

Evonik's new China plant helps fortify production for pharmaceutical industry

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Essen, Germany-based Evonik Industries is broadening its commitment in China: The company has started up a production plant for active pharmaceutical ingredients. It will supply the Chinese market, among others, and has a capacity of 70 cubic meters that can be doubled if required. The plant, in the city of Nanning in Guangxi province, has been set up in collaboration with a European pharmaceutical company for which Evonik will produce various active ingredients under a multi-year supply contract and in compliance with cGMP (current Good Manufacturing Practices), the pharmaceutical industry's chief quality assurance guidelines.

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The plant was erected in just 15 months. "That would not have been possible without the excellent support of the administration of the autonomous province of Guanxi, the city of Nanning, and Wuming district," said Dr. Hans-Josef Ritzert, head of Evonik's Exclusive Synthesis & Amino Acids Business Line, at the official opening ceremony on April 15, attended by customers from all over the world as well as Chinese political figures. Evonik has been active in Nanning since 2001, initially as a partner in a joint venture and since 2005 as the sole owner of this company. Now operating as Evonik Rexim (Nanning) Pharmaceuticals Co. Ltd., the company produces cGMP-compliant amino acids and amino acid derivatives by biotechnological processes. With the new active-ingredient production plant Evonik now has another strong foothold in Nanning.

"The new plant is an expression of our horizontal integration strategy," said Ritzert. The term "horizontal integration" stands for a network of western (Europe, NAFTA) and Asian production sites from which Evonik offers customers tailored and exclusive solutions along the entire value chain of active pharmaceutical ingredients. "With this plant we will further consolidate our position as a high performing partner for exclusive synthesis," added Ritzert.

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To strengthen ties with local authorities and neighbors, the company followed the official startup of the Nanning plant with an open house day. This is already something of a tradition, being the fifth time in

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succession that Evonik has opened one of its Chinese production sites to the public to provide information on its activities and strengthen the Responsible Care initiative.

Evonik's Exclusive Synthesis & Amino Acids Business Line focuses on customized production of active pharmaceutical ingredients and their precursors, and amino acids and their derivatives. The business line forms part of the Health & Nutrition Business Unit, which generated sales of €1.6 billion in 2009. With its global production and research network, the business line offers a comprehensive service, from synthesis development on the laboratory scale to commercial production in FDA-certified plants.

About Evonik

Evonik Industries is the creative industrial group from Germany. In our core business of specialty chemicals, we are a global leader. In addition, Evonik is an expert in power generation from hard coal and renewable energies, and one of the largest private residential real estate companies in Germany. Our company's performance is shaped by creativity, specialization, continuous self-renewal, and reliability.

Evonik is active in over 100 countries around the world. In its fiscal year 2009 about 39,000 employees generated sales of about €13.1 billion and an operating profit (EBITDA) of about €2.0 billion.

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