

## Evonik Launches Integrated Methyl Methacrylate Production Facility in Shanghai, China

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- Investment of €250 million makes Evonik the largest supplier of specialty methacrylates in China
- Evonik currently the only company to offer all essential methacrylates from a single source on China's fast-growing market
- Expected global market growth of 5 percent annually
- Even on the background of global economy downturn, this world-scale facility completed on schedule and without a single lost time accident

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Following a construction period of just two years, Evonik Industries has successfully started up its integrated Methyl Methacrylate production facility in the Shanghai Chemical Industry Park (SCIP). "We have fully completed this €250 million project, which represents the second largest investment ever in the Chemicals Business Area. We are continuing to focus on what will be the largest and fastest growing market in the world. Evonik is the only company in this region to offer virtually all the specialty methacrylates from a single source," said Dr. Klaus Engel, chairman of the Executive Board of Evonik Industries AG.

The world-scale complex has an annual capacity of about 100,000 metric tons of MMA and also includes production plants for methacrylic acid, butyl methacrylate, hydroxy esters, specialty monomers, polymethyl methacrylate (PMMA) molding compounds, and thermoplastic methacrylate resins. There will be 300 Evonik employees working at the site in Shanghai. Evonik now has integrated MMA production sites in the U.S., Europe, and China.

The global market for MMA products is growing by about 5 percent annually. The main driver of this growth is the Asian market, where MMA derivatives are used mainly for LCD screens and in the construction and automotive industries. Investing in China strategically is the right way to go. Here, in the midst of the world's largest market, the new facility meets Evonik's claim of developing high-grade products in a customer-oriented manner as well as producing for local markets.

“With the MATCH (Methacrylates To China) project, we have implemented a unique integrated production concept with the optimization the use of production facilities, raw materials and technology leadership of Evonik and SCIP, which is in favor of environment protection and sustainable development,” says Patrik Wohlhauser, Chairman of the Management Board of Evonik Degussa GmbH.

Over the next few years, Evonik expects steady growth for methacrylates and PMMA molding compounds. Among the most important drivers here is the energy efficiency megatrend. “With our products we offer a number of solutions for the solar industry, for example, and for weight reduction in the automotive industry. Our materials are also increasingly finding application in construction and architecture, and in noise barriers,” said Gregor Hetzke, head of Evonik's Performance Polymers Business Unit. For example, in the booming electronics market, Evonik's PLEXIGLAS® molding compounds are making a key contribution to the new generation of LED flat screens. In the area of paints and coatings, the company has developed in its VISIOMER® monomers important products for waterborne, solvent-free formulations that are environmentally friendly—an important future consideration in China.

#### **About Evonik**

Evonik Industries is the creative industrial group from Germany which operates in three business areas: Chemicals, Energy and Real Estate. Evonik is a global leader in specialty chemicals, an expert in power generation from hard coal and renewable energies, and one of the largest private residential real estate companies in Germany. Our strengths are creativity, specialization, continuous self-renewal, and reliability. Evonik is active in over 100 countries around the world. In its fiscal year 2008 about 41,000 employees generated sales of about €15.9 billion and an operating profit (EBITDA) of about €2.2 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 region. In fiscal year 2008, 4,000 employees generated sales of over €820 million. 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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