

Significant Capacity Expansion for Evonik Industries' Precipitated Silicas

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- Production capacity to grow 25% over next few years
- Focus on Asia and Europe
- New products to be launched on the market shortly

Cathy Ho
Communications
Tel +86 21 6119-1000
Fax +86 21 6119-1605
cathy.ho@evonik.com

Evonik Industries is planning to significantly increase its silica (precipitated silicic acids) production capacity over the next four years. "By 2014 we will have gradually expanded global capacity at our existing plants by 25 percent, thus securing supply for our global customers," says Klaus Engel, chairman of the Executive Board of Evonik Industries. Investments to ensure this increase in production capacity will be in the mid double-digit million euro range. Total capacity expansion is expected to be in the six-digit metric ton region and will be implemented mainly at Evonik's existing silica sites in Asia and Europe. In May 2010 Evonik had announced capacity expansion for precipitated silicas at its subsidiary INSILCO Ltd. in Gajraula, India.

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

These expansion plans back the Group's commitment to accompany its customers' growth as a strategic partner. "Evonik is the market leader in precipitated silicas. The market is expected to grow substantially over the next few years. Through our capacity expansion, we plan to satisfy the increasing demand and to achieve further growth along with the market," explains Thomas Hermann, head of Inorganic Materials, the business unit covering silicas and other specialty chemicals. The move also enables Evonik to continue ensuring the availability of its precipitated silicas in all regions.

Evonik's already strong market position is further reinforced by product innovations: the specialty silicas SIPERNAT®288 and SIPERNAT®268 are designed for highly transparent silicone rubber applications, such as keypads for cell phones, computers, and remote controls. Other products for the tire industry and life science applications are being launched on the Asian market as well.

The application possibilities for precipitated silicas are diverse and manifold. Silica, along with organosilane, is a crucial component in low-rolling resistance tires. Silicas are also used as carriers and free flow agents in the food and animal feed industries, and serve as additives in

the paints and coatings industries, or even as abrasives in toothpaste. Evonik produces precipitated silica at 10 sites in 8 countries around the world.

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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