

Evonik in Singapore

Singapore is one of Asia's leading industrial and service centers. As a trading hub and major financial center, this city state is extremely attractive to foreign corporations. Its most important industries are electronics, oil refining and shipbuilding. Singapore's port is one of the largest and most modern in the world. Gross domestic product, which was over US\$190 billion at the last count, is expected to decline substantially in 2009 as a result of the crisis on the financial markets and the sharp drop in global trade. Singapore is positioning itself as a knowledge-based high-tech and service base and has special ambitions in the areas of information technology, biotechnology and genetic engineering.

Evonik's Chemicals and Energy Business Areas have a presence in Singapore. The Energy Business Area opened a representative office in Singapore in 2000 to identify, evaluate and develop new power plant projects in the fast-growing Southeast Asian market, especially Indonesia, Malaysia, the Philippines, Thailand and Vietnam. Our focus is on environment-friendly power generation from coal and we are also examining possible investment opportunities in the field of renewable energy sources.

The Chemicals Business Area's activities in Singapore center on our subsidiary RohMax Oil Additives, which is one of the world's leading producers of high-performance lubricant additives and synthetic base oils. These additives, which are marketed under the VISCOPLEX® brand name, are key components in ready-to-use lubricants, for example for the automotive industry. They improve engine performance and help reduce fuel consumption. In summer 2008 we opened a new production plant for high-performance lubricants on Jurong Island. Evonik invested more than €10 million in this facility, which includes a technology center to develop and test new applications for oil additives. This is our first oil additives plant in Asia and complements our four facilities in Europe and North America. Asia is now the fastest growing market in the world for these products and accounts for one-third of the global lubricants market.

The Chemical Business Area's marketing and sales activities and all internal services for the Southeast Asia region are grouped at Evonik Degussa (SEA) Pte. Ltd. in Singapore. In addition, laboratory capacity in Singapore is used to develop products specifically to meet local requirements and to support our technical customer service.

In 2008 Evonik had over 100 employees in Singapore and generated consolidated sales of around €40 million in this city state. In view of the excellent business conditions in Singapore, we see enormous potential for further expansion of our activities in Singapore.