

Cristal and Tasnee Announce Joint Venture with Toho

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The National Industrialization Company (“Tasnee”) and The National Titanium Dioxide Company Ltd. (“Cristal”) announced today that they signed an agreement to establish a joint venture company with Toho Titanium Company Ltd. (“Toho”). Through SIDF/local funding the new company will invest a total of US \$420M, including startup expenses, to construct a 15,600 metric ton per year titanium sponge production facility in Yanbu Industrial City, KSA.

The new facility will be built adjacent to Cristal’s existing titanium dioxide plant in Yanbu Industrial City. Cristal’s Titanium Dioxide plant will supply the new production plant with titanium tetrachloride. The strategic objective of the new joint venture company is to produce high quality titanium sponge at a competitive cost by benefiting from the economies of scale and integrated synergies resulting from Cristal’s existing Yanbu operations and Toho’s advanced production technology.

Dr. Talal Al-Shair, Vice Chairman of Tasnee and the Chairman and CEO of Cristal, said: “This joint venture marks an important step in progressing our strategic vision for an integrated titanium value chain. By partnering with Toho and building on their outstanding advanced production technology we are together going to build a facility that will produce high quality titanium sponge at a very competitive cost. This is truly a breakthrough opportunity and will allow us, together with our partners, to produce top quality titanium products.”

The new company, which will consist of an equity shareholding of 32.5% for Cristal, 32.5% for Tasnee and 35% for Toho, is also expected to create more than 160 highly skilled direct jobs in Yanbu. This builds on the over 300 new skilled direct jobs that Cristal has recently created in the Kingdom as part of its slagger project in Jazan Economic City. It is expected that the new facility will start to ramp up commercial production in Q2 2017 with completion in Q1 2018.

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Cristal is the world’s second-largest producer of titanium dioxide and a leading producer of titanium chemicals. Cristal is the world’s leading supplier of ultrafine titanium dioxide products and titanium chemicals and is a fast-growing producer of mineral sands and titanium metal powder. Cristal operates seven manufacturing plants in six countries on five continents and employs nearly 4,500 people worldwide.

Cristal is owned 66% by Tasnee, a listed Saudi joint stock company and 33% by Gulf Investment Corporation, a company equally owned by the six states of the Gulf Cooperation Council and headquartered in Kuwait.

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