



Cabot Corporation Announces Joint Venture with Inner Mongolia Hengye Cheng Silicone Co., Ltd to Build State-of-the-Art Fumed Silica Plant

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BOSTON--(BUSINESS WIRE)--Sep. 12, 2016-- [Cabot Corporation](#) announced today that its wholly-owned subsidiary, [Cabot \(China\) Ltd.](#), has signed a joint venture agreement with Inner Mongolia Hengye Cheng Silicone Co., Ltd (HYC), to form a joint venture to manufacture [fumed silica](#) in China. Cabot will hold an 80 percent share in the joint venture and HYC will own the remaining 20 percent. The agreement was signed following a ceremony on September 12th at the InterContinental Shanghai Ruijin Hotel.

The joint venture will invest approximately \$60 million to build a world-class fumed silica manufacturing facility to be located in Wuhai, China. The new facility will have a manufacturing capacity of 8,000 metric tons of fumed silica per year. Subject to obtaining the necessary governmental and regulatory approvals, construction of the plant is expected to begin in early 2017 and will be completed in 2019. The project will allow Cabot to meet the growing demand for its high-quality, high-performance fumed silica, enabled by a long-term reliable source of feedstock.

"Growing in our core is a key component of our new corporate strategy, and today's announcement is confirmation of our ongoing commitment to this strategy. We are a market leader for fumed silica, and this investment will further strengthen our position in this core market," said Sean Keohane, president and chief executive officer, Cabot Corporation. "Cabot has achieved tremendous success over the years in China, and we continue to see great opportunities to innovate and support our customers while being a model for sustainable production in China. We are partnered with a leader in HYC, and through this partnership we will establish a world-class fumed silica production site in China."

"Through this planned investment, we will be able to further strengthen our market leadership position for fumed silica and promote growth in a variety of industries in China," said Nick Cross, executive vice president and president, Performance Chemicals segment. "This joint venture will provide a catalyst for growth in China and we look forward to serving local customers with high-quality products and solutions while capturing growth in the rapidly growing sectors of automotive, construction, renewable energy and other industries."

"We are pleased to partner with an industry leader and innovator such as Cabot to build this state-of-the-art fumed silica plant," said Wang Yongquan, Chairman of Zhejiang Zhongcheng Holding Group Co., Ltd, parent company of HYC. "Not only will we have access to Cabot's silica for use in our silicone compounding operation, but we also will be able to expand production efficiencies through the utilization of a closed loop system."

Cabot has had operations in China for almost 30 years, and currently operates four manufacturing sites in Shanghai, Xingtai, Jiangxi and Tianjin. The new plant in Wuhai will become Cabot's seventh fumed silica plant throughout its network in Asia, Europe and the United States.

ABOUT CABOT CORPORATION

Cabot Corporation (NYSE: CBT) is a global specialty chemicals and performance materials company, headquartered in Boston, Massachusetts. The company is a leading provider of [rubber](#) and [specialty carbons](#), [activated carbon](#), [inkjet colorants](#), [cesium formate drilling fluids](#), [fumed silica](#) and [aerogel](#). For more information on Cabot, please visit the company's website at: <http://www.cabotcorp.com>.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: Statements in the press release regarding Cabot's business that are not historical facts are forward looking statements that involve risks and uncertainties. For a discussion of such risks and uncertainties, which could cause actual results to differ from those contained in the forward looking statements, see "Risk Factors" in the Company's Annual Report on Form 10-K.

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