including Sales, Manufacturing, and Technology.

4) Are any Houghton executives being replaced by Shell executives?

Houghton is still finalizing our plans at this stage on how to structure the integrated companies; however, the guiding principal is that little, if anything, should change in organizational terms on Day 1.

5) Will everyone in Shell's three European plants join Houghton, or will some be let go?

At this time there are no plans for staff changes. For now, Houghton will be adding Shell's product lines into its offerings, and will continue to produce the same Shell products at the same level as before. Going forward, management will examine our efficiencies across the board and continue to operate a lean, highly efficient organization in all areas to help ensure that our products and services are cost-competitive.

6) Who will be managing the Shell plants?

Houghton will be working hard in the months to come to look at the now much larger pool of talent and utilize those talents to their fullest extent. Doing so will ensure that Houghton employees are moving forward in their careers and are excited about their growth opportunities. It will also strengthen internal operations by placing the right people in the right positions.

7) How many jobs will be cut?

There is the possibility for redundancy in any acquisition, but ideally we will have a place for everyone in this new company. We will look at every option for helping employees of Houghton and Shell alike to continue to grow in their careers and contribute to Houghton's success.

8) Will you be hiring in any of your existing or new locations?

Houghton is always looking for hard-working, talented people in the metalworking fluids industry. There are no plans at the moment to hire in great numbers beyond the positions that are currently open, and Houghton will make those decisions as we move forward.

Products

1) What products will be affected by this acquisition?

Houghton will acquire the following Shell product brands:

- Metalina, Adrana, Sitala and Dromus soluble cutting oils
- Macron and Garia neat cutting oils
- Fenella rolling oils
- Ensis rust preventives
- Voluta quenching oils
- Callina cleaners
- Formage
- Percol

2) Surely there is product overlap. Will any Shell or Houghton product lines cease to be produced? If so, which ones?

Combining the technology resources and personnel of Houghton and Shell will benefit the existing customers of both organizations. There are no immediate changes planned for the newly integrated product offerings. The executive team will assess the product line moving forward, listen to customers and continue to bring best-in-class metalworking fluids solutions to the marketplace.

3) Will the Shell Metalworking and Metal Rolling Oils brands continue after the acquisition is finalized?

The Shell name will cease to be associated with the products and will be replaced by the Houghton name. However, the many fine brands formerly marketed by Shell for their Metalworking and Metal Rolling Oils will live on under the Houghton umbrella of product brands. Houghton's goal is to make this transition as easy as possible and to deliver the industry's best solutions to our customers.

4) Will the pricing structure change?

There are no immediate changes planned for the product lines. As always, Houghton will evaluate product pricing in relation to the dynamic market moving forward and make changes as necessary.

5) Will there be a complicated transition for existing Shell MWO customers? What can they expect in the next six months?

There are no immediate changes planned for the offerings. A Houghton representative will be calling on every Shell MWO customer – in most cases, their representative will be the same as before the acquisition – to discuss their needs in detail and to develop a plan for moving forward. Houghton is committed to making this transition as easy as possible for our customers.

Contact Info

1) Who can I contact at Houghton in regard to this acquisition?

Chris Henneghan, Houghton's media relations manager is a good first step (610) 269-2100 x230. She will answer your questions or put you in contact with the appropriate person.

2) Who can I interview at Shell in regard to this acquisition?

You are welcome to contact David Williams at **+31 (0)70 377 3600** (The Netherlands) for a statement.

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