

Evonik expands substantially in precipitated silica for high-quality car tires

- Worldwide expansion of capacities for precipitated silica of about 30 percent planned for the period between 2010 and 2014
- Investment in the upper double-digit million euro range
- Increased growth expected worldwide through the trend in fuel-efficient low-rolling-resistance tires

Evonik Industries continues to drive its growth strategy for these products. "We've committed to expanding our capacities worldwide by about 30 percent by 2014, as compared to 2010. Right now, we're already about halfway there," says Dr. Thomas Haeberle, Evonik Executive Board member responsible for the Resource Efficiency Segment. As world market leader in silicas, Evonik is mobilizing total funds for the expansion in the upper double-digit million euro range. "With our expansion course, we're keeping pace with the growth of our worldwide key customers in the tire industry. We've aligned our business activities to global megatrends. With our precipitated silicas, which are primarily used in high-quality car tires, we're serving the resource efficiency megatrend," he adds.

The market development for precipitated silicas is carried primarily by the trend toward advanced low-rolling-resistance tires. Europe has required the labeling of tires since early November. The label provides consumers clear information on such concerns as fuel efficiency, CO₂ savings, braking on wet road tops, and rolling sound. Japan has already introduced optional labeling, and other countries such as Korea and Brazil are following suit with their own labels. The growing automobile markets in threshold countries, in China in particular, also offer massive growth potential for this tire technology.

Combined with silanes, silicas are used as reinforcing fillers for the rubber in tires and significantly improve the properties of the tires. The silica-silane system can substantially lower rolling resistance and therefore achieve as much as 8 percent fuel savings (compared to conventional car tires). At the same time, the silica-silane system ensures outstanding road traction, even in wet or wintry

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conditions. Evonik is the only manufacturer of these additives who has both products in its portfolio, thus contributing to solutions that help save energy and improve safety in traffic.

"We've already expanded the facilities for our precipitated silicas ULTRASIL® and SIPERNAT® in Asia and Europe," explains Dr. Johannes Ohmer, head of the Inorganic Materials Business Unit. Evonik produces precipitated silicas at ten sites in nine countries. "Initially, we saw increasing demand in Europe. Now Asia and North America are following suit. Other regions will follow," says Ohmer.

To its customers in the rubber and tire industries, Evonik is an expert partner for the development of high-performance tire compounds. With innovative products and technical expertise in rubber reinforcement, Evonik offers its customers solutions to meet the increasing requirements in the automotive industry. The company is also currently investing in a new development center in Wesseling, which will pool knowledge of silicas and silanes and drive developments.

In addition to use in low-rolling-resistance tires, precipitated silica is also used as a carrier and free-flow agent in the food and animal feed industries, and as additives in the paints and coatings industries. The Group also produces the fumed silica AEROSIL® for such applications as silicone rubber, paints or adhesives and sealants. The fumed silica selectively improves the surfaces and properties of a wide variety of materials: AEROSIL® products are used to polish silicone wafers in the chip industry, and improve the scratch resistance of paints.

In all, Evonik has a worldwide annual capacity of about 500,000 metric tons in precipitated and fumed silicas, 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 2011 more than 33,000 employees generated sales of around €14.5 billion and an operating profit (adjusted EBITDA) of about €2.8 billion.

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