

Evonik invests in new silica plant in Brazil

- First plant for high-quality HD silica in South America
- Investment volume in mid-double-digit million € range
- Tire industry as the most important growth driver focusing increasingly on silica-silane technology for low rolling resistance tires in Brazil

Evonik Industries plans to build a plant to produce precipitated silicas in Americana (São Paulo, Brazil). The company is investing a mid-double-digit million euro amount; the plant is scheduled to go on stream in 2016. This will be the first production plant for highly dispersible (HD) silica in South America. This high-growth silica is used mainly for high-quality low rolling resistance tires. In addition, by building this new silica production plant, Evonik is also catering for the needs of the growing regional business in attractive specialty segments in South America's food, animal feed, and agricultural industries.

Patrik Wohlhauser, Executive Board Member and Chief Operating Officer of Evonik Industries: "With this investment in Brazil, we are positioning ourselves as an innovative provider of advanced inorganic materials for resource-conserving applications in the important South American market."

Dr. Johannes Ohmer, head of Evonik's Inorganic Materials Business Unit, said: "The new plant in Americana will enable us to offer our Brazilian and regional customers high-quality silicas from local production in combination with our outstanding services. This consolidates our leading global market position."

The tire industry profits from the growth in the automotive industry, which has recorded considerable increases in sales in South America over the past years. The market for low rolling resistance tires and, consequently, for HD silicas, has been growing much stronger than the market for conventional tires in South America. Evonik expects additional demand because of the planned labeling of the energy efficiency of tires in Brazil.

The use of silica in combination with silanes means that tires can be produced with a much lower rolling resistance, which can

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reduce fuel consumption by up to eight percent (compared to conventional automobile tires). Consequently, low rolling resistance tires contribute towards climate protection. Johannes Ohmer explains: "We are the only manufacturer that offers both components and are thus a competent partner for high-performance tire compounds for our customers in the tire and rubber industries."

Evonik is expanding its silica capacities throughout the world: By the end of 2014 alone, they will have grown by around 30 percent compared to 2010. In Chester (USA), a plant for precipitated silica with an annual capacity of about 20,000 metric tons is scheduled to begin operations in 2014. The expansion in North and South America follows expansions that have already been completed in Europe and Asia. A production plant extension was completed in Thailand in March 2014, for example.

Evonik is one of the leading producers of silicas. In addition to precipitated silica, the Group also produces the fumed silica AEROSIL® and silica-based matting agents under the ACEMATT® brand. In total, Evonik has a worldwide capacity of about 550,000 metric tons of precipitated and fumed silicas and matting agents per annum.

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 2013 more than 33,500 employees generated sales of around €12.7 billion and an operating profit (adjusted EBITDA) of about €2.0 billion.

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