Annual financial statements of Evonik Industries AG

for the fiscal year
from January 1 to December 31, 2012

EVONIK INDUSTRIES

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Balance Sheet Evonik Industries AG, Essen

ASSETS

ASSETS	Note	Dec. 31, 2012 € million	Dec. 31, 2011 € million
Intangible assets		3	2
Property, plant and equipment		8	6
Financial assets		8,818	8,813
Non-current assets	2.1	**8,829**	**8,821**
Receivables from affiliated companies		3,175	3,062
Other receivables and other assets		106	94
Receivables and other assets	2.2	**3,281**	**3,156**
Other securities	2.3	**900**	**635**
Cash and cash equivalents	2.4	**421**	**1,192**
Current assets		**4,602**	**4,983**
Prepaid expenses and deferred charges		**2**	**2**
Total assets		**13,433**	**13,806**

EQUITY AND LIABILITIES

EQUITY AND LIABILITIES	Note	Dec. 31, 2012 € million	Dec. 31, 2011 € million
Issued capital	2.5	**466**	**466**
Capital reserve	2.6	**720**	**720**
- statutory reserve		47	47
- other revenue reserves		2,238	2,591
Revenue reserve	2.7	**2,285**	**2,638**
Balance sheet profit		429	425
Equity	2.8	**3,900**	**4,249**
Provisions for pensions and similar obligations		759	780
Provisions for taxes		121	222
Other provisions		863	958
Provisions	2.9	**1,743**	**1,960**
Bonds		750	750
Liabilities to banks		98	111
Advance payments received for orders		6	0
Trade accounts payable		352	336
Liabilities to affiliated companies		6,472	6,315
Other liabilities		111	84
Liabilities	2.10	**7,789**	**7,596**
Deferred income		**1**	**1**
Total equity and liabilities		**13,433**	**13,806**

Income Statement Evonik Industries AG, Essen

for the period January 1 to December 31, 2012

	Note	2012 € million	2011 € million
Sales	3.11	**71**	**51**
Other operating income	3.12	505	529
Personnel expense	3.13	-79	-87
Depreciation and amortization of intangible assets, property, plant and equipment		-3	-3
Depreciation of current assets		0	-1
Other operating expenses	3.14	-707	-811
Operating result		**-213**	**-322**
Income from profit-and-loss transfer agreements	3.15	363	103
Income from investments in affiliated companies	3.15	5	0
Expenses for the assumption of losses	3.15	-3	-2
Income from investments	3.15	**365**	**101**
Write-downs of financial assets	3.16	-4	-5
Net interest expense	3.17	-93	-147
Income before taxes		**55**	**-373**
Extraordinary income		8	11
Extraordinary expense		-10	-17
Extraordinary loss	3.19	**-2**	**-6**
Income taxes	3.20	23	-46
Net income/loss		**76**	**-425**
Profit carried forward from prior year		0	115
Withdrawal from revenue reserves		353	735
Balance sheet profit		**429**	**425**

Notes to the financial statements for fiscal 2012

1. Basis of preparation of the financial statements

1.1 General information

The annual financial statements for Evonik Industries AG, Essen (Germany) have been prepared in accordance with the accounting standards set out in the German Commercial Code (HGB) and the German Stock Corporation Act (AktG).

To enhance clarity, some items have been combined in the balance sheet and income statement. These are stated separately in the notes.

The income statement has been drawn up using the total cost format.

Evonik Industries AG is a large stock company within the meaning of Section 267 Paragraph 3 of the German Commercial Code (HGB).

The strategic refocusing of the Evonik Group includes more direct management of the core chemicals business and speeding up existing decision-making lines by implementing a new corporate structure. To realize this, plant management agreements have been concluded between Evonik Industries AG and nine subsidiaries. The agreements with five subsidiaries took effect on August 1, 2011 and with four further companies on April 1, 2012. Evonik Stockhausen GmbH was merged into Evonik Degussa GmbH effective January 1, 2012. The number of plant management agreements made in 2011 was therefore reduced by one in 2012. Either party may terminate the plant management agreement by giving three months notice to July 31 of any year, in the case of the first five companies, and to March 31 of any year for the other four companies.

