

Evonik continues to expand its activities in South America

- Three new production plants in the attractive growth markets of Brazil and Argentina
- Investments in the amount of altogether nearly €200 million
- Growth in sales planned of up to more than € one billion in South America by 2016

Evonik Industries is investing around €200 million in South America for the construction of three new plants: by 2014, new production capacities for raw materials for cosmetics, feed amino acids and catalysts to produce biodiesel will go on stream. "South America and Brazil, in particular, comprise an attractive growth market for Evonik. Our objective is to surpass the one-billion-€ level with regard to sales in 2016," Patrik Wohlhauser, member of Evonik's Executive Board and responsible for the South American region, recently said in Brazil. In 2011, Evonik achieved a turnover of around €650 million in the region. "The investments are a clear testimony to our commitment in South America and an element of our strategy to enable us to play a role in the region's growth. Thanks to the new production capacities, we can also support our customers' growth, and serve the local and regional market even better, too."

Evonik is building a new production plant for raw materials for cosmetics in Americana, Brazil. With an annual capacity up to 50,000 metric tons, the plant will manufacture a broad spectrum of oleochemical specialty surfactants for the cosmetics and consumer goods industry by 2014. The investment volume is in the mid double-digit € million range. Evonik will create around 80 new jobs in the region. "We aim to position our important technological platform in the oleochemical specialty surfactants sector on a global scale. The investment in Shanghai, China, which got under way in 2011, marked a first step. We're gaining a foothold in another growth market thanks to the investment in Brazil," explained Wohlhauser. The plant's entire production capacity is geared toward a wide array of products, which enables Evonik to offer the local customers a broad-scale portfolio.

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These include ingredients for cosmetic products, esterquats for laundry fabric softeners and specialty surfactants for industrial applications. Evonik already supplies customers in the region through its own service and logistical center in Guarulhos, Brazil. These activities should be stepped up further tomorrow, too.

The second new plant will also be set up in Brazil: Evonik is building a facility in Castro for the biotechnological production of Biolys® (a source of L-lysine). The plant will be constructed at the site owned by US-based Cargill. Evonik already collaborates in a partnership-driven way with this company in Blair, U.S., to manufacture Biolys®. Both companies signed a corresponding letter of intent on June 15, 2012, according to which Cargill will provide the infrastructure at the facility and supply Evonik with raw materials produced on site. The new plant will go live in 2014. Biolys® is an extremely efficient source for the amino acid L-lysine and it is deployed in state-of-the-art animal nutrition as a feed additive.

Patrik Wohlhauser: "For Evonik, biotechnology opens up — just as we deploy it here in Brazil to produce Biolys® — interesting opportunities for profitable growth in diverse business segments, and the intensified alignment of our growth strategy to a sustainable development in the future. Mid-term, we aim to harness revenue in the amount of € one billion in the Health & Nutrition Business Unit alone with biotechnologically manufactured products." By 2014, Evonik will invest close to €350 million in the expansion of the business with the fermentatively produced feed amino acid Biolys®. This also entails the construction of this new plant for Biolys® in Brazil as well as a facility in Russia with annual capacity totaling around 200,000 metric tons. In addition, this also includes the expansion of the production in Blair, U.S., up to 280,000 metric tons each year, which Evonik has just completed.

Construction of the third plant is now under way at the heart of Argentina's biodiesel industry in Puerto General San Martin. Evonik is building a facility here to produce catalysts for the manufacturing of biodiesel. Detailed planning is now finalized; the shell construction and tanks are already in place. Following completion of the plant, which is scheduled for mid-2013, it will supply ready-to-use alcoholates as catalysts for the production of

biodiesel from renewable raw materials. In the future, especially Argentina and Brazil will be supplied from this location. The production's annual capacity will amount to more than 60,000 metric tons. "As a leading provider of catalysts for the production of biodiesel, we aim to further strengthen and expand our position," said Wohlhauser.

Evonik has been active in the South and Central American region for over 50 years now. Since 1978, Evonik produces hydrogen peroxide in Barra do Riacho. Evonik has approximately 300 employees in this region.

Company information

Evonik, the creative industrial group from Germany, is one of the world leaders in specialty chemicals. Its activities focus on the key megatrends health, nutrition, resource efficiency and globalization. Profitable growth and a sustained increase in the value of the company form the heart of Evonik's corporate strategy. Evonik benefits specifically from its innovative prowess and integrated technology platforms.

Evonik is active in over 100 countries around the world. In fiscal 2011 more than 33,000 employees generated sales of around €14.5 billion and an operating profit (adjusted EBITDA) of about €2.8 billion.

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