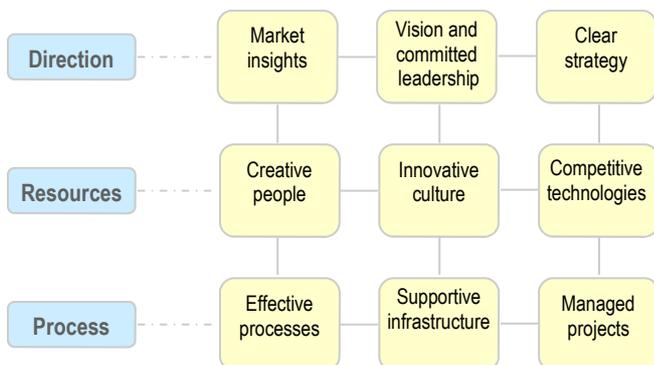


Innovation Study Charts Chemistry-Using Industry's Performance

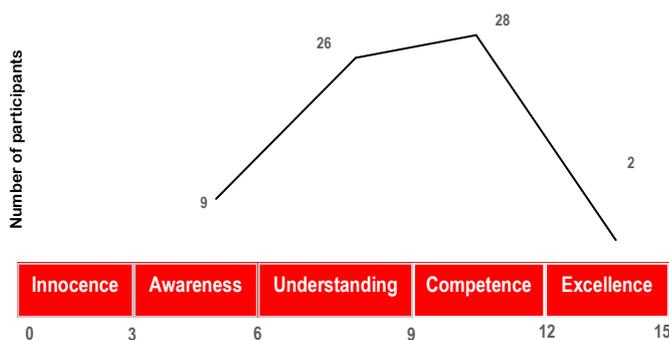
Innovation performance is critical to the future success of the chemistry-using industries and a key focus of activity for Chemistry Innovation. As part of our Innovation Leadership programme, and at the request of member organisations, we initiated a study to help companies assess their innovation performance, compare performance with other companies in the sector and look at best practice across other global industry sectors. Output from this study is now being used to direct Chemistry Innovation's activities and drive our support for member organisations.

PA Consulting were appointed to undertake the study using their proven innovation audit tool which allowed comparison with international and national companies from a variety of sectors. Sixty five companies, representing a variety of sizes and sub-sectors undertook the extensive study which assessed the following areas:

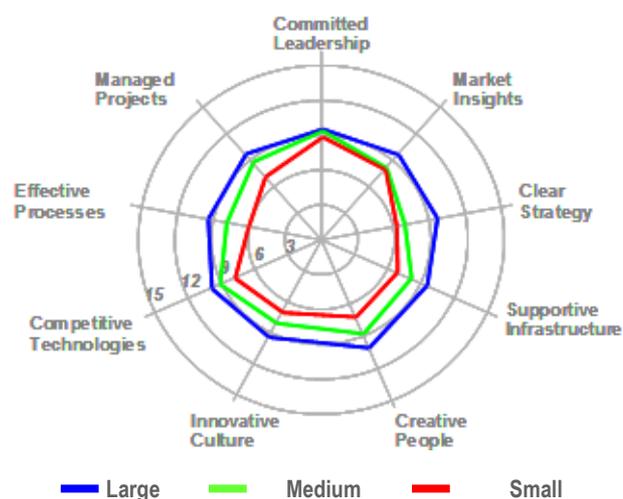


A series of detailed questions enabled companies to assess their innovation performance on a 15 point maturity scale from 'innocence' to 'excellence'.

The footprint below shows that the innovation performance of the companies surveyed is largely clustered in the region between 'understanding' and 'competence', suggesting that innovation principles are generally understood but not yet consistently applied across the sector.



The data was analysed by company size: large (>250 employees), medium (> 50 employees) and small (<50 employees). Small companies scored lower than medium or large companies particularly lacking a clear strategy, effective processes and managed projects whilst large companies scored more highly on strategy, supportive infrastructure and market insights.



The spider diagram shows that the combined results lag behind 'world class' or best practice performance in both the chemistry-using and other industry sectors. The wide variety of profiles from participating companies also indicate a fragmented approach to innovation in the sector. This suggests that if sharing of UK best practice is possible, then there will be opportunities to drive up performance of the sector as a whole.

Output from this innovation study was presented at Chemistry Innovation's annual Stakeholder Forum in June 2009. The data is also being used to direct the strategy and activities within Chemistry Innovation's Innovation Leadership programme.

To find out more about the study or how you can evaluate your company's innovation performance contact: Chemistry Innovation on 01928 515662 or visit our website at: www.chemistryinnovation.co.uk