



Cabot Breaks Ground on New Carbon Black Plant in Xingtai City

April 17, 2012

Cabot, together with Risun, increases carbon black production through approximately \$140 million investment to meet market demand in China

XINGTAI, China & BOSTON, Apr 17, 2012 (BUSINESS WIRE) --[Cabot Corporation](#) (NYSE: CBT) and joint venture partner Risun Chemicals Company, Ltd., broke ground today on its new carbon black manufacturing facility in Xingtai, China.

The project, announced in March 2011, is scheduled to be completed in mid-2013, and will further solidify Cabot's position as the world's No. 1 producer of carbon black.

Cabot and Risun are investing approximately \$140 million in the new facility, with Cabot owning a 60-percent equity interest. In this mutually beneficial relationship, Cabot brings technology advancements and a strong leadership position in rapidly growing China while Risun provides the feedstock and energy integration capabilities with its current operations.

The new facility, located about 250 miles (400 kilometers) south of Beijing in Hebei Province, will help support tire and automotive growth in China. Carbon black is a reinforcing agent essential in the manufacturing of tires. The material is also used in many automotive parts, including adhesives and sealants, battery materials, coatings, and more. According to IHS Automotive, China's motor vehicle fleet is expected to grow to approximately 315 million vehicles over the next 10 years, up from 102 million vehicles today. Cabot's industry-leading carbon black products will help to meet the needs of the tire and automotive segments in China.

Cabot and Risun's new Xingtai facility will have a Phase I manufacturing capacity of 130,000 metric tons of carbon black per year, and will enable Cabot to increase its carbon black manufacturing capacity in China by 25 percent. The new site will employ the most advanced technologies for production of high performance carbon black materials, environmental protection and comprehensive utilization of energy recovery. These technologies will solidify Cabot's leadership position in regard to energy efficiency and reduction of emissions.

"We're committed to supporting China in achieving its goal of increased mobility, and we're going to do it in a highly sustainable way," said Patrick Prevost, Cabot president and chief executive officer. "Our customers in China value us because we've established our technology leadership position in this industry over the past 20 years. We're also investing significantly in process equipment and infrastructure to increase our energy efficiency and minimize our impact to the environment. Our new facility in Xingtai demonstrates this commitment."

"We specifically want to thank the Hebei Provincial Government, the Xingtai Municipal and County Government and Risun Chemical Co., Ltd who have been invaluable to the continuation and success of Cabot's manufacturing development in China," Prevost said. "We are proud of our operations in China and we believe that this plant will enable us to bring brand new products to customers, and move the carbon black industry in China towards a new era of a green economy."

"Our customers are increasingly demanding high performance materials to make their products more efficient," said Dave Miller, president, Core Segment. "Our plant in Xingtai will be designed to deliver high performance carbon black products that are engineered to meet China's emerging demand for higher performance reinforcing materials for tires and industrial rubber products."

"It is with great pleasure that we take part in and celebrate the groundbreaking of this new facility and the deepening of our relationship with Cabot," said Yang Xuegang, chairman and president of Risun Chemical Company, Ltd. "This new modern facility, which will be built in close cooperation between Cabot and Risun, will be state-of-the-art for carbon black production and will support local employment and help to meet the growing demands of the Chinese market."

The participating entities in this new site are Cabot (China) Ltd., a wholly-owned subsidiary of Cabot Corporation and Risun Chemical Company, Ltd., a wholly owned subsidiary of Risun Coal Chemicals Group, Ltd.

ABOUT CABOT CORPORATION

Cabot Corporation is a global specialty chemical and performance materials company headquartered in Boston, Mass, USA. Cabot's other major products are [carbon black](#), [fumed silica](#), [inkjet colorants](#), [aerogel](#), [elastomer composites](#), and [cesium formate drilling fluids](#). The company's website is: <http://www.cabot-corp.com>.

ABOUT RISUN GROUP

Founded in 1995, Risun Group has three business including coke, chemical industry and business trade. As one of the biggest coal chemical products manufacturers and suppliers in China, it boasts for 4 chemical industry parks in Xingtai, Dingzhou, Tangshan and Cangzhou area. The group owns 15 wholly-owned and joint venture subsidiaries. In 2011, the sales revenue reached RMB26.1 billion. Risun has 8,000 employees and is the 373rd of "China Top 500 Enterprises," 199th of "China Top 500 Enterprises of Manufacturing Industry," 12th of "China Top 500 Enterprises of Chemical Industry," and it is the 21st of the top 100 enterprises in Hebei province.

By the end of 2011, Risun has formed 6,520,000 tons of coke production capacity and downstream business of waste recycling and processing project related to coke oven gas, sulfur, benzene and coal tar. It is with the production capacity of 500,000 tons of gas to methanol, 450,000 tons of coal tar process, 400,000 tons crude benzol hydro refining and 200,000 tons DEM.

Risun Group is included as one of the billion-enterprises in "The Twelfth-five plan" of Hebei province to be developed.

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.

SOURCE: Cabot Corporation

Cabot Corporation
Erica McLaughlin 617-342-6090
Investor Relations
or
John Shea, 617-342-6254
Corporate Communications