

**Coming to Shanghai, Serving Asia Pacific
Evonik breaks ground on new organics production facility for
personal care & home care market**

- Evonik is building a new organics production facility in Shanghai, China
- Innovative, customer-oriented, sustainable and quality driven

Evonik Industries broke ground to mark the official start of the construction for the upper two digit million euro investment in Shanghai, China on **March 20, 2012**. The ceremony was attended by more than 200 guests including government officials, regional and global contacts of Evonik's key customers, strategic partners, as well as management and employees of the company.

At the groundbreaking ceremony, Klaus Engel, Chairman of Evonik Executive Board, emphasized that, "with our decision to build this new organics production facility in Shanghai, we want to further develop our market position and fulfil our commitment to China. This investment is in line with our priority to expand our business in the emerging markets."

The detail engineering of the new organics production facility is already completed and the plant is expected to be operational in 2013. It will supply innovative ingredients and specialty surfactants based on renewable raw materials for the personal care, household care and industrial specialties industry. It will primarily serve markets in China and Asia Pacific, with an annual capacity of 80 kt. The new production plant will be built on 33, 000 sqm plot of land at Evonik's Multi-User-Site (MUSC) in Shanghai Chemical Industry Park (SCIP). It is conveniently located in the Yangtze River Delta Economic Zone.

"Today's groundbreaking ceremony is to proudly recognize the considerable investment of Evonik in China. The new investment will bring the latest technology and ensure consistent high quality raw materials which meet local requirements as well as international standards. By building the new organics production facility here in Shanghai, we are well prepared to support and serve the Asia Pacific market. Consequently, we want to boost our competitiveness and strengthen our position as specialty ingredients supplier not only in Asia

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Cathy Ho

Communications

Tel +86 21 6119-1296

Fax +86 21 6119-1116

cathy.ho@evonik.com

Shona Liu

Communications

Tel +86 21 6119-1000

Fax +86 21 6119-1605

shona.liu@evonik.com

Evonik Industries AG

Rellinghauser Strasse 1-11

45128 Essen

Germany

Phone +49 201 177-01

Fax +49 201 177-3475

www.evonik.com

Chairman of the Supervisory Board

Wilhelm Bonse-Geuking

Executive Board

Dr. Klaus Engel, Chairman

Dr. Wolfgang Colberg,

Dr. Thomas Haeberle, Thomas Wessel,

Patrik Wohlhauser, Dr. Dahai Yu

Registered Office: Essen

Register Court: Essen Local Court

Commercial Registry B 19474

VAT ID no. DE 811160003

but also globally.” Claus Rettig, President of the Business Unit Consumer Specialties, stated.

With the responsibility for the environment and to Shanghai, Evonik’s new organics production facility is also setting environmental standards. MUSC a wholly-owned Evonik site follows all Shanghai, China and Evonik standards and laws. In addition, the site is regularly audited and certified (ISO 9001, 14001 & OSHA 18001). Evonik will implement state-of-the-art environmental protection measures. For example, sophisticated air pollution and waste treatment controls and two-step waste water treatment.

Parallel to the construction of the new production plant, Evonik is expanding its R&D center at its Xinzhuang site in Shanghai, with an investment of 23million €. The expansion includes state-of-the-art laboratories for research and development, application technology, and technical service, with aims to develop product applications and provide technology service for customers throughout China and Asia Pacific.

About Evonik

Evonik, the creative industrial group from Germany, is one of the world leaders in specialty chemicals. Its activities focus on the key megatrends health, nutrition, resource efficiency and globalization. Profitable growth and a sustained increase in the value of the company form the heart of Evonik’s corporate strategy. Evonik benefits specifically from its innovative prowess and integrated technology platforms. Evonik is active in over 100 countries around the world. In fiscal 2011 more than 33,000 employees generated sales of around €14.5 billion and an operating profit (EBITDA) of about €2.8 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 endeavour to grow our business in the region. The company now has around 3,500 employees in the Greater China region, the regional sales reached over 1.2 billion in 2011.

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