

Evonik and Boehringer Ingelheim have signed an agreement on the sale of the Resomer® business to Evonik

January 14, 2011

- High growth potential for Evonik's pharmaceuticals business
- A new polymer platform broadening the pharmaceutical excipient business
- Expansion of the technology base

On 22 December, 2010, Evonik Industries and Boehringer Ingelheim Pharma GmbH & Co. KG signed an agreement on the sale of the Resomer® business to Evonik. The completion of the transaction is subject to various conditions and closing is expected early March 2011.

Under the agreement, the entire product portfolio of standard and customized polymers used in the manufacturing of medical devices and pharmaceutical formulations will be transferred to Evonik. Based on lactic and glycolic acids, the Resomer® polymers are fully biodegradable in the body. The addition of this polymer platform and associated application areas will complement the EUDRAGIT® business of Evonik – a leader in functional excipients for oral dosage forms – and will strengthen Evonik's pharmaceuticals market segment in line with its stated strategic intent.

Both companies agreed not to disclose information on the sale price.

“By acquiring the Resomer® business,” said Dr. Klaus Engel, CEO of Evonik Industries AG, “we are strengthening our position as strategic partner and solution provider to the pharmaceutical industry. This affords us the opportunity to service new pharmaceutical application areas and achieve greater value creation and growth.”

“In Evonik, we are convinced that we have found a company that acts responsibly and will succeed in further developing the Resomer® business according to clear strategic objectives,” added Prof. Dr. Wolfram Carius, member of the Board of Managing Directors of Boehringer Ingelheim responsible for Operations.

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Pharmaceutical / medical areas to be expanded

Evonik intends to use the acquisition of the Resomer® pharmaceutical biodegradable polymers to strengthen its position as a formulation solution provider to the industry. Biodegradable polymers are used, for example, in cancer treatment for depot formulations containing peptide active ingredients. These formulations ensure a therapeutic effect for up to six months. The lactic acid polymers are also used in the manufacturing of surgical screws, nails, and plates. The advantage is that these biodegradable devices disintegrate after a defined life span in the body without a negative impact, making further surgery to extract them unnecessary. Additionally, Resomer® polymers make it possible to imbed active pharmaceutical ingredients, such as growth factors or antibiotics to support the healing process.

Entry into a market with high growth momentum

The pharmaceutical industry favors the use of biodegradable polymers for the formulation of innovative drugs based on biotechnological active ingredients. While the growth of the entire pharmaceuticals market stagnated, the biotechnological active ingredients market has shown significant growth. With the new Resomer® platform, the Pharma Polymer Business Line of Evonik is now equipped to enter the dynamic growth market of biotechnological active ingredients.

Evonik's Pharma Polymers Business Line develops, produces, and markets functional polymethacrylates for pharmaceutical formulations. Through its EUDRAGIT® brand in particular, Pharma Polymers has a leading position in the global market of pharmaceutical excipients. The Business Line has production sites in Germany—in the cities of Darmstadt, Weiterstadt, and Worms—and employs some 170 people worldwide. Together with its customers, Pharma Polymers develops new pharmaceutical formulations with improved functions and high therapeutic benefits. With these innovative drug delivery solutions, Evonik improves formulation design for tablets and capsules.

Corporate information

About Evonik

Evonik Industries is the creative industrial group from Germany. We are a global leader in our core business of specialty chemicals. 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.

About Boehringer Ingelheim

The Boehringer Ingelheim group is one of the world's 20 leading pharmaceutical companies. Headquartered in Ingelheim, Germany, it operates globally with 142 affiliates in 50 countries and more than 41,500 employees. Since it was founded in 1885, the family-owned company has been committed for 125 years to researching, developing, manufacturing and marketing novel products of high therapeutic value for human and veterinary medicine.

In 2009, Boehringer Ingelheim posted net sales of 12.7 billion euro while spending 21% of net sales in its largest business segment Prescription Medicines on research and development.

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