Evonik Industries AG has also concluded plant management agreements with two other companies, which become effective on July 1, 2013.

The plants are managed in the name of Evonik Industries AG. The relationship with the subsidiaries provides that management is performed for their account. Pursuant to Section 613a Paragraph 1 Sentence 1 of the German Civil Code (BGB), under an arrangement of this type, the employment contracts previously concluded by the company that owns the plants is transferred to the company that manages the plants. Effective April 1, 2012, employment contracts with 570 employees were transferred to Evonik Industries AG. The owner companies retain their direct obligations for employees whose contracts are not currently active.

As the owners of the plants, these companies remain the economic owners of the assets and liabilities of the plants, as in a trust structure, and they have to be recognized in their financial statements in compliance with Section 246 Paragraph 1 Sentences 2 and 3 of the German Commercial Code (HGB). They thus retain the associated economic opportunities and risks. As the operator, Evonik Industries AG recognizes all liabilities entered into its name and capitalizes a claim for compensation from the owners of the plants.

As a result of this structure, only fees for the management of these plants are included in sales on the income statement for Evonik Industries AG. All other income and expenses are allocated to the companies that own the plants and are recognized in their annual financial statements.

The fee charged for this is 5.0 percent of income from operations within the meaning of Section 275 Paragraph 2 Nos. 1-8 of the German Commercial Code (HGB), but at least 0.2 percent of the sales of the companies that own the plants within the meaning of Section 275 Paragraph 2 No. 1 of the German Commercial Code. This is calculated on a pro rata temporis basis from the start of the agreement. The plant management fee of €70 million (2011: €27 million) is recognized in sales.

The plant management agreement details activities that do not fall within the scope of the agreement. These principally comprise:

- The purchase and sale of plants, components of plants, ancillary fittings and investments
- Commitments and fulfillment obligations relating to commercial property rights that are owned by the companies that own the plants
- Energy supply to the plants
- Authorization and registration of substances under the applicable legal regulations and/or the REACH Regulation
- Confidentiality agreements

With regard to these activities, the companies continue to operate in their own name and for their own account, even after the effective date of the plant management agreements.

Trust assets held on behalf of companies covered by a plant management agreement

Evonik Industries AG holds the following assets in trust on behalf of the companies covered by a plant management agreement. Essentially they comprise financial assets, inventories and trade accounts receivable.

Trust assets

in € million Company	31.12.2012	31.12.2011
Evonik Degussa GmbH	6.314	6.182
Evonik Goldschmidt GmbH	276	259
Evonik Oxeno GmbH	243	225
Evonik Röhm GmbH	353	301
Evonik Stockhausen GmbH*	146	186
Evonik Goldschmidt Rewo GmbH	29	0
Evonik Oil Additives GmbH	72	0
Evonik Tego Chemie GmbH	28	0
Evonik Technochemie GmbH	74	0

* Evonik Stockhausen GmbH was merged into Evonik Degussa GmbH effective January 1, 2012

Receivables, liabilities and provisions relating to the companies covered by a plant management agreement

The provisions and liabilities that had arisen under the plant management structure amounted to €1,940 million in 2012 (2011: €1,954 million). Under civil law, they are allocated to Evonik Industries AG. Receivables from affiliated companies contain corresponding compensatory claims on the companies covered by the plant management agreement.

The domination and profit-and-loss transfer agreement between Evonik Industries AG and Evonik Degussa GmbH, Essen, was amended by an agreement dated December 17, 2010 which terminated the profit-and-loss transfer agreement with effect from year-end 2010 but upheld the domination agreement. The consequence of the domination agreement is an obligation to assume losses pursuant to Section 302 of the German Stock Corporation Act (AktG). On March 22, 2011 a one-year profit-and-loss transfer agreement was concluded between Evonik Industries AG and Evonik Degussa GmbH. This agreement will be extended by one year at a time unless notice of termination is given three months before the end of the fiscal year or it is terminated for cause. This profit-and-loss transfer agreement was not terminated in 2012.

