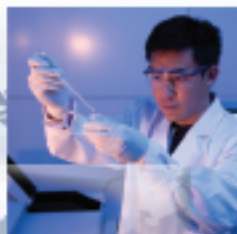


W. R. Grace & Co.

Enriching Lives, *Everywhere*.<sup>TM</sup>



GRACE

Annual Report 2008

# To Our Shareholders, Customers and Colleagues



If you have read my shareholder letters in past years, you know all about our progress toward being one of the world's premier specialty chemicals companies. I wrote of how we reduced complexity so we could be more nimble, how we equipped employees with the most contemporary productivity tools to streamline our processes, how we invested in technology to deliver new and next-generation products to help our customers and how we developed into a more tightly integrated operating company.

In retrospect, these achievements were more important than we realized at the time because, in 2008, everything we accomplished was put to the test, and I am proud to report that we passed that test. Grace is more agile, less complex and more disciplined today because of the steps we took.

First, let me share our financial results. In 2008, we grew our sales to \$3.3 billion, an increase of 6.5%. Pre-tax income from core operations was \$299.7 million in 2008, up almost 1% from the prior year. Our earnings growth lagged because we experienced \$160 million in raw material price increases. We offset some of them with productivity cost reductions and improved pricing, but inflation came too fast and was too relentless throughout the year to overcome it all. A bright spot was our operating free cash flow. It increased by \$134 million to \$399 million.

Our financial performance tells an important part of the story. We also passed the test in other, less tangible ways. For instance, we proved the value of being close to our customers. Our purpose, what gets us going in the morning, is our dedication to making customers successful. This is even more important when they are faced with economic challenges. Whatever effects we are feeling, our customers are feeling them too. In 2008, we spent a lot of time walking job sites and plants with our customers so we could better understand what it takes to be successful in their markets. With that knowledge, we brought them the best we have to offer, smart products and world-class technical support. We thank our customers for their support, and look forward to helping each other weather the current economic downturn.

Innovation is a centerpiece of our story. In 2008, 35% of our sales came from products introduced over the last five years. We have a pipeline of innovations – ranging from new formulations of existing products to entirely new offerings – coming to market in the next two years. In the markets we currently serve and the ones we intend to enter, there is a huge thirst for next-generation products that will drive business. Whether it's more sustainable and energy efficient building materials or a new family of catalysts that convert biomass into biofuels, the opportunities are truly exciting. I am optimistic that by the time the economic downturn begins to reverse itself our hard work and investments will pay off with great new products and accelerating growth rates.

We worked hard to meet our commitments in 2008 so we could continue investing for 2009 and beyond. We made targeted investments throughout the year, put the right resources in the right places to capture new and exciting growth opportunities and constantly adjusted our businesses. We established new facilities in Latin America, Southeast Asia and Eastern Europe by shifting resources away from slow growing construction markets into rapidly expanding ones. Similarly, we strengthened our businesses with a variety of new technologies in the fluid cracking catalysts, polyolefin catalysts and discovery sciences product lines that will become the foundation of future successes.

When it comes to productivity, we are relentless. From the first introduction of Six Sigma tools to some 50 people at Grace nearly a decade ago, we now have placed those original tools and many updated ones in the hands of virtually every employee. What a great decision this turned out to be, particularly in a year like 2008. Last year, our people delivered about \$300 million in cost reductions, revenue enhancements, improved cash flow and cost and capital avoidance that were critical to our success. What's more, productivity has become a cultural underpinning at Grace. Recently, I asked our productivity leaders for the number of Lean and Kaizen events we held in 2008. A few days later I received word that nobody knew, and the reason was terrific: what used to be noteworthy has become the norm. There are so many of these events happening that no one can keep track of them all.

In addition to the progress we made on improving our businesses and positioning them for the future, we also moved ahead in the environment, health and safety area. We continued to reduce emissions, recycle reclaimed materials into our products and invest in making our facilities safer. After years of steadily improving safety results, we felt we could do more to strengthen this aspect of our performance. So, we asked every person at Grace what they thought about safety at work and whether or not their leaders shared the company's commitment to safety.

