

Evonik Breaks Ground for its North China Multi-User-Site

September 20, 2010

September 20, 2010, Evonik Industries held today the signing ceremony for its North China multi-user-site (Northern MUSC) in Liaoyang National Aromatic and Fine Chemical High-Tech Industrialization Zone (hereinafter the Aromatic Site, LAS), one of the country's largest petrochemical sites. This is the second multi-user-site of Evonik in China, with the first one established in the Shanghai Chemical Industry Park (SCIP) in 2004.

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Today Evonik already operates four production sites in the northeastern region of China, one of the country's most important industrial production bases. "The establishment of the Northern MUSC is a new milestone of our business in China. We believe the new site will provide our future investment projects state-of-the-art infrastructure with optimized costs, supply base and management," said Dr. Yu, President of Greater China region. "On the other hand, Evonik will contribute to the economy development of the Liaoning Province, as well as our experience and expertise in running advanced chemical operations globally and in China."

With the signing of establishing Evonik Northern MUSC, Evonik Tianda (Liaoyang) Chemical Additive Co., Ltd., a joint venture between Evonik Degussa China and Tianda Electrical Company, is moving into Evonik Northern MUSC as the first project there. The joint venture produces the triacetoneamine derivatives (TAA derivatives), of which demand has kept rising for several years. "This investment will strengthen our position as a leading manufacturer of TAA derivatives in the Chinese market and we are proud being the first business unit entering the new MUSC." Mr. Jan Van den Bergh, Global President of Industrial Chemicals Business Unit emphasized. Evonik is the world's leading suppliers of TAA derivatives. These are essential intermediates for the production of hindered amine light stabilizers (H.A.L.S.). The stabilizers improve the properties of plastics that are subject to intensive light radiation. The main applications are in the automotive and construction industries as well as agricultural films. At the new site, Evonik Tianda will also produce SiyPro, an important polymerisation inhibitor for butadiene, styrene and ethylene production.

Evonik's chemicals business can trace its roots in the Greater China region to a range of trading relations stretching back to the opening of an office in Shanghai in the 1930s. Evonik has 20 companies and 16 production locations in the region, with 4,000 employees generating consolidated sales of over €856 million in 2009. At the MUSC at Shanghai Chemical Industry Park, we operate production plants for specialty polymers and high-quality system solutions for the Chinese coatings industry. Invested around €250 million, the large integrated production complex for specialty polymers (methacrylates and polymethylmethacrylates/PMMA) at this site has come into full service in November 2009. "With the new Northern MUSC site, Evonik is underlining the strategic importance of the Greater China region and continues its string of extensive investments," said Dr. Dahai Yu.

About Evonik

Evonik Industries is the creative industrial group from Germany. In our core business of specialty chemicals, we are a global leader. In addition, Evonik is an expert in power generation from hard coal and renewable energies, and one of the largest private residential real estate companies in Germany. Our company's performance is shaped by creativity, specialization, continuous self-renewal, and reliability. Evonik is active in over 100 countries around the world. In its fiscal year 2009 about 39,000 employees generated sales of about €13.1 billion and an operating profit (EBITDA) of about €2.0 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 20 companies and 16 production sites in the Greater China 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 the medium term.

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