

First project house in Taiwan

- Evonik Industries intensifies research in Asia
- Focus on Light & Electronics
- Strategic step aimed at consolidating global position

Evonik Industries is setting up its first project house outside Germany. Light & Electronics, a research and development unit established on April 1, is located in the Hsinchu, Taiwan. The focus of its work is new products and technologies for the photovoltaics, display, LED, and lighting industries. The project house seeks partnerships and joint developments with Taiwanese institutes, and above all, with local electronics companies. This is another strategic step in the consolidation of the Group's global position. "With the new project house, our goal is to move closer to one of the most important electronics markets in the world so that we can tap into the growth opportunities the region offers," explained Patrik Wohlhauser, the member of Evonik's Executive Board responsible for innovation management. "The new site is a further development of our successful project house concept. With this, Evonik is intensifying its focus on business development and customer loyalty and is adapting its innovation processes for customers' innovation cycles, which are becoming progressively shorter."

Fast-growing electronics segments include displays, LEDs, portable communication and information devices such as navigation devices and tablet PCs, as well as photovoltaics. The key Asian regions are China, Japan, Korea, and Taiwan, where a number of important R&D companies in this field have their headquarters. According to the German Institute in Taipei, Taiwan stands out among these countries as the world market leader in such products as notebooks, scanners, monitors, and LCD monitors. Evonik already maintains partnerships with Taiwanese companies through the joint ventures Evonik Forhouse Optical Polymers manufacturing acrylic polymers in Taichung for TFT liquid crystal displays, and Evonik Cristal Materials Corporation, which produces glass lenses for the next generation of LEDs.

Additional contacts will be made and cultivated through the project house. "Electronics and lighting are extremely fast, dynamic markets, whose innovation and product lifecycles are becoming shorter and shorter," says Dr. Michael Cölle, head of the project house. "The task of this project house is to acquaint ourselves better with customers'

April 19, 2011

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processes and value chains, and consolidate our opportunities in these markets through joint developments.”

In the project houses, Evonik works on medium–risk research topics involving multiple business units; the emphasis is therefore on medium– and long–term success. Project houses run for three years, during which time roughly 15 to 30 employees typically develop new products and technologies in collaboration with cooperation partners and universities. As a rule, the new developments of the project houses are marketed by a business unit or continued through an internal start–up.

Light & Electronics is the ninth project house to be set up by Evonik and its strategic research and development unit Creavis Technologies & Innovation. The company’s long–term strategic goal is to make the project house the nucleus of another R&D competence center for the Group in Asia.

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 to around €2 billion in 2015.

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