

## Evonik invests in the feed amino acid L-lysine in Brazil and Russia

- New production facilities for feed amino acid L-lysine planned in Brazil and Russia
- New Biolys® capacities of approx. 300 000 mt per year
- Expansion at the Blair site in the U.S. expected to be complete by Q3/2012
- Investments of approx. €350 million

Evonik plans to construct new facilities for the biotechnology production of its Biolys® feed additive (source of L-lysine) in the growth markets of South America and Eastern Europe. Work is also underway to expand the production facility at the Blair site in the U.S., with completion expected by the third quarter of this year. Total investment volume will amount to approximately €350 million.

Evonik plans to create new capacities for Biolys® of nearly 200 000 mt per year in Brazil and Russia. While Evonik will produce some 100 000 mt of Biolys® a year as part of the Russian joint venture OOO DonBioTech in Volgodonsk in the Rostov region from 2014, the company is also building a plant at the Castro site owned by the U.S. company Cargill in the Brazilian state of Paraná, which is also expected to become operational by 2014. The advantage of both sites lies in the excellent availability of raw materials. The Russian plant will rely on wheat from the Rostov region and the source material to be used in Brazil will be corn.

“The construction of the new facilities is part of the growth strategy of Evonik,” explains Dr. Klaus Engel, the Chairman of the Executive Board of Evonik Industries. “It is intended to significantly expand our market position and competitive standing for the feed amino acid L-lysine.”

Both new facilities are in line with the mega trends health and nutrition. As the world’s population grows, so does the demand for meat, fish, dairy, and eggs. As a consequence, feed production is increasingly relying on amino acids to supplement feed.

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Evonik is the only company worldwide to produce and market all four essential amino acids for modern animal nutrition, including Biolys® (source of L-lysine), MetAMINO® (DL-methionine), ThreAMINO® (L-threonine) and TrypAMINO® (L-tryptophan). The Group provides innovative services and products in over 100 countries.

Amino acids for animal feed, and particularly MetAMINO® (DL-methionine) are part of the core business of Evonik, which is currently being expanded. The new methionine plant currently under construction in Singapore, which marks the largest chemicals investment of Evonik to date, is intended to secure a leading market position for this amino acid for the Group. At the same time, capacity expansions have been implemented in Europe for TrypAMINO® (L-tryptophan) and it was recently decided to expand the ThreAMINO® site Agroferm (L-threonine).

Biolys®, a biotechnology product made from renewable resources, is globally known as a highly effective source of L-lysine for animal feed, which helps to sustainably reduce cost in feed production and animal breeding. It also benefits the environment: In a life-cycle analysis certified by TÜV Rhineland, Evonik has documented that protein supply in animal feed that is supplemented by Biolys® is a particularly environmentally sound concept for the adequate, healthy nutrition of animals.

### **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 Evonik's corporate strategy. Evonik benefits specifically from its innovative prowess and integrated technology platforms.

Evonik is active in over 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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