The results were tabulated and shared with employees in order to address the specific issues that had been identified at their locations. The outcome has been an extraordinary empowerment of our colleagues. Every site has an action plan and a timetable for strengthening its safety culture.



We made significant progress on the legal front in 2008. In our Chapter 11 proceedings, we agreed to fund a pair of trusts to pay asbestos-related personal injury and property damage claims, as well as claims stemming from our former attic insulation product. All of these settlements have been rolled into our Plan of Reorganization. We believe each settlement is fair and enjoys wide support among the various constituencies in our case. The bankruptcy court has scheduled confirmation hearings of the Plan for later this year.

We settled with the U.S. Government on the costs to remediate the town of Libby related to our former operations in the area. At the time this report reaches you, the criminal trial of Grace and several former executives in U.S. Federal Court in Missoula, Montana will be underway. It's my hope that it will be resolved in 2009.

In the meantime, we continue to pay the medical costs incurred by our former employees in Libby, their families and others in the community whose health has been affected by that former operation.

Clearly, 2008 presented unexpected challenges, and 2009 looks to be equally difficult if not more so. I believe we are better equipped today to anticipate and meet these challenges, but it won't be easy. I am proud of what the 6,300 people at Grace around the world accomplished last year. We will weather this downturn by staying close to our customers and being quick to anticipate shifts in our markets. We will continue to invest in our people and our future products so when things turn, as I know they will, Grace will be poised to grow and prosper. Finally, we look forward to emerging from Chapter 11 and being able to tell the story of how these same 6,300 people, in the face of terrific odds, grew this company to what it is today and put in place the foundation for an even greater company tomorrow.

Thank you for your support.

Fred Festa  
Chairman, President & CEO

## Financial Highlights

Amounts in millions, except per share data	2008	2007	2006
NET SALES	\$3,317.0	\$3,115.2	\$2,826.5
NET INCOME	\$121.5	\$88.8	\$8.6
Diluted EPS	\$1.68	\$1.24	\$0.13
WEIGHTED AVERAGE DILUTED SHARES OUTSTANDING	72.5	71.6	68.3
CASH AND CASH EQUIVALENTS	\$460.1	\$480.5	\$536.3
NET CASH PROVIDED BY OPERATING ACTIVITIES*	\$1.6	\$88.2	\$152.7

\*Net cash provided by operating activities includes payments of \$321.3 million, \$102.4 million, and \$50.3 million for the years ended December 31, 2008, 2007, and 2006, respectively, for Chapter 11 expenses and settlements of contingencies subject to Chapter 11. Net cash provided by operating activities before Chapter 11 expenses and settlements was \$322.9 million, \$190.6 million, and \$203.0 million for the years ended December 31, 2008, 2007, and 2006, respectively.

Please refer to our Annual Report on Form 10-K filed with the Securities and Exchange Commission and available at [www.sec.gov](http://www.sec.gov) for additional information on our business, proposed plan of reorganization and other legal proceedings, and our financial condition and results of operations.



# Environment, Health and Safety

We share a vision of no accidents, injuries or harm to the environment, and conduct our business in an ethical manner to benefit society.

Our Environment, Health and Safety (EHS) Management System guides us in systematically managing all EHS aspects of our operations, everywhere. It is based on the American Chemistry Council's Responsible Care® Management System, but incorporates additional requirements important to Grace. Our system not only brings consistency to Grace's global activities, but also ensures that we are protecting our employees, our neighbors and the environment.

In addition to adhering to our own EHS Management System, we pursue independent third party reviews of our environment, occupational health and safety programs to internationally-recognized certifications. We also audit our facilities for compliance with applicable laws, regulations and Grace standards on a regular basis. In 2008, 50% of our operating locations underwent one or more third party audits. These activities provide a sound framework for continuous improvement and are also excellent tools for validating our efforts.

