

Evonik selects South Carolina for new precipitated silica plant

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- Trend toward energy-efficient tires drives demand for precipitated silica in North America
- Investment of around 120 million US dollars

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Evonik Industries is building a production plant for precipitated silica in the U.S. state of South Carolina to supply the tire industry. The industry needs high-quality precipitated silica for producing fuel-efficient tires with good wet grip properties, which can save up to eight percent fuel in comparison to conventional car tires. In North America, the demand for tires with reduced rolling resistance and the associated higher fuel efficiency is experiencing above-average growth. Evonik is building the new plant near Charleston, South Carolina, close to the production plants of large tire manufacturers. The world-scale facility with an investment volume of around 120 million US dollars is to be completed in 2018. With this investment Evonik is executing a further project within the scope of its defined investment budget.

Klaus Engel, Chairman of the Executive Board of Evonik Industries AG, said: "The investment is an important part of our strategy to expand our position as a global partner for the automotive supplier industry. With the construction of the plant in the Southeastern United States and the planned acquisition of the silica business of Huber, we are strengthening our Resource Efficiency growth segment and are extending our leading market position as a silica provider." With Huber Silica Evonik intends to acquire a business that is specialized in applications in the consumer industry such as in the dental area. A few days ago Evonik announced the acquisition for 630 million US dollars.

"The proximity to the key customers in the tire industry was decisive in choosing South Carolina. We want to provide global tire manufacturers with the supply security and flexibility they expect from us in local production. That's why we invest in sites that are close to our customers," said Johannes Ohmer, member of the Board of Management of Evonik Resource Efficiency GmbH, explaining the motivation to choose the site for the new

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production plant in Charleston. The new plant will be located in the Bushy Park industrial area near Charleston.

The use of silica in combination with silanes allows for manufacturing tires with significantly reduced rolling resistance that save fuel (compared to conventional car tires). Green tires therefore contribute to climate protection. Evonik is the only manufacturer to offer both components, making it a competent partner for high-performance tire formulations for customers in the tire and rubber industries.

Evonik is one of the leading silica manufacturers. In addition to the precipitated silica ULTRASIL® and SIPERNAT®, the Group also manufactures the fumed silica AEROSIL® and matting agents made from silica under the brand name ACEMATT®. Overall, the company's global annual production capacity for precipitated and fumed silica as well as matting agents is around 600,000 metric tons.

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 2015 more than 33,500 employees generated sales of around €13.5 billion and an operating profit (adjusted EBITDA) of about €2.47 billion.

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