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Evonik joint venture for Biolys® production in Russia on schedule

- Evonik Executive Board approves realization
- New plant with an annual capacity for around 100,000 metric tons of Biolys® to start operation in 2014
- Growing demand for biotechnologically produced L-lysine in Russia

Essen, Germany. Evonik Industries is moving forward with its plans to produce Biolys®, a source of L-lysine for animal nutrition, in the OOO DonBioTech joint venture in Russia. The Evonik Executive Board has approved the realization of the project, based in Volgodonsk in Russia's Rostov region. The DonBioTech joint venture will now go ahead with the construction of a Biolys® manufacturing plant in Volgodonsk. The facility is scheduled to go on stream in 2014 with a capacity of around 100,000 metric tons of Biolys®. Evonik, which is holding a minority share, and the Russian Varshavsky Group are the operative partners in the joint venture. Furthermore, JSC Russian Agricultural Bank is interested in participating in the financing of the project.

The joint venture will predominantly serve the Russian market. "Russia will become an important market for us, given that demand there for amino acids used in animal feed has experienced healthy growth for years," explains Patrik Wohlhauser, the Evonik Industries Executive Board Member in charge of the Consumer, Health & Nutrition segment. "The special biotech-based L-lysine, which Evonik markets under the name of Biolys®, is benefitting from growth in worldwide meat consumption." Biolys® is an extremely effective source of the L-lysine used to optimize animal feed efficiency.

The joint venture in Russia will employ Evonik fermentation technology at its new Biolys® plant. This technology has been significantly improved in recent years to optimize its efficiency and its raw material and energy consumption levels. The plant will use wheat procured from the Rostov region, which the joint venture will process for the Biolys® production. "This has several advantages for us," explains Dr. Walter Pfefferle, who, as the head of the Bioproducts Business Line, is in charge of the Evonik Biolys® business. "For one thing it allows us to safeguard raw material

Oliver Luckenbach
Head of Investor Relations
Phone +49 201 177-3145
Fax +49 201 177-3148
oliver.luckenbach@evonik.com

Evonik Industries AG
Rellinghauser Strasse 1-11
45128 Essen
Germany
www.evonik.com

Chairman of the Supervisory Board
Wilhelm Bonse-Geuking
Executive Board
Dr. Klaus Engel, Chairman
Dr. Wolfgang Colberg,
Dr. Thomas Haerberle, Thomas Wessel,
Patrik Wohlhauser, Dr. Dahai Yu

Registered Office: Essen
Register Court: Essen Local Court
Commercial Registry B 19474
VAT ID no. DE 81116003

supplies, and for another it enables backward integration, so that large parts of the value chain remain in our hands. Another advantage of the Volgodonsk location is the outstanding support we are receiving from the municipal authorities there and from those in the greater Rostov region.” The construction of the 100,000-metric-ton-capacity Biolys® plant represents a first step for Evonik, with further expansion phases slated for the coming years.

Amino acids for animal feed, especially DL-methionine, are a core Evonik business field that is currently in the process of being vigorously expanded. Additional capacities have been established for TrypAMINO® (L-tryptophan) and Biolys® (an L-lysine source) in Europe and the US, while the new DL-methionine plant being built in Singapore, which constitutes the biggest ever investment by Evonik in its chemical operations, sees the group protecting its leading position in the market of these amino acids.

Evonik is the only company in the world to produce and market all four essential amino acids for state-of-the-art animal feed: Biolys® (an L-lysine source), MetAMINO® (DL-methionine), ThreAMINO® (L-threonine) and TrypAMINO® (L-tryptophan). Evonik provides innovative services and products in more than 100 countries around the globe.

Company information

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. Profitable growth and a sustained increase in the value of the company form the heart of the Evonik corporate strategy. Evonik benefits specifically from its innovative prowess and integrated technology platforms.

Evonik is active in more than 100 countries around the world. In fiscal 2011 more than 33,000 employees generated sales of around €14.5 billion and an operating profit (adjusted EBITDA) of about €2.8 billion.

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