

## Evonik to expand silica capacity in Thailand

- Expansion to be completed in 2014
- Investment volume in lower double-digit million euro range
- Demand in Southeast Asia driven by trend toward fuel-saving tires and life science applications
- The Group plans to expand its global silica capacity by 30 percent between 2010 and 2014

Evonik Industries is now significantly expanding precipitated silica capacity at its Maptaphut site in Thailand. Funded by an investment in the lower double-digit million euro range, the expansion is to be completed in the first quarter of 2014. In addition to its application in the automotive industry for low rolling resistance tires, silica is also used in the food and animal feed industries, and in the paint and coatings industry. Demand in Southeast Asia for precipitated silica has risen sharply in these industries.

“The purpose of our expansion strategy is to allow us to support the growth of our key customers in Southeast Asia and around the world,” says Dr. Thomas Haerberle, member of the Evonik Executive Board and responsible for the company’s Resource Efficiency Segment. Experts estimate that the worldwide market for low rolling resistance tires will grow by a solid 18 percent each year over the next five years. Evonik has responded by noticeably expanding its global silica capacity. By 2014, its capacity is to grow by roughly 30 percent over 2010.

Using silica in combination with silanes allows manufacturers to produce tires that greatly reduce rolling resistance, yielding fuel savings of up to 8 percent (compared to traditional car tires). “We’re the only manufacturer to offer both components, and, for our customers in the tire and rubber industry, that makes us an expert partner for high-performance tire blends,” explains Dr. Johannes Ohmer, president of Evonik’s Inorganic Materials Business Unit. Expanding production capacity will strengthen Evonik’s position in Thailand, increasing the proportion of production carried out in Southeast Asia, Australia, and New

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Zealand, and allowing the company to better meet the demands of regional customers.

Evonik is one of the leading manufacturers of silica. Apart from precipitated silica, the Group also produces AEROSIL® fumed silica and silica-based matting agents under the ACEMATT® brand. They are not only used in tires with low rolling resistance but also in the paints and coatings industry, as flow additives and carriers in food, cosmetics and drug production, or in manufacturing silicon applications, among others. Overall, Evonik has a global capacity of around 500,000 metric tons per annum for precipitated and fumed silica as well as matting agents.

#### **Company information**

Evonik, the creative industrial group from Germany, is one of the world leaders in specialty chemicals. Profitable growth and a sustained increase in the value of the company form the heart of Evonik's corporate strategy. Its activities focus on the key megatrends health, nutrition, resource efficiency and globalization. Evonik benefits specifically from its innovative prowess and integrated technology platforms.

Evonik is active in over 100 countries around the world. In fiscal 2012 more than 33,000 employees generated sales of around €13.6 billion and an operating profit (adjusted EBITDA) of about €2.6 billion.

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