## Environment

When it comes to protecting the environment, 2008 was a year of intense efforts for us on multiple fronts. In addition to reducing our own manufacturing footprint, Grace pursued investments in environmentally friendly products and services.

For example, we invested in CERATECH, Inc., a Maryland-based firm that develops green concrete admixture technologies that enable the production of high performance concrete. The admixtures reduce curing (drying) time and are made primarily from fly ash, a waste stream product from coal fired power plants that would otherwise require disposal.

Grace continues to develop and introduce products for food and beverage packaging that ensure protection of the can or bottle contents, while also addressing the continuously evolving demands for healthy and compliant materials.



We have introduced new closure compounds in Europe for mineral water bottles that no longer require phthalate plasticizers in response to consumer concerns over the potential migration of phthalates into beverages. Similarly, we have launched a family of phthalate-free cap sealants for a wide range of processed foods such as jams and vegetables. And, over the past two years, Grace has partnered with major beverage and food brand owners and can makers to replace the preservative used in our portfolio of water-based can sealants with more consumer-friendly alternatives.

## Health and Safety

The health and safety of our employees, our customers and the communities in which we work are among Grace's most critical concerns. Our objective is for all employees to go home in the same condition in which they came to the job. Over the past several years, we have made significant progress toward this objective, but we aren't there yet. For example, in 2005, we had 29 employees miss 855 workdays because of work related injuries. In 2008, 11 employees missed 185 days. Clearly an improvement, but we have more work to do.

To drive continued improvement in our safety performance, we decided to measure the leadership behaviors and cultural elements that promote a positive safety culture. These same behaviors and cultural elements have been proven to also promote a culture that supports our other key values, such as diversity and innovation.

The measurement process started with more than 4,000 employees from 129 locations in 37 countries participating in a global survey that measured critical drivers of safety culture and traits of successful organizations. With this data in hand, our EHS and Human Resources teams partnered to conduct focus groups and individual interviews with hundreds of employees at Grace locations around the world. The discussions presented an opportunity to engage and listen to employees and validate the survey results.

Through these conversations, employees developed site-specific action plans for improving our organizational safety culture, with implementation planned in 2009.

While safe behavior is ultimately the responsibility of each individual, employee engagement, open communication and peer keeping are important in ensuring that employees leave work as healthy as when they arrived.





## Safety Performance

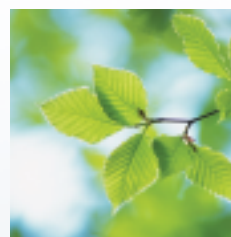
	2008	2007	2006
Recordable Incidents	60	55	60
Lost Workday Cases	11	22	16
Lost Workdays	185	372	332
Recordable Incident Rate	0.91	0.83	0.89
Lost Workday Incident Rate	0.17	0.33	0.24
OSHA Regulatory Citations	0	2	0
OSHA Penalties	\$0	\$12,000	\$0
MSHA Regulatory Citations	4	1	7
MSHA Penalties	\$800	\$100	\$646
Other Regulatory Citations	1	0	0
Other Penalties	\$0	\$0	\$0

Cases and rates are determined according to the U.S. Occupational Safety and Health Administration (OSHA) criteria. Regulatory citations and penalties are determined by state or federal OSHA, the U.S. Mine Safety and Health Administration (MSHA) and other health and safety regulatory agencies.

## Environmental Performance

	2008	2007	2006
Regulatory Citations	9	11	20
Regulatory Penalties	\$550	\$13,380	\$3,000
Reportable Releases <sup>(1)</sup>	25	36	51

<sup>(1)</sup>Reportable releases include releases to the air, water or land that exceed a government established reportable quantity, or are otherwise reportable by law, regulation or permit condition.



