

Evonik Industries Celebrates Topping Out Ceremony for New Methacrylates Plant in Shanghai

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- The first milestone in the construction of the €250 million plant in Shanghai Chemical Industry Park (SCIP) has been reached—right on schedule.

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After about nine months of construction, the topping out ceremony for the new integrated production plant for methyl methacrylate (MMA) and methacrylate specialties was celebrated in Shanghai Chemical Industry Park (SCIP) on July 2. At €250 million, this is the company's second-largest investment so far in the Chemicals Business Area. The plant, including all of its subunits, will come onstream in late 2009 and will be one of the world's largest integrated production sites for methacrylates.

The construction of this plant is a milestone for Evonik Industries in more than one way. "For us, this project symbolizes an important element of our global growth strategy," emphasized Dr. Werner Müller, chairman of the Executive Board and CEO of Evonik Industries AG, at the ceremony in Shanghai. "With this production plant, we'll be participating in a highly attractive growth market. And we're also consolidating our position as a leading global producer of methacrylates." Methacrylates from Evonik are used in, for example, the adhesives, coatings, and automotive industries, and in opto-electronics.

Unique integrated production

The integrated methacrylate production facility includes, in addition to an annual capacity of about 100,000 metric tons of MMA, plants for the production of methacrylic acid, butyl methacrylate, specialty methacrylates, and polymethyl methacrylate (PMMA) molding compounds. This provides for an optimized network, unique in the world, for supplying customers. Evonik generates about 18 percent of its global sales in the Chemicals Business Area from the automotive industry alone, which is a very important market for China.

Downstream of the integrated facility, a new production plant for PMMA molding compounds and thermoplastic methacrylate resins is under construction. PMMA molding compounds should be produced as early as

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the end of 2008, followed by methacrylate resins in the second half of 2009. "With this plant we are significantly increasing our worldwide capacities for thermoplastic methacrylate polymers," said Dr. Klaus Engel, member of the Executive Board of Evonik with responsibility for the Chemicals Business Area. At the same time, he pointed out that in thermoplastic methacrylate polymers the Chinese market has the greatest growth potential worldwide. "And our new plant will put us right in the middle of this market."

Evonik's Performance Polymers Business Unit is growing into the largest supplier of specialty polymers in China. The startup of integrated production of PMMA specialties has contributed to this, as have the R&D Center in Shanghai, the PEEK production facility in Changhun, and a polycondensation plant for specialty polyamides in SCIP, which is expected to come onstream before the end of the year.

In focus: the Chinese market

China is of pivotal importance for Evonik and its growth strategy in Asia. The goal is to construct production facilities locally and therefore close to the customer. For this reason the company is planning to expand its multi-user site in China further.

In fiscal 2007, Evonik's 4,200 employees in the China Region (comprising China, Taiwan, and Hong Kong) generated sales of €754 million, representing an approximately 28 percent increase in sales in the region. Evonik plans to achieve sales of the order of €1 billion in the China Region by 2009, for which purpose it is investing about €100 million annually.

With the new production plant for methacrylates, Evonik Industries is continuing its string of extensive investments in China. The Group has been producing specialty chemical products there since the early 1990s, and trade ties have existed even longer. The Group now has nearly 20 companies in China, with production sites in ten cities. The product range includes precipitated silicas, carbon black, rubber silanes, amino acids, polyurethane foam additives, coating polyesters, pigment pastes, colorants, and high-performance plastics.

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Company information

Evonik Industries is the creative industrial group from Germany which operates in three business areas: Chemicals, Energy and Real Estate. Evonik is a global leader in specialty chemicals, an expert in power generation from hard coal and renewable energies, and one of the largest private residential real estate companies in Germany. Our strengths are creativity, specialization, continuous self-renewal, and reliability. Evonik is active in over 100 countries around the world. In its fiscal year 2007 about 43,000 employees generated sales of about €14.4 billion and an operating profit (EBIT) of more than €1.3 billion.

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