

## **Evonik and AkzoNobel establish a production joint venture to construct and operate a facility for the electrolysis of chlorine and potassium hydroxide solution**

Essen, June 16, 2015 Evonik Industries and AkzoNobel establish a joint venture. The aim of the new venture, in which Evonik and AkzoNobel each hold a share of 50 percent, is to construct and jointly operate a membrane electrolysis facility for potassium hydroxide solution and chlorine at AkzoNobel's site in Ibbenbüren (Germany).

The membrane electrolysis facility in Ibbenbüren is to have a nominal annual capacity of approximately 130,000 metric tons of potassium hydroxide solution and a nominal annual capacity of approximately 82,000 metric tons of chlorine. After the startup of production, which is projected for the fourth quarter of 2017, AkzoNobel is to take over the marketing of chlorine and the hydrogen resulting from the electrolysis, or will process the substances directly at the Ibbenbüren site. Evonik will take over the marketing and further processing of potassium hydroxide solution at its Lülldorf (Germany) site, where Evonik processes potassium hydroxide solution into potassium carbonate (potash).

"The new joint venture will enable us to supply our customers with our potassium derivatives reliably in the long term," explains Patrik Wohlhauser, member of Evonik's Executive Board. "At the same time, it means we're making a significant contribution to the environmentally-friendly and sustainable production of potassium derivatives."

"This investment in our chlor-alkali activities will make our business even more sustainable," explained Werner Fuhrmann, AkzoNobel's Executive Committee member responsible for Specialty Chemicals. "Not only will we secure the long-term supply of our customers with chlorine and hydrogen, but our environmental profile and operational efficiency will also further improve, emphasizing our Planet Possible strategy of doing more with less."

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Legislators stipulate that the production of chlorine, potassium hydroxide and sodium hydroxide solutions with the current mercury electrolysis technology must be phased out by 2018. The new membrane electrolysis that is planned will replace this procedure with an environmentally-friendly and sustainable method.

The joint venture is subject to approval from the applicable regulatory authorities.

Evonik is already a European market leader for potassium derivatives as well as a globally leading provider of alkoxides, which also are manufactured by electrolysis in Lülldorf. AkzoNobel is the market leader for industrial salt, merchant chlorine and chloromethanes in Europe, as well as holding a leading position for caustic lye in Europe.

The joint venture will serve to further strengthen the leading market positions of both companies.

#### **Company information**

Evonik, the creative industrial group from Germany, is one of the world leaders in specialty chemicals. Profitable growth and a sustained increase in the value of the company form the heart of Evonik's corporate strategy. Its activities focus on the key megatrends health, nutrition, resource efficiency and globalization. Evonik benefits specifically from its innovative prowess and integrated technology platforms.

Evonik is active in over 100 countries around the world. In fiscal 2014 more than 33,000 employees generated sales of around €12.9 billion and an operating profit (adjusted EBITDA) of about €1.9 billion.

#### **Company information – AkzoNobel**

AkzoNobel is a leading global paints and coatings company and a major producer of specialty chemicals. Calling on centuries of expertise, we supply industries and consumers worldwide with innovative products and sustainable technologies designed to meet the growing demands of our fast-changing planet. Headquartered in Amsterdam, the Netherlands, we have approximately 46,000 people in around 80 countries, while our portfolio includes well-known brands such as Dulux, Sikkens, International, Interpon and Eka. Consistently ranked as one of the leaders in the area of sustainability, we are committed to making life more liveable and our cities more human.

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