## 2008 Accomplishments

- Achieved a global lost time recordable incident rate of 0.17, compared to 0.33 in 2007.
- Reduced reportable environmental releases by 31% over the prior year.
- Recognized 87 locations with the Paul J. Norris Award, Grace's internal honor for achieving certain safety milestones.
- Earned third-party quality, environment and safety certifications for sites in Tuzla, Turkey (ISO 9001, ISO 14001, and OSHAS 18001); Minhang, China (ISO 14001 and OSHAS 18001); and Dueren, Worms and Rottenburg-Hailfingen, Germany (ISO 14001).
- Accepted "Star Among Stars" Award from OSHA for our Lake Charles, Louisiana facility for outstanding safety record.
- Received the Gold Award from the Colombian Occupational Health and Safety Organization, honoring Grace Colombia's EHS performance.
- Received Palmetto Safety Excellence Award and South Carolina Safety Award from the South Carolina Occupational Safety Council for operations in Enoree, South Carolina.
- Earned membership in the Voluntary Protection Program of the Maryland Occupational Safety and Health at the "Star", or highest, level for our Technical Center in Curtis Bay, Maryland.
- Certified facilities in St. Neots and Widnes, United Kingdom; Essen and Luegde, Germany; Guangzhou, China; Irondale, Alabama; Houston, Texas; North Bergen, New Jersey; and Quilmes, Argentina to the Grace EHS Management System via third party audits.



◀ Employees in Tuzla, Turkey successfully earned three EHS certifications in 2008.



# Community Stewardship

Many cultural differences exist around the globe but a connection can be made through volunteerism and philanthropy. Stewardship links us to our communities and our colleagues.



## Overcoming Natural Disasters

As part of our business planning processes, we regularly train for natural disasters and have used those skills to help our communities.



We have been a longtime supporter of the American Red Cross through blood donations and expanded our relationship in 2008 by joining the ranks of the agency's "Ready When the Time Comes" program. Its

purpose is to prepare teams of company employees to be ready immediately to help in a local, large-scale disaster. Each year, the American Red Cross responds to over 70,000 disaster incidents – hurricanes, fires, storms, floods and tornados – serving those affected with shelter and mass care. This requires not only Red Cross employees, but also specially trained volunteers that can work in shelters at a moment's notice, providing food and emotional assistance while aiding in bulk distribution. The Grace team stands ready to be called to action.

A similar preparedness activity included a training exercise that we organized on avian influenza (or "bird flu") in Chicago, Illinois. Participants included employees from six Grace locations and representatives from local emergency departments and the Illinois State Board of Health.

The goal was to confront, plan and consider decision trees when anticipating a pandemic flu. Though the focus was on a pandemic, the information shared and ideas brainstormed can be used in many large scale emergencies.

Despite all the preparations, communities can be overwhelmed during natural disasters. When a major earthquake struck China's Sichuan Province on May 12, it affected nearly 45 million people. Within 24 hours of the earthquake, employees in China began a donation drive, with all funds matched by Grace at 100%. Employees around the world wanted to help and the donation drive quickly went global with Grace again matching all



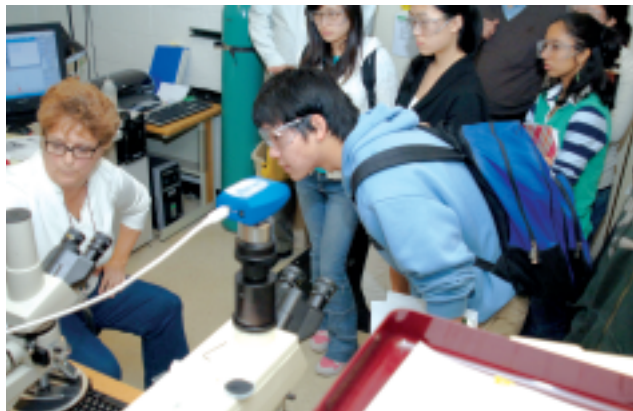
contributions. Several sites had special events to help in the fundraising. The donations were presented to the American Red Cross International Fund and Red Cross Society of China to help with immediate rescue activities and long-term rebuilding efforts.

