



**DR DAVID CARTMELL, CEO,
BWA WATER ADDITIVES**

BWA Water Additives has been developing some innovative technologies for desalination and sustainable water treatment in general. Now you are under new ownership, could you tell us how that will affect the company?

Our new owner - Berwind Corporation - is a 'buy-and-hold' investor. So BWA has a long-term home. We can now focus on our core activity, which is technology growth. We look forward to accelerated development of innovative technologies for the future that will result in many new and sustainable technologies for desalination, oil & gas and general industrial markets.

Despite the economic ups and downs, are the overall factors driving growth in speciality chemicals business largely intact or unchanged from say five years ago, when BWA first changed ownership?

The answer would be yes. BWA Water Additives' technologies fit into a 'megatrend' toward sustainable water treatment. New technologies are needed for a world population, which is expected to grow to nine billion people

by 2050 from the seven billion today. We must have more and higher quality water. Industry will also require the accelerated use of more environmentally acceptable additives such as biodegradable polymers, especially in the fast-growing oil and gas sector. The ups and downs of the world economy do not change these basic drivers.

You recently introduced a family of new technologies for sustainable water treatment. Could you elaborate on how these technologies are doing?

BWA achieved a real technological breakthrough in 2011 in discovering the most highly-biodegradable yet totally effective antiscalant polymer ever, now available under the Belclene brand for scale control in industrial water. We have also launched the new Flocon 885 for reverse osmosis (RO) desalination, and are currently developing new biodegradable Belgard products for the desalination market and Bellasol products for the oil & gas sector.

Beyond the recently announced technologies, what do you see on the horizon in terms of technology advancements in water treatment?

BWA sees macro-trends toward more environmentally acceptable products, and safer-to-handle products which improve the quality of water and its use. We have reshaped our portfolio development to focus on these trends and continue to invest in these products for the future.

As a company which has favoured R&D and technology development over manufacturing assets, would you like to elaborate on how that strategy has helped the company navigate times of plenty as well as the current times of uncertainty? How do you see the prospects in 2012?

BWA has maintained its significant

resource allocation to R&D over the past six years, far higher than what many of its peers in the industry have done. This focus on R&D has paid off for us and our customers in several big ways: first, BWA has led the way in biodegradable innovation as well as developing the first industrial biocidal active to be approved by the US EPA in approximately 10 years; second, BWA customers have benefited because we don't rely on a specific manufacturing plant. Consequently, we never recommend "product X" because we are trying to 'fill a plant' somewhere. BWA is 'plant - neutral'. We only recommend the best solution to solve the customer's problem. We have access to 15-20 manufacturing plants around the world, so whatever the customer needs to solve the problem is what motivates our people; lastly, BWA has achieved better than average business results in our space through both good and tough times, which is probably the best measure of BWA's successful strategy.

Where do you see the biggest challenge for the company in the near future?

Our greatest challenge is to continue to develop sustainable water treatment technologies that meet the customers' needs for more environmentally acceptable products, yet can still do the job.

Are there new solutions or product lines or markets that you would like to add to BWA's portfolio?

BWA will continue to be focussed on water treatment, providing high-quality water additives to desalination, oil and gas, and industrial water treatment markets. We are currently focussed on three basic technologies: antiscalant polymers, industrial biocides and corrosion inhibitors. However, we are very keen on expanding our product range and broadening our offerings. This will come from some in-house organic growth, together with some technical partnerships to build upon BWA's very strong channel access.