

Evonik Industries Strengthens Its Position in Lithium-Ion Technology: Acquisition of Shares in Battery Component Manufacturer Li-Tec

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- 20-percent stake in Li-Tec agreed
- Starting mass production of battery components
- Up to 1,000 new jobs in the battery industry possible

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Evonik Industries AG signed an agreement last week to acquire a 20-percent stake in Li-Tec Vermögensverwaltungs GmbH & Co. KG in Kamenz near Dresden, Germany. Dr. Alfred Oberholz, Member of the Management Board of Evonik: "This acquisition expresses our ongoing commitment to lithium-ion technology. Evonik took an early position in this highly promising growth market, and has a wealth of expertise in battery components for high-performance storage systems."

Oberholz: "According to forecasts, the market for lithium-ion battery materials will grow from its current size of about Euro 1.4 billion to Euro 4 billion by the year 2015. The market for batteries itself is expected to comprise over Euro 10 billion in the next decade. As of now, we've invested Euro 50 million in the development and marketing of battery components, as well as in the construction of pilot and production plants." Evonik Industries has already created about 100 jobs with this technology in Germany. If the actual growth is anywhere near the forecasts, the number of jobs in this industry will increase tenfold.

With its participation in Li-Tec, Evonik is now starting mass production of battery components. "The goal of the new strategic partnership between Evonik and Li-Tec is to establish and develop this key energy technology for mobile and stationary applications in Germany," says Dr. Andreas Gutsch, General Manager of the Li-Tec Group in Kamenz as of August 1, 2007. Previously, Gutsch headed Creavis Technologies & Innovation, the unit in which the chemicals business area bundles its strategic research.

Evonik has developed innovative materials for use in high-performance storage systems under the trademarks SEPARION® and LITARION™. The innovative ceramic separator SEPARION® is heat-resistant, and more

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physically and chemically stable than conventional separators. Evonik produces anodes and cathodes under the trademark LITARION™. In January 2006, Evonik and its wholly owned subsidiary Litarion GmbH began construction of an electrode production plant for large-volume lithium-ion batteries at the Li-Tec site in Kamenz. The plant's annual production capacity meets the demand for about 30,000 batteries for hybrid vehicles. Li-Tec uses the two battery components SEPARION® and LITARION™ to manufacture lithium-ion cells, which are processed into batteries and used in hybrid drives for environmentally friendly cars, for example.

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 Euro 14.8 billion and an operating profit (EBIT) of over Euro 1.2 billion.

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