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## *PRESS RELEASE*

### **FOR IMMEDIATE RELEASE**

## **OM GROUP COMPLETES ACQUISITION OF VACUUMSCHMELZE**

CLEVELAND – August 2, 2011 – OM Group, Inc. (NYSE: OMG) today announced that it has completed its previously announced acquisition of Vacuumschmelze GmbH & Co. KG (VAC) of Hanau, Germany, a global market leader in advanced materials and specialty magnetics, for approximately €700 million, including \$50 million in common stock. The company announced its intent to acquire VAC on July 5, 2011.

Founded in 1923, VAC is widely regarded as one of the premier designers, producers and marketers of the world's most technologically advanced materials and technologies, cores and components, and permanent magnets for electronic equipment markets, including the alternative energy, automotive, electric vehicles, electrical installation, and energy conversion and distribution sectors. Among other things, the company has number-one global market positions in its Materials & Parts and Cores & Components units, and a leading global position in its Permanent Magnets unit.

"We are pleased to add the talented people and innovative technology of VAC to our growing enterprise," said Joseph Scaminace, chairman and chief executive officer of OM Group. "This is a financially strong, market-leading business with attractive margins and strong cash flow from operations. Among other things, VAC will accelerate our efforts to move closer to end users in a wider range of stable and fast-growing end markets, particularly alternative energy."

VAC has world-class production facilities in Germany, Slovakia, Finland, China and Malaysia, with sales offices in 16 countries worldwide. The company employs 4,500 people globally – including 160 scientists and engineers. In the 12-month period ending June 30, 2011, VAC, which has historically prepared its financial statements in accordance with International Financial Reporting Standards ("IFRS"), has sales of €423 million and operating profit of €63 million (calculated under IFRS). Excluding one-time items related to the acquisition, OM Group expects the acquisition to be accretive to earnings in fiscal 2011. OMG purchased VAC from One Equity Partners, the private investment arm of JPMorgan Chase & Co.

### **OMG ENTERS INTO A NEW LONG-TERM FINANCING AGREEMENT**

In connection with the acquisition of VAC, the company terminated its existing financing agreements, and entered into a new long-term financing agreement, including a new revolving credit facility and two new term loans. The syndication, led by BofA Merrill Lynch, PNC Capital Markets LLC and BNP Paribas, was oversubscribed.

The new long-term financing includes:

- a \$200 million multi-currency revolving credit facility, due 2016, which is undrawn at closing
- a \$100 million Term Loan A due 2016
- a \$350 million Term Loan B due 2017
- and a 175 million Euro Term Loan B due 2017

## ABOUT OM GROUP, INC.

OM Group, Inc. is a leading global solutions provider of specialty chemicals, advanced materials, electrochemical energy storage, magnetic materials and unique technologies crucial to enabling our customers to meet increasingly stringent market and application requirements. The company serves a wide variety of sectors, including rechargeable batteries, electronic devices, cutting tools, petrochemical catalysts, electronics manufacturing, industrial coatings, defense, aerospace, medical devices, alternative energy, automotive, electrical installation, and energy conversion and distribution. Headquartered in Cleveland, Ohio, OM Group operates manufacturing facilities in the Americas, Europe, Asia and Africa. For more information, visit the company's website at <http://www.omgi.com>.

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For more information, contact: Troy Dewar, director, investor relations, at +1-216-263-7765.

## FORWARD-LOOKING STATEMENTS

The foregoing discussion may include forward-looking statements for purposes of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based upon specific assumptions and are subject to uncertainties and factors relating to the company's operations and business environment, all of which are difficult to predict and many of which are beyond the control of the company. These uncertainties and factors could cause actual results of the company to differ materially from those expressed or implied in the forward-looking statements contained in the foregoing discussion. Such uncertainties and factors include: the ability to successfully integrate the acquisition of Vacuumschmelze GmbH & Co. KG; the recent natural disasters in Japan and disruptions to the business environment in that country; the operation of our critical business facilities without interruption; the effect of non-currency risks of investing and conducting operations in foreign countries, including political, social, economic and regulatory factors; the availability of competitively priced supplies of raw materials, particularly cobalt; the speed and sustainability of price changes in cobalt; the potential for lower of cost or market write-downs of the carrying value of inventory necessitated by decreases in the market price of cobalt or the selling prices of the company's finished products; the direction and pace of our strategic transformation, including identification of and the ability to finance potential acquisitions; the potential impact that a deterioration in global economic and financial market conditions may have on our business and operations, including future goodwill impairments; the impact on pension accounting if actual results differ from actuarial assumptions; the effect of changes in domestic or international tax laws; the effect of fluctuations in currency exchange rates on the company's international operations; the demand for metal-based specialty chemicals and products in the company's markets; the impact of environmental regulations on our operating facilities and the impact of new or changes to current environmental, health and safety laws on our products and their use by our customers; the general level of global economic activity and demand for the company's products; and the finalization of the company's financial statements for the quarter ended June 30, 2011.