

## Evonik to build isophorone plants in Shanghai

- Investment volume of more than €100 million
- Market and technology positions to be further consolidated
- Start-up planned for Q1 2014

In Shanghai, China, Evonik Industries will build world-scale plants for producing isophorone and isophorone diamine. The Group is investing more than €100 million in the plants, which are scheduled to go onstream in the first quarter of 2014. Construction work on the multi-user site China (MUSC), Evonik's production site in Shanghai, will begin in early 2012. Isophorone is used in applications like paints and printing inks, while its derivative, isophorone diamine, is used as a hardener in epoxy based formulations, e.g. for composite materials, such as those used in wind turbines.

"The investment shall further consolidate our strong market and technology positions in isophorone chemistry," says Dr. Thomas Haeberle, the Evonik Executive Board member responsible for the Resource Efficiency segment. Evonik expects to see strong growth in demand for raw materials used in the paint, coating, and construction industries, for automotive applications and for high performance composite materials—especially in Asia. This growth will also be driven particularly by the increasing demand for wind turbines.

For the specialty chemicals company, which claims to be the world leader in isophorone chemistry, the plants in Shanghai will be the first for isophorone and isophorone diamine in Asia. "By establishing the production platform in China we want to support the long-term growth ambitions of our customers in the Asia region," explains Dr. Ulrich Küsthardt, head of the Coatings & Additives Business Unit. "This strategic positioning will allow us to plan capacities even more efficiently."

Evonik currently manufactures isophorone chemistry products in Mobile, Alabama, USA, as well as in Marl and Herne, Germany. The

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Group has more than 40 years experience and is a pioneer in isophorone chemistry.

Isophorone, isophorone diamine, isophorone diisocyanate, and their derivatives are important components in the production of industrial flooring, artificial leather, paints and coatings, for example. They are also used in the growth area of high-performance composite materials and in chemical synthesis. Evonik distributes the products worldwide under the trademarks of VESTAMIN®, VESTANAT®, VESTAGON®, and VESTASOL®.

#### **About Evonik**

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. In 2010 about 80 percent of the Group's chemicals sales came from activities where it ranks among the market leaders. Evonik benefits specifically from its innovative prowess and integrated technology platforms.

Evonik is active in over 100 countries around the world. In fiscal 2010 more than 34,000 employees generated sales of around €13.3 billion and an operating profit (EBITDA) of about €2.4 billion.

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