



News Release

FOR IMMEDIATE RELEASE

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DESC UNIT FORMS JOINT VENTURE TO PRODUCE SYNTHETIC RUBBER IN MEXICO FOR WORLDWIDE MARKETS

GIRSA FORMS JOINT VENTURE TO PRODUCE PARACRIL NITRILE RUBBERS IN ALTAMIRA, MEXICO TO MARKET THESE SPECIALTIES ON A GLOBAL BASIS

MEXICO CITY. MEXICO, November 12, DESC (NYSE:DES) announced today that its GIRSA subsidiary has formed a joint venture with Uniroyal Chemical Company, a subsidiary of Crompton and Knowles Corporation, Stamford CT (NYSE:CNK) to produce and market Uniroyal Chemicals Paracril® oil resistant nitrile rubber products, a family of specialty elastomers.

The joint venture, will locate production at a new state-of-the-art 40,000 metric ton plant which will be constructed in the petrochemical development zone of Altamira, near Tampico, Tamps., México. To form the venture, Uniroyal Chemical will contribute the Paracril® business, which has approximately USD \$50 million in annual sales while GIRSA will contribute its process and manufacturing technology and will be primarily responsible for the construction of the new plant.

Uniroyal Chemical's present Paracril® production facility in Painesville, Ohio, will close by mid-1999. ParaTec Elastomers, LLC, the American Company of the JV, will be responsible for the worldwide marketing of Paracril® and will also oversee the global sales efforts that will be carried on through the current sales force of Uniroyal Chemical.

The new manufacturing company Nitrilo S.A. will be constructed in the INSA Emulsion rubber plant location at Altamira, Mexico. Uniroyal Chemical and GIRSA have been

working together since 1996 through a Manufacturing agreement to produce Paracril® rubbers in Mexico. “Uniroyal has been very pleased with the levels of quality and productivity obtained in our Altamira plant, and appreciative of the high skills of our personnel at the location, the new facility at Altamira will advance elastomer production to a new level with proprietary equipment and distributed control systems that greatly enhance productivity and quality control” said Enrique Ochoa, Vice President of DESC’s Chemical Sector and Head of GIRSA.

“By creating this joint venture with GIRSA, we will have a world scale facility which will enhance our competitive position. Customers will benefit from expanded product lines and the combined technical and marketing capabilities of GIRSA and Uniroyal Chemical.” said Joseph B. Eisenberg, Crompton & Knowles vice president and head of the company’s Chemicals & Polymers unit.

“We will be able to strengthen our position in the global rubber specialties marketplace, by joint venturing with Uniroyal.” said Rafael Beverido, Managing Director of INSA, “We will share the vision of delivering high value added to our customers, through differentiated products, total quality, technical service, and speedy introduction of new products and novel solutions to their needs”.

GIRSA’s rubber business is operated by Industrias Negromex, S.A. de C.V. (INSA) a wholly owned subsidiary. INSA is involved in a long-term program to consolidate its global position in the rubber industry through development of new products, strong relationships with key global customers and significant investments for additional capacity. GIRSA expects to gain significant synergies in the markets it currently serves and the automotive and construction segments that it will enter through Paracril® .

GIRSA is Mexico’s only producer of synthetic rubber, phenol, methyl methacrylate and carbon black and is the Mexican market leader in other businesses like polystyrene, phosphates, acrylic sheets, melamine laminates, household adhesives and waterproofing materials. It operates 20 facilities in Mexico with 4,200 employees. GIRSA is owned by DESC, a USD \$2.0 billion company employing 20,000 people in the businesses of automotive parts, consumer products, food, and real estate as well as chemicals.

Crompton & Knowles is a global producer and marketer of specialty chemicals and equipment with 5,500 employees and research, manufacturing, sales and administrative facilities in the United States, Canada, Europe, Asia and Latin America. The company had 1997 sales of USD \$1.85 billion.

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