

Evonik Acquires Remaining Shares of Chinese Degussa Lynchem Strengthening of Exclusive Synthesis Business

March 6, 2008

Evonik Industries AG has acquired the remaining 49 percent of its former joint venture Degussa Lynchem Co. Ltd., Dalian, China, from the Chinese shareholders Yuncai Wang and Jingkun Wang. By this transaction Degussa Lynchem has become a wholly owned subsidiary of Evonik. The shares are held through Evonik Degussa China Co. Ltd. Financial details of the acquisition have not been disclosed. The transaction is subject to the approval of government authorities, which is expected to be received by end of March.

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The joint venture between Evonik and its Chinese partners was established in 2006 by the purchase of a 51 percent stake in Lynchem Co. Ltd. in Dalian, China.

“In taking over the remaining shares, we are strengthening our global Exclusive Synthesis business and further expanding it in line with our successful concept of horizontal integration,” says Dr. Alfred Oberholz, member of the Executive Board of Evonik Industries AG with responsibility for the Chemicals Business Area.

Evonik is the first European supplier to have implemented the concept of horizontal integration in exclusive synthesis. This allows for intermediates and starting materials, as well as active ingredients that are not patent protected, to be produced at competitive cost in China. At its European sites, Evonik concentrates on refined intermediates and patent-protected active ingredients. At the same time, customers benefit from Evonik’s technology portfolio at its European sites, and from its long experience in governmental and patent law regulations regarding the manufacturing of patent-protected intermediates and active ingredients.

Evonik’s Exclusive Synthesis Business Line concentrates on customer-specific production of pharmaceutical intermediates, active ingredients, and fine chemicals with stringent quality requirements. With its worldwide production and research network, the business line offers a

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Wilhelm Bonse-Geuking

Management Board

Dr. Werner Müller, Chairman

Dr. Klaus Engel, Dr. Alfred Oberholz,

Dr. Peter Schörner, Dr. Alfred Tacke,

Heinz-Joachim Wagner, Ulrich Weber

Registered Office: Essen

Local Court: Essen

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comprehensive service, ranging from synthesis development on the laboratory scale to commercial production in FDA-certified facilities (FDA = Food and Drug Administration, USA). The Exclusive Synthesis Business Line is part of the Health and Nutrition Business Unit.

Company information

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 2006 more than 43,000 employees generated sales of about Euro14.8 billion and an operating profit (EBIT) of over Euro 1.2 billion.

Disclaimer

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