*In 2008, the Grace team in Canlubang, Philippines "adopted" 80 students and purchased food, supplies and gifts for them. ►*





On another continent, employees in Chile banded together to help thousands of evacuees from two towns affected by a volcanic eruption. The Chaitén Volcano began erupting on May 2 for the first time in more than 9,000 years. Ash and smoke filled the sky, coating the surrounding areas and contaminating water supplies. For two weeks, the Grace Human Resources department in Lampa collected clothing, non-perishable food and personal care items for evacuees. Employees then packed those contributions in boxes and transported them to an aid station for distribution to those in need.



### Supporting the Next Generation of Leaders

Like health and safety, we consider education to be a basic need. Supporting students in their studies is crucial to their development and future success. In particular, we are focusing on the scientific and engineering fields, which have experienced a decline in the number of students in many countries. As a company and as members of the global community, we need these future leaders to invent the medications, technologies and materials that will support the world's needs.

We reached out to local schools and universities – whether funding scholarships, donating supplies, mentoring students, judging science fairs or remodeling afterschool centers, the goal of these activities was always the same: help children learn, explore and fulfill their dreams.

Through these activities and many more, we are proud to help prepare for the unexpected and support our colleagues and communities.

### Kami Kay's Hero

One evening, a colleague in Lake Charles, Louisiana was relaxing at home when his wife came running in, carrying his three-days-old granddaughter in her arms. The baby was unresponsive and turning blue.

As he had been trained at Grace, this shift foreman started administering CPR. Thinking that the baby could be choking, he turned her face down at an angle and gave her several slaps on the back. Nothing happened. He then cleared her airway by removing clabbered milk. Again, he turned the baby over and slapped her on the back. He was overjoyed when he heard a very small cry, which gradually became louder. Ultimately, the baby was taken to a local hospital for two days of observation and released in good health.

Thanks to his quick response and training, one Grace hero was able to save the fragile life of his new grandbaby.





# Grace Davison



Grace Davison offers specialty chemicals and materials, as well as formulation technologies for a wide range of industries: energy and refining; consumer, industrial and packaging; petro- and bio-chemical; and pharmaceutical and life sciences.

Our products include fluid cracking and hydroprocessing catalysts and additives; multi-functional additives and process aids; can and closure coating and sealant technologies; polyolefin catalyst systems and supports; and high performance silica media, chromatography systems and accessories.

In 2008, the operating segment achieved sales of \$2.2 billion, representing an increase of 7.9% over the prior year.

## 2008 Accomplishments

- Expanded scope of Environmental Services Group that drove implementation of sustainable technologies; reduced waste and increased recycling; and established internal “green teams” – grassroot initiatives to improve energy conservation.
- Reduced energy consumption at site level by 5% and per ton of catalyst by more than 3%.
- Grew pre-tax operating income by 1.8% through manufacturing and supply chain excellence, expense management and working capital improvements – despite rampant raw material cost inflation and global economic volatility.
- Reduced inventories significantly through global operations initiatives, sales and operations planning, and supply chain processes to manage fluctuating customer demand.
- Reduced costs by \$43 million through productivity initiatives, such as increasing capacities at lowest cost manufacturing locations, reducing manufacturing variability and waste, and improving the order fulfillment process, especially in Europe and Asia Pacific.

## Milestones

- Integrated two product lines into one product line (Materials & Packaging Technologies) which has resulted in commercial success such as selection by major Asian brewery group to supply both Daraclar® beer-stabilizer and Daraform® sealant for production and packaging of their premium beverages.
- Grew Renewable Technologies product line with introduction of EnRich™ catalysts, EnPure® adsorbents and EnSieve® desiccants to enhance the conversion of bio-based feedstocks into renewable fuels and chemicals.
- Continued investment in incubator initiatives to support new product growth in emerging technologies.
- Increased collaboration with strategic partners and universities through open innovation program to bring new products to market in less time and with lower costs.

