

## Guilt-free indulgence: Evonik launches low-calorie sugar substitute in Asia

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- Demand for low-calorie foods is growing in Asia
- Evonik and Rajburi Sugar open first Asian demonstration plant for sugar substitute isomalt
- The facility employs a high-yield production process developed by Evonik

**Essen, Germany/Bangkok, Thailand.** All the sweetness of sugar, but just half the calories: isomalt is a versatile substitute used in candies, chewing gum and other products. It is also suitable for diabetics. A joint venture between Evonik Industries and Thai company Rajburi Sugar, will be the first enterprise to manufacture isomalt in Asia. To this end, the partners have officially opened a demonstration plant in Ratchaburi (Thailand). The facility will employ a special, high-yield production process developed and patented by Evonik. Total investment is in the low single-digit million euro range.

As Christian Kullmann, Deputy Chairman of the Evonik Executive Board, explained at the commissioning ceremony: "Southeast Asia is an important growth market for Evonik. We aim to develop new markets with innovative products and solutions that truly benefit people. We are the first to manufacture the sugar substitute locally, and I am confident that we have a product with considerable potential."

Dr. Sunthorn Arunanondchai, president and CEO of C.P. Land and chairman of Rajburi Sugar, said, "I am very pleased that Evonik, as one of the world's largest specialty chemical companies, will produce the sugar substitute isomalt together with Rajburi Sugar in Asia. The joint venture pools our competencies. We supply the raw material and will put all of our effort into marketing the product locally, while the innovative power of Evonik made the new demonstration plant possible in the first place." Rajburi Sugar is one

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of the key manufacturers of sugar in Thailand and for the entire region, and is increasingly engaged in producing low-calorie alternatives.

Demand for sugar substitutes is high in Asia, and incidence of diabetes and obesity is growing. Nearly one in ten Asians now suffers from type-2 diabetes, the most common form of the disease. Recent studies suggest this could double in the next 25 years. Consequently, there is a growing need for low-calorie foods, and confectionary manufacturers are increasingly turning to sugar-free products.

In contrast to other sugar substitutes, isomalt absorbs virtually no moisture from ambient air. Since it does not clump during manufacturing, or as an end product, sweets and other treats do not stick together – and therefore do not need to be packaged individually. Moreover, they fulfill consumers' high expectations in terms of aesthetics and health. Isomalt is tooth-friendly and only has limited bioavailability, translating into fewer calories – and less guilt when being indulgent.

Against this background, researchers at Creavis, Evonik's strategic innovation unit, have linked up with process technology specialists to streamline the conventional isomalt production process. The new method comprises fewer steps, and employs biotechnology to raise the isomalt yield. Dr. Ulrich Küsthardt, Chief Innovation Officer at Evonik, emphasizes: "The new approach is the result of our ability to innovate and collaborate. Creavis initiated a successful project – that required the unit to work closely with experts from Evonik's operational segments and our Thai partner. The new demonstration plant is a further stepping stone towards establishing a new line of business based on advanced food ingredients."

The activities of Advanced Food Ingredients focus on natural food ingredients with scientifically proven health benefits, and on formulation technologies for targeted drug delivery. The latter

ensure that active pharmaceutical ingredients (APIs) are taken up at the right location within the human body, at the right time. By leveraging its expertise in this field, Evonik can offer its customers solutions for high-quality dietary supplements and functional foods that ensure competitive differentiation.

The isomalt manufactured at the plant in Ratchaburi will be marketed in Southeast Asia by Evonik's Pharma & Food Ingredients Product Line and Rajburi Sugar under the brand name Risumalt® – and primarily for use in food and dietary supplements.

#### **About Rajburi Sugar**

Rajburi Sugar Co., Ltd. (RSC) has been manufacturing raw sugar, white sugar, refined sugar in the West of Thailand for exports and domestic market since 1985, under "BEE BRAND". Since established, RSC has strived to manufacture the best quality products through the most efficient systems and methods. With its interest firmly in sugar, RSC has expanded its production to cover new sweeteners in order to satisfy the ever changing and more complex consumer needs.

#### **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 with more than 35,000 employees. In fiscal 2016 the enterprise generated sales of around €12.7 billion and an operating profit (adjusted EBITDA) of about €2.165 billion.

Evonik Industries has been producing specialty chemical products in the Greater China region (Mainland China, Hong Kong and Taiwan) since the late 1970's; with wide-ranging trading relations already in place prior to this in the region. Evonik regards Greater China as one of the driving forces of the global economy and we consequently endeavor to grow our business in the region. The company now has around 3,000 employees in the Greater China region, the regional sales reached about €1.3 billion in 2016.

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