

Governor of Chinese Jilin Province visits Evonik

June 16, 2011

- Evonik strengthens its relationship with Jilin Province
- License for Evonik-Uhde HPPO procedure signed

A high-ranking delegation led by Governor Wang Rulin of China's Jilin Province visited Evonik Industries on June 15 and 16 in Essen, Germany. The meeting of the Chinese delegation with Members of the Evonik Executive Board Dr. Klaus Engel and Dr. Dahai Yu served to build and deepen a trusting partnership between Jilin Province and Evonik.

During the two-day meeting, Evonik and representatives of the delegation signed an agreement for a non-exclusive license to build and operate an HPPO (hydrogen peroxide for propylene oxide) plant at the Jilin site in Northeastern China. The license agreement will allow a yet-to-be-established joint venture between Jilin Shenhua and Jilin North Chemical Company (JNCC) to build a facility for the production of 300,000 metric tons of propylene oxide, which will operate on the basis of a process developed by Uhde and Evonik. Propylene oxide is a raw material for polyurethane foams, which are used for building insulation, furniture upholstery, and lightweight motor vehicle construction.

"We're pleased to have gained a partner in Jilin Province for the attractive Chinese market," said Dr. Yu, member of Evonik's Executive Board responsible for China, in his welcome remarks to the 35-person delegation. "Our strength to develop new and innovative technologies is impressively documented by the second successful licensing of the HPPO procedure," added Dr. Engel.

Last year, Evonik posted revenues of over €1 billion in China, Hong Kong and Taiwan (Greater China) where it employs more than 3,500 people. The Group manages its activities in China from Shanghai, where Evonik operates a large R&D center, a production site of its own, and a multi-user site at SCIP (Shanghai Chemical Industry Park). Over the past years, Evonik has invested over €300 million in Shanghai. Additional investments are planned in the form of an oleo chemical shared facility for the production of cosmetic components and a shared isophorone facility for industrial flooring, synthetic leather, or coatings and paint.

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About Evonik

Evonik is the creative industrial group from Germany. In our core business of specialty chemicals, we are a global leader. In addition, it has energy and residential real estate operations. Our performance is shaped by creativity, specialization, reliability and continuous self-renewal. Evonik is active in over 100 countries around the world. In fiscal 2010 more than 34,000 employees generated sales of around €13.3 billion and an operating profit (EBIDA) of about €2.4 billion.

Evonik Industries has been producing specialty chemical products in China since the early 1990's; with wide-ranging trading relations already in place prior to this. The Group now has a total of 18 companies and 15 production sites in the region. Evonik regards China as one of the driving forces of the global economy, and we consequently intend to increase our business in Greater China.

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