

Evonik Signs Memorandum of Understanding with Government of Rostov Region

January 21, 2013

Evonik and the government of the Russian Rostov Region used the opportunity of a reception at the Russian embassy in Berlin and the annual International Green Week to reaffirm their cooperation. A corresponding memorandum of understanding was signed in the presence of Ilse Aigner, the German Minister of Agriculture, Nicolai Federov, her Russian counterpart, and Patrik Wohlhauser, member of the Executive Board of Evonik Industries AG. The objective is to establish a facility for the production of Biolys® in Volgodonsk through the joint venture OOO DonBioTech. The operative partners of the joint venture are Evonik Industries AG as a minority shareholder and the Russian Varshavsky Group.

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The joint venture will use Evonik fermentation technology in the new Biolys® plant to produce L-lysine. Biolys® is considered a highly effective source of lysine in animal feed for swine and poultry. The new facility is to become operational in 2014 and will have an annual capacity of approx. 100,000 metric tons of Biolys®. The raw material to be processed by the joint venture will consist of wheat grown in the Rostov Region.

Governor Golubev has contractually guaranteed his full support for the joint venture. Dr. Reiner Beste, head of the Health & Nutrition Business Unit, and Vladimir Kudryashov, the executive director of the OOO DonBioTech joint venture also signed the contract.

“The new Biolys® plant is a windfall for our region and the city of Volgodonsk,” Golubev said. “It will create about 200 professional-level jobs and will add value to wheat as a regional resource. The Biolys® produced in the plant will support efficient and sustainable pork production in Russia and contribute to meeting the demand for meat in Russia.”

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Wohlhauser had an equally positive assessment of the joint venture: “This effort secures the raw material supply, while the backwards integration will cover a larger part of the supply chain. That is essential for positioning Evonik in the important Russian market.” He praised the excellent support for the implementation of the project provided by the city of Volgodonsk and the Rostov Region.

Amino acids for animal feed, and particularly DL-methionine, are part of the core business of Evonik, which is currently undergoing major expansion. Additional capacities for TrypAMINO® (L-tryptophan) and Biolys® (source of L-lysine) have been established in Europe and the U.S. and the new methionine plant currently under construction in Singapore, which marks the largest chemicals investment of Evonik to date, will secure a leading market position for this amino acid for the Group.

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.



Standing in the back from left to right: Thomas Müller, President Region Europe Evonik Industries AG, Patrik Wohlhauser, Member of the Executive Board Evonik Industries AG, Ilse Aigner, German Minister of Agriculture, Nikolai Fedorov, Russian Minister of Agriculture, Vadim Varshavsky, Head of the Varshavsky Group.

Sitting in the front from left to right: Vladimir Kudryashov, Executive Director of the OOO DonBioTech joint venture, Vasily Golubev, Governor of the Rostov region, Dr. Walter Pfefferle, Head of Bioproducts Business Line Evonik Industries AG, Dr. Reiner Beste, Head of Health & Nutrition Business Unit Evonik Industries AG.

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 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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