

# PRESS RELEASE

## Joint press release of WACKER and Dow Corning

Number 47

## WACKER AND DOW CORNING START RAW MATERIAL PRODUCTION AT CHINA'S LARGEST INTEGRATED SILICONE SITE

**Zhangjiagang, November 14, 2008 – Today, WACKER Chemie AG and Dow Corning Corporation officially started production in the first stage of their new pyrogenic silica and siloxane plants in Zhangjiagang (China). The new plants are key facilities of an integrated silicone manufacturing site developed by both companies to produce materials used extensively in industries including construction, beauty and personal care, power and automotives. Total investment from both companies for the site is estimated at approximately 1.2 billion U.S. dollars. Covering an area of 1 million square meters, the site located in the Jiangsu Yangtze River Chemical Industrial Park, Zhangjiagang City, Jiangsu Province, is China's largest facility of this kind and among the world's largest and most advanced integrated production complexes for silicones.**

The combined capacity for siloxane and pyrogenic silica is planned to be approximately 200,000 metric tons per year. It is expected that full operational capacity will be phased in by the end of 2010.

Through their Zhangjiagang production complex, WACKER and Dow Corning intend to serve growing customer demand for silicone materials in China and throughout the Asian region.

Siloxane and pyrogenic silica are key intermediates for the manufacturing of finished silicone products. Key application industries include: construction, automotive, electronics, beauty & personal care, healthcare, power & utility, solar, textile, and paper.

The new upstream production facilities are jointly operated by WACKER and Dow Corning. At the site, both companies are also manufacturing finished silicone products. These production plants are owned and operated separately with independent marketing and sales by Dow Corning and WACKER.

During an opening ceremony held in Zhangjiagang today, Dr. Rudolf Staudigl, President and CEO of Wacker Chemie AG, and Dr. Stephanie Burns, Chairman, President and CEO of Dow Corning Corporation, both emphasized the strategic importance of the new facilities. "Today's inauguration of our joint production plants for siloxane and pyrogenic silica marks a key milestone in setting up this world-class integrated silicone manufacturing site. They enable us to serve our customers' needs, to drive the development of the silicone industry in China, and to contribute to the further development of China's circular economy, which is an important part of China's effort toward sustainable development," Staudigl said.

Dr. Stephanie Burns also commented in her speech: "This is an exciting day for Dow Corning, for our customers and the people of China. Throughout China and in many other parts of Asia, we see more and more manufacturers wanting to use silicones to help them improve the performance of their own products. Our investment in this site significantly enhances our ability to meet that need and to help spur the growth of many key industries in this region. It also demonstrates our commitment as a company to sustainable development, using our long history of expertise and technology know-how to create environmental, economic and social benefits wherever we operate."

The first phase of siloxane and pyrogenic silica production facilities, which now has been successfully completed, is an important step toward integrated production loops at the Zhangjiagang site. The

siloxane plant will supply chlorosilane for the production of pyrogenic silica as raw material, while the pyrogenic silica plant will send back its by-product hydrogen chloride (HCL) for the production of siloxane. This integrated production approach not only plays an important role in reducing emissions, but also helps to reduce logistical flows. This, in turn means less transportation traffic, benefitting the local community and improving production efficiency.

At their integrated Zhangjiagang site, WACKER and Dow Corning apply global standards to ensure high product quality and bring in state-of-the-art production processes and technology. This includes advanced processes for raw material efficiency, a highly energy efficient design and environmental control technology. These tried-and-tested technologies have been in use in similar manufacturing plants in the U.S. and Europe, and have proven to produce high yields and quality output in a safe and environmentally-responsible way.

WACKER and Dow Corning are fully committed to sustainable production in China. Like their other facilities across the world, the integrated site actively implements the concept of sustainable development. Its environment, health, safety and security (EHSS) management system accords with strict international standards. Both WACKER and Dow Corning are members of the Association of International Chemical Manufacturers (AICM), China's first international association to deal with global chemical issues. They committed to continually improving the performance of EHSS, sharing best sustainable production practices with their Chinese peers and providing professional solutions to major issues facing China's society.

**About Siloxane and Pyrogenic Silica**

Siloxane is a key starting material for the production of silicones.

Major silicone application industries include: construction, automotive, electronics, beauty & personal care, healthcare, coating, power & utility, solar, textile, and paper. Pyrogenic silica is used as an active filler in silicone elastomers, as a viscosity-adjusting agent in coatings, printing inks, adhesives, unsaturated polyester resins and plastisols or as a flow aid, for example in the cosmetics, pharmaceutical and food-processing industries.

**About WACKER**

WACKER ([www.wacker.com](http://www.wacker.com)) is a globally operating chemical company headquartered in Munich, Germany. With a wide range of state-of-the-art specialty products, WACKER is a leader in numerous industrial sectors. Its products support countless high-growth end-user sectors such as photovoltaics, electronics, pharmaceuticals and household/personal care products. The WACKER Group posted sales of around EUR 3.78 billion in 2007, of which some 80 percent were generated outside Germany. WACKER employs around 15,000 people at 27 production sites in Europe, the Americas and Asia, and about 100 sales offices worldwide. Wacker Chemie AG is listed at the Frankfurt (Germany) Stock Exchange (ISIN: DE000WCH8881).

**About Dow Corning**

Dow Corning ([www.dowcorning.com](http://www.dowcorning.com)) provides performance-enhancing solutions to serve the diverse needs of more than 25,000 customers worldwide. A global leader in silicones, silicon-based technology and innovation, Dow Corning offers more than 7,000 products and services via the company's Dow Corning® and Xiameter® brands. Dow Corning is a joint venture equally owned by The Dow Chemical Company and Corning, Incorporated. More than half of Dow Corning's annual sales are outside the United States.

*Note for editors:*  
*Photos are available for download at*  
<http://www.wacker.com/pressreleases>

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