

geniaLab and ISP Form Strategic Alliance, and ISP Acquires geniaLab's Consumer Products Encapsulation Business.

BRAUNSCHWEIG, D. – August 23, 2006 - geniaLab BioTechnologie – Produkte und Dienstleistungen GmbH (geniaLab, Braunschweig, Germany) and International Specialty Products (ISP, Wayne, New Jersey, USA) have announced the signing of two agreements. The first agreement establishes a strategic alliance between the two companies and specifically involves the development and marketing of encapsulated products for the Fabric Care, Personal Care and Home Care markets manufactured using geniaLab's patented *JetCutter* technology and other similar technologies. The second agreement represents an acquisition by ISP, through a subsidiary, of geniaLab's line of encapsulated products for personal care, home care and fabric care applications. Terms of the transactions were not disclosed.

geniaLab is a recognized leader in the development and commercialization of process technology related to encapsulation, particle formation and immobilization while ISP is known worldwide for its expertise in active ingredient delivery systems and performance-enhancing ingredients for the personal care, pharmaceutical and consumer product industries. Through the strategic alliance, the two companies will work together to further develop the technology as a means of improving the effectiveness and performance of active ingredients in products such as laundry detergents, fabric softeners, tooth paste, hard surface cleaners and shampoos.

Dr. Ulrich Jahnz, Managing Director of geniaLab commented: "This strategic alliance is a perfect match for us. Our range of products is complementary to ISP's current line of particles. By combining our encapsulation know-how and ISP's experience in raw materials and formulation the alliance will be able to answer customers' demands for novel products. We are very enthusiastic about this collaboration."

Phil Strenger, ISP Sr. Vice President, commenting on the acquisition and alliance, stated: "This acquisition and the alliance with geniaLab add an exciting business and technology to our encapsulated product portfolio, which includes products in our ISP Microcaps business. We are very impressed with the potential of the Jetcutter and other encapsulation technologies, and are excited at the opportunity of working with geniaLab to offer new and innovative encapsulated products to our base of consumer product and personal care customers around the world."

geniaLab is a specialist in particle formation, encapsulation, immobilization and formulation of a variety of compounds. The main focuses are product development and toll-production of particles on industrial scale. geniaLab's headquarters is located in Braunschweig, Germany.

International Specialty Products (ISP) is a leading global supplier of specialty chemicals and performance-enhancing products for a wide variety of personal care, pharmaceutical, food, beverage and industrial applications. ISP produces more than 400 specialty chemicals, which it markets and sells worldwide. The company's headquarters is located in Wayne, New Jersey, USA.

For inquiries about the ISP-geniaLab Acquisition or Alliance, contact:

Dr. Ulrich Jahnz, Managing Director
geniaLab GmbH
Büchnerstr. 7 · DE-38118 Braunschweig · Germany
Telephone: +49 (0)531 129998-0
Fax: +49 (0)531 129998-200
E-Mail: ulrich.jahnz@geniaLab.com

Philip Strenger, Senior Vice President, EMEA Sales and Marketing
International Specialty Products
Emil Hofmann Str. 1 A · D-50996 Cologne · Germany
Telephone: +49 (2236) 9649 269
Fax: +49 (2236) 9649 125
E-mail: pstrenger@ispcorp.com

Anthony Giorgio, Vice President, Corporate Development
International Specialty Products
1361 Alps Rd. · Wayne, NJ 07470 · USA
Telephone: 973-628-3813
Fax: 973-628-3594
E-mail: agiorgio@ispcorp.com

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