

With its acquisition of the US company Silbond, Evonik consolidates its global market leadership in functional silanes

- Silbond: a leading supplier of silicic acid esters
- Intensification of the specialties nature in the silanes portfolio opens up attractive growth opportunities
- Presence in North America increased

Evonik Industries AG has acquired Silbond Corp. (Weston, Michigan, USA), a leading supplier of silicic acid esters. The transaction, with a purchase price in the mid-double-digit million Euro range, closed on February 28, 2014. As a special group of functional silanes, silicic acid esters are used in a wide variety of applications with a promising future—for example in the electronics industry or in chemical applications such as coatings. The most important silicic acid ester is Tetraethoxysilane (TEOS) which is manufactured by Silbond.

Patrik Wohlhauser, member of the Executive Board of Evonik Industries and Chief Operating Officer, says: "Silbond has aligned its specialty product portfolio to attractive growth markets. With the acquisition of the company we are further strengthening our leading position as a whole with regards to silanes and are improving our position in relation to technology and profitability."

Dr. Johannes Ohmer, Head of the Inorganic Materials Business Unit in the Resource Efficiency Segment, says: "The acquisition of Silbond opens up the door for us into the attractive North American region. We are now able to supply our customers with TEOS from a local production capacity and monitor future growth in the silicic acid esters market."

Evonik already produces functional silanes at its sites in Rheinfelden (Germany), Antwerp (Belgium), Rizhao (China) and Mobile (USA). With the Weston site, the Group is now extending its production network with efficient technology for silicic acid esters, primarily for the attractive North American region.

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Contact person economic press
Dr. Edda Schulze
Corporate Press
Phone +49 201 177-2225
Fax +49 201 177-3030
edda.schulze@evonik.com

Contact person specialized press
Frank Gmach
Communication Inorganic Materials
Phone +49 6181 5913588
Fax +49 6181 59713588
frank.gmach@evonik.com

Evonik Industries AG
Rellinghauser Straße 1-11
45128 Essen
Germany
Phone +49 201 177-01
Fax +49 201 177-3475
www.evonik.de

Supervisory Board
Dr. Werner Müller, Chairman
Executive Board
Dr. Klaus Engel, Chairman
Thomas Wessel
Patrik Wohlhauser
Ute Wolf

Registered office Essen
Registered court
Essen local court
Commercial registry B 19474
VAT ID no. DE 811160003

TEOS specialty business supplies attractive growth markets

With its TEOS specialty business, Silbond supplies end markets with above-average growth. These markets include the electronics industry as well as markets for chemical applications with an annual growth of 5 to 6 percent. In addition, TEOS is used as a binder for foundry molds and in anti-corrosion paints. There is further growth potential when connecting it to the current growth fields of the Resource Efficiency Segment, such as insulation. The company has about 60 employees.

The overall market for functional silanes, which includes silicic acid esters, is growing faster worldwide than the global gross domestic product. The growth is driven by the increasing demand for new applications such as high-performance insulation materials. Another growth driver is the increasing demand from emerging countries.

The silanes portfolio of Evonik comprises chlorosilanes as well as organofunctional silanes and will be perfectly supplemented by the Silbond business. The specialty chemicals company has an annual overall capacity for silanes of about 300,000 metric tons per year, which are sold to the automobile, construction, plastics and electronics industries. The silanes are used in adhesives, sealants, paints and coatings, architectural protection, optical fibers and semiconductors, as well as in tires and rubber.

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 €13.4 billion and an operating profit (adjusted EBITDA) of about €2.4 billion (excluding Real Estate in both cases).

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