Press release

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Evonik is planning a new methionine plant in Singapore

- Total capacity to be raised to 580,000 metric tons DL-methionine p.a.
- Significant strengthening of market leadership
- Asia is seen as the fastest growing methionine market
- Backward integration to secure access to raw materials

Evonik Industries intends to build a new production complex for the amino acid DL-methionine for animal feeds in Singapore. This vertically integrated complex will produce DL-methionine and all strategically important intermediates. The integrated production complex with a capacity of 150,000 metric tons p.a. is expected to come on stream in 2014. Evonik is already today the global market leader in methionine and the new facility will raise its total production capacity for this product to 580,000 metric tons p.a. Evonik's Executive Board has now approved the conceptual and basic engineering for Singapore's petrochemicals site Jurong Island. The approval of the Supervisory Board is still pending.

"Methionine is an Evonik core business. The market is growing steadily and has proven very robust, even in the economic crisis. The planned new facility in Asia, which will be the most important market in the future, is designed to strengthen our market leadership," explained Klaus Engel, Chairman of the Executive Board of Evonik Industries AG, commenting on the approval of the engineering budget. The final investment sum will be in the mid triple-digit millions range and still has to be approved by the Supervisory Board.

"The facility in Singapore is the next step in the creation of Evonik's global production network for methionine," comments Dr. Reiner Beste, who heads the Health & Nutrition Business Unit. "We will then have a presence in all major regions — Europe, the USA, Latin America and Asia — and will be able to supply our customers in the feed industry directly from local production facilities." Evonik currently produces this amino acid at four plants in Wesseling (Germany), Mobile (USA) and Antwerp (Belgium). In response to the robust development of demand, the present facilities are being expanded successively to raise total capacity to 430,000 metric tons p.a. by 2013.

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Backward integration to include critical intermediates is a major advantage: “It means we can maximize delivery reliability and competitiveness for our customers. That is shown by the experience at our other sites, which also have a high degree of backward integration.” Moreover, the facility in Singapore will be the most advanced of its kind. “Our success as market leader is built to a large extent on our technological edge,” says Beste. “The new complex in Singapore will be further proof of that.”

Preparations for the new complex are already advanced. “That is attributable to the excellent support we have received from the authorities and our partners in Singapore,” stresses Beste. That, together with the excellent access to petrochemical raw materials in Singapore, was the main reason for the choice of site.

DL-methionine is an essential amino acid for healthy and environmentally-sustainable nutrition of farm animals, especially pigs and poultry. Demand for methionine has risen continuously in recent years. This is partly because increasing prosperity in populous emerging markets such as China is changing consumption patterns and increasing demand for meat. The FAO forecasts that global consumption of meat will rise from 37.4 kg per person per year at present to 52 kg by 2050. At the same time, growing health awareness in the more affluent countries is leading to an above-average rise in consumption of low-fat poultry compared with other types of meat. Other growth drivers for amino acids are innovations in the field of animal nutrition. New feeding concepts that ensure more balanced animal nutrition while optimizing the use of resources and environmental impact are gaining ground. Evonik can demonstrate the sustainability benefits of such concepts through a lifecycle analysis that has now been validated by TÜV Rheinland.

Evonik is the only company in the world that produces and markets all four essential amino acids used in advanced animal nutrition: DL-methionine, Biolys® (L-lysine), L-threonine and L-tryptophan. The company markets innovative products and services in more than one hundred countries and thus makes a valuable contribution to the cost-efficiency of its customers and to healthy and environment-friendly animal nutrition.

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.

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