Following a resolution of the Executive Board on November 17, 2011, which was approved by the Supervisory Board on December 16, 2011, a profit-and-loss transfer agreement was concluded between Evonik Industries AG and Evonik Oxeno GmbH, Marl (Germany) on January 26, 2012. This took effect for tax purposes on January 1, 2012.

1.2 Accounting and valuation principles

Purchased intangible assets are recognized at the cost of acquisition, including ancillary acquisition costs, and amortized on a straight-line basis over their estimated useful lives. Their useful life is between one and five years. Self-generated intangible assets are not capitalized.

Property, plant and equipment are valued at the cost of acquisition, including ancillary acquisition costs.

For assets added from fiscal 2010, only the straight-line depreciation method is used. For depletable assets included in property, plant and equipment, which were acquired in previous years, the depreciation method that resulted in the optimal tax position in the year of acquisition was selected. Depreciation is calculated on the basis of the following useful lives:

Factory fittings	20 years
Vehicles	6 years
IT systems	3 to 7 years
Factory and office equipment	5 to 13 years

Movable assets acquired in the reporting period are depreciated on a pro rata temporis basis from the month of acquisition using the straight-line method. Assets purchased for more than €150 but no more than €1,000 are grouped in a collective item for the year. The overall cost of this collective item is depreciated in five equal installments in the year in which it is established and the following four years. It is derecognized at the end of the fifth year of use.

Write-downs are made for any decline in the value of assets that is expected to be lasting and goes beyond normal wear and tear.

Financial assets are recognized at cost of acquisition or, in the event of a decline in value that is expected to be lasting, at the lower fair value.

Receivables and other assets are recognized at nominal value.

Special risks relating to receivables are recognized through write-downs.

In accordance with Section 253 Paragraphs 1 and 2 of the German Commercial Code (HGB), provisions for pensions and similar commitments are valued using the projected unit credit method. This method takes account of expected future salary and pension increases as well as pension obligations and accrued entitlements as of the reporting date. As in the previous year, the valuation is based on the biometric data in the 2005 G mortality tables published by Klaus Heubeck.

Actuarial methods are used to value provisions for pensions and non-current personnel-related provisions for phased retirement programs, early retirement, continued payment of salaries in the event of death, annual bonuses, the granting of annual vacation entitlements in the event of illness, anniversaries, and some elements of employees' long-term accounts.

In application of the option provided for by Section 253 Paragraph 2 Sentences 2 and 3 of the German Commercial Code (HGB), these provisions are discounted over an assumed term of fifteen years using the average market interest rate for the past seven years. The discount rate used for this calculation was 5.05 percent (as of November 30, 2012). On December 31, 2012 the discount rate was 5.04 percent (2011: 5.14 percent).

The table shows the assumptions used for the actuarial valuation of the obligations:

Actuarial valuation of the obligations

in %	2012
Future salary increases	2.50
Employee turnover	2.47
Future pension increases	2.00

Obligations relating to pension commitments are for company pensions. On November 15, 2012 the company paid €124 million (2011: €155 million) to the pension trust Evonik Pensionstreuhand e.V., Essen (Germany), thereby insuring some of the pension obligations to employees against insolvency. A total of €102 million (2011: €142 million) paid in by companies covered by a plant management agreement were offset so that they remain the economic owners of the assets and liabilities as set out in the section on the plant management agreements, and thus allow pension provisions to be offset in their balance sheets. As a result, pension provisions at the companies covered by a plant management agreement can be reduced accordingly and the resultant interest income from the pension assets can also be allocated to these companies.

In accordance with Section 246 Paragraph 2 Sentence 2 of the German Commercial Code (HGB) these assets were offset against the provisions of €1,066 million (2011: €941 million) for settlement of these obligations. €906 million (2011: €799 million) is for the settlement of obligations of the operating companies under the plant management agreements with Evonik Industries. The fair value of the netted funded assets is €308 million (2011: €162 million), with €263 million (2011: €142 million) of this relating to the companies covered by a plant management agreement.

The historical cost of acquisition of the assets was €285 million (2011: €161 million). Their market values were taken as the fair values corresponding to the fair values derived from the master fund as of December 28, 2012. In accordance with Section 268 Paragraph 8 of the German Commercial Code (HGB) there is a ban on the distribution of any fair value in excess