## Innovation

### Refining Technologies

- Introduced the MIDAS® 300 catalyst; meets increased distillate demand by maximizing light cycle oil yield without sacrificing gasoline yield.
- Commercialized Pinnacle®-XLC and four Advanced Refining Technologies (joint venture with Chevron Products Company) catalysts that more efficiently process heavier feeds while delivering excellent yields.

### Materials Technologies

- Launched high-performance toothpaste abrasive.
- Launched new reinforcing agent for “green” tires.
- Introduced several new sealant products: a new family of water-based can sealants that utilize customer-accepted protection against bacterial growth; can sealants for higher speed can lining; and laser-printable closure sealants for beverage caps.

### Specialty Technologies

- Scaled up a novel polyolefin catalyst that can be used on multiple commercial process platforms.
- Introduced VisionHT™ columns offering superior efficiency, sensitivity and resolution to the high performance liquid chromatography marketplace.
- Launched GraceResolv™ flash chromatography cartridges that maximize performance of flash instruments and assist in drug discovery.





## Enabling Innovation and Accelerating Productivity

Grace Davison's drive for innovation sustains our growth and industry reputation. The key is steady development of products and solutions that help our customers succeed by making their products work better. Integral to the development and introduction of these new products is the role of the Grace Davison Technical Center in Curtis Bay, Maryland, a facility that exemplifies teamwork, dedication and innovation.

Organized as a central operation that supports all of Grace Davison's product groups, the Technical Center is where process and design merge to enable new and next-generation product migration from the labs into manufacturing plants. Leveraging the Technical Center's solutions on a global scale accelerates productivity and innovation, rendering greater customer value and a competitive edge. Accordingly, Grace Davison has re-invested in the facility, upgraded its pilot plant and established links with international sites.

Throughout 2008, the Technical Center team was involved in several significant initiatives, including: working to re-start a refining catalysts unit, reformulating an ebullating bed hydro-cracking catalyst that improved operability and customer satisfaction, leading a task force to improve a specialty catalysts plant, and transferring new technology to a commercial plant. One of the initiatives involved minimizing a byproduct in the effluent stream. Through careful experimentation and plant trials, the pollutant was eliminated with no impact on product quality or plant operations. It was an important piece of work that helps Grace, the environment and our customers.



The Technical Center received the Voluntary Protection Program (VPP) "Star" certification, the U.S. Occupational Safety and Health Administration's highest designation for workplace safety. The certification process is rigorous; less than 1% of the

eight million work sites in the U.S. share the distinction. Earning the VPP Star substantiates Grace's tireless commitment to safety and underlines our philosophy to work smart, work safe and take care of each other.



## Producing Pure Plastics for Food Use

Worldwide regulations for the manufacture and use of plastics are becoming increasingly strict, while demanding even greater clarity and flexibility. This is particularly true for applications where plastic comes in direct contact with food.

To meet these requirements, Borealis partnered with Grace Davison to upscale the novel Sirius™ catalyst for the Borstar® polypropylene production technology. The Borstar® process offers simultaneous improvements in conversion economics and in key environmental aspects, such as source reduction and recyclability. The unique Sirius™ catalyst not only creates a polymer that meets numerous regulations for food contact, but also delivers superior transparency, impact, stiffness, softness, seal strength and processability in high speed conversion.

The first commercial application of the Sirius™ catalyst is ongoing at Borealis' new polypropylene processing unit in Burghausen, Germany. The catalyst, which yields homogeneous physical and chemical particles throughout the finished product, was produced at Grace's Edison, New Jersey facility.

According to Gunilla Herrgård, Borealis' Chief Scientist, Innovation and Technology, "The benefit of Sirius™ catalysts will be seen in the whole value chain, from the catalyst behaviour in polyolefin production plants to improved material behaviour."

Borealis continues to develop new Sirius™ catalysts for a large number of applications for the production of polyethylene and polypropylene, two essential building blocks of modern life.

