

## High-ranking Chinese delegation visits Evonik

April 15, 2011

China's Yu Zheng Sheng, party chief for the City of Shanghai and member of the Politbureau of the Communist Party's Central Committee, visited Evonik Industries in Essen today as part of a delegation of 30. The meeting between Evonik's CEO Dr. Klaus Engel and his Executive Board colleague Dr. Dahai Yu and the Chinese delegation with him was marked by the spirit of long-standing trusting relations.

**Cathy Ho**  
Communications  
Tel +86 21 6119-1296  
Fax +86 21 6119-1116  
cathy.ho@evonik.com

"Evonik and the City of Shanghai share a long-standing relationship spanning more than 80 years. I've felt very much welcomed here in Essen, and our delegation has enjoyed a truly honorable reception," said Yu Zheng Sheng. "Germany and China look back on a long history as trading partners. We're delighted to see a corporation of Evonik's status making major investments in our country," added Wu Hongbo, the People's Republic of China's Ambassador to Germany.

**Shona Liu**  
Communications  
Tel +86 21 6119-1000  
Fax +86 21 6119-1605  
shona.liu@evonik.com

Evonik CEO Dr. Engel underscored how important China is for Evonik's growth strategy. "Our investments see us accompanying the growth experienced by our key customers and markets in Asia through local production," he said. "Shanghai is an important site for Evonik. We profit from the infrastructure of the Shanghai Chemical Industry Park (the SCIP) and its proximity to the production facilities that are run by our customers," added Dahai Yu, Evonik's Executive Board member in charge of operations in China. Evonik's most recent start-up at the SCIP was in the fall of 2009, when a plant for manufacturing plastics and intermediate plastics products went onstream. The Evonik Group had invested €250 million in this plant.

To demonstrate just how important this trip to Essen was, Dr. Günther Horsetzky, Undersecretary in the State of North Rhine-Westphalia's Ministry of Economics, Energy, Construction, Housing and Transport, accompanied the delegation. Horsetzky, too, showed himself to be impressed by Evonik's innovative capacity.

In the past year, Evonik achieved revenue in excess of €1 billion in China, where it employs a workforce of about 4,000. Evonik manages its activities in China from Shanghai as its administrative headquarters. It operates a large R&D center, its own production site as well as a multi-user site at the SCIP. Evonik has invested more than €300 million here

over the last few years. Further investments are slated for an integrated oleochemical facility that is to produce ingredients used in cosmetics and for a combined isophorone production facility for industrial flooring, for example, imitation leather or paints and coatings.

#### **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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