*Photo above courtesy of Borealis*



# Grace Construction Products



Grace Construction Products offers a wide range of specialty construction chemicals, systems and materials that protect, strengthen and beautify the world's buildings and infrastructure.

Our products include concrete admixtures, cement and masonry processing additives, structural fibers, surface treatments and liquid pigments for architectural concrete, air and vapor barriers, roofing underlayments, waterproofing systems and fire protection products.

In 2008, the operating segment achieved sales of \$1.1 billion, a 3.8% increase over the previous year.

## 2008 Accomplishments

- Improved safety performance, reducing lost time days 42% over prior year. Employee engagement and peer keeping were key to improved performance.
- Grew global sales of structural waterproofing systems, air and vapor barriers and fireproofing products despite challenging market environment.
- Outperformed North American cement additive and concrete admixture market. Achieved double-digit growth in Latin America.
- Gained new cement additives customers in Asia Pacific region, increasing sales and profitability.
- Won high profile global construction projects: Las Vegas Airport terminal, Singapore solar manufacturing facility, Korea mass transit system and Wales liquefied natural gas plant.
- Expanded presence in the Middle East and Western Europe through broader specifications in major construction projects.

## Milestones

- Opened a new cement and concrete admixtures manufacturing and distribution facility in Bahia, Brazil to gain proximity to raw material suppliers and customers, shorten delivery time and improve service.
- Celebrated 40 years of innovation with Pieri® architectural concrete products and solutions.
- Celebrated 25<sup>th</sup> anniversary of Denka/GCKK joint venture in Japan.
- Established Middle East headquarters in Dubai Festival City and completed manufacturing expansion in Jebel Ali Free Zone, Dubai's business hub, to increase proximity to customers.
- Created Shared Services Center in Canlubang, Philippines to provide financial services for Grace businesses throughout Asia Pacific and maximize efficiency.
- Began construction of India cement manufacturing plant in Poonamallee to localize business activities and serve regional customers.
- Entered into exclusive agreement with RS Solutions for Ready Slump® (re-branded as Verifi™) truck-mounted process control system that monitors and maintains high performance standards of ready-mix concrete from plant to jobsite.

## Innovation

- Launched new Preprufe® SCS specialty waterproofing system for shotcrete, providing customers with the most recent advances in waterproofing technology.
- Increased investment in resources at Poznan, Poland R&D center to capitalize on growth in Eastern Europe and generate local university collaboration.
- Introduced Global Specification Team supporting globalization trend with architectural and engineering customers for value-added product specifications to major projects.
- Introduced XR™ line of ADVA® chemical admixtures in Europe that help create concrete that is easier to place and is self-leveling.
- Localized Betec® cementitious waterproofing product manufacturing to support customers in China.





## Enriching the Experience of Music and Dance

Set against the natural beauty of the northern California hills, the 1,400-seat Donald and Maureen Green Music Center at Sonoma State University will showcase acoustic music, voice and dance. Architecturally innovative and designed for unrivaled sound quality, the site is destined to be a world-class venue.

The performance of the Green Music Center transcends its artistry. Aside from the cedar and stonework exterior and 50-foot wide sliding panel door, its structural waterproofing is worthy of applause.



Entrance to the main concert hall is at ground level, though the interior slopes downward below grade toward the stage. With the water table only a few feet beneath ground level, moisture had to be pumped away during construction and the substructure walls kept dry—permanently.

To make sure moisture would not enter the concert hall, the project architect specified Grace Preprufe® 300R and Bituthene® System 4000 waterproofing products. Installed in the pump areas, the Preprufe 300R membrane formed a tight, aggressive bond with the concrete to prevent the migration of water around the site. Bituthene's flexible, self-adhesive membrane and proven reputation in below grade applications prohibits water entry and keeps exterior basement walls dry, providing dependable, long-term protection.

At the Green Music Center, audiences will soon enjoy an artistic experience further enhanced by our two star waterproofing “performers.”

*Photos courtesy of Sonoma State University*



## Expanding Opportunity for Renewable Energy

Renewable Energy Corporation (REC) is a leading producer of polysilicon and solar wafers, and a pioneer in the renewable energy industry. The company is building a multi-billion dollar manufacturing and laboratory complex in Singapore, and is committed to its partnership with the region's green initiative. When fully operational, the facility will produce up to 1.5 GW of solar energy components.

However, constructing the first clean energy plant in South East Asia has its own obstacles. As the construction site is on reclaimed land in soil less compact than normal, there were concerns that ground settlement would pull conventional membranes away from concrete slabs, allowing moisture to damage facility interiors. In addition, a strict construction timetable demanded a fast, efficient application of waterproofing for the 791,000 ft<sup>2</sup> (73,000 m<sup>2</sup>) area without compromising product performance.

To meet these challenges, the project team selected Grace's Preprufe® 300R waterproofing membrane. Comprised of a thick composite sheet of HDPE (high density polyethylene) film with aggressive adhesive and weather resistant coating, it bonds tightly with concrete preventing water penetration into the building's substructure. Applied horizontally or vertically, the membrane can accelerate the project's construction and remains unaffected by ground settlement.



Combining the right product with unrivaled job site assistance and customer service, Grace is assisting Singapore grow as a renewable energy hub and, in the process, enriching the lives of those in South East Asia and beyond.





## Leadership Team

### **D. Andrew Bonham**

*Vice President and President, Grace Construction Products*

### **William M. Corcoran**

*Vice President, Public and Regulatory Affairs*

### **Fred E. Festa**

*Chairman, President and Chief Executive Officer*

### **J. P. "Butch" Forehand**

*Vice President, Operations*

### **Gloria L. Keesee**

*Chief Information Officer*

### **Hudson La Force III**

*Senior Vice President and Chief Financial Officer*

### **W. Brian McGowan**

*Senior Vice President, Administration*

### **Gregory E. Poling**

*Vice President and President, Grace Davison*

### **Mark A. Shelnitz**

*Vice President, General Counsel and Secretary*

## Board of Directors

### **John F. Akers<sup>(1)</sup>**

*Retired Chairman and Chief Executive Officer,  
International Business Machines Corporation*

### **H. Furlong Baldwin<sup>(1)</sup>**

*Retired Chairman of the Board, President and CEO,  
Mercantile Bankshares Corporation*

### **Ronald C. Cambre<sup>(1)</sup>**

*Retired Chairman of the Board and CEO, Newmont Mining Corp.*

### **Fred E. Festa**

*Chairman, President and Chief Executive Officer, W. R. Grace & Co.*

### **Marye Anne Fox<sup>(1)</sup>**

*Chancellor, University of California, San Diego*

### **John J. Murphy<sup>(1)</sup>**

*Retired Chairman of the Board, Dresser Industries Inc.*

### **Paul J. Norris**

*Retired Chairman, President and CEO, W. R. Grace & Co.*

### **Christopher J. Steffen<sup>(1)</sup>**

*Retired Vice Chairman, Citicorp and Citibank N.A.*

### **Mark E. Tomkins<sup>(1)</sup>**

*Retired Senior Vice President and Chief Financial Officer, Innovene*

### **Thomas A. Vanderslice<sup>(1)</sup>**

*Retired Chairman and Chief Executive Officer, M/A-COM*

<sup>(1)</sup>Also serves on Audit, Nominating and Governance, Compensation and Corporate Responsibility Committees

## Investor Information

### **Corporate Headquarters**

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P.O. Box 358015, Pittsburgh, PA 15252-8015  
+ 1 800.648.8392  
+ 1 201.329.8660  
www.bnymellon.com/shareowner/isd

### **Investor Relations**

Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K are available on the Investor Information section of www.grace.com. Inquiries from individual shareholders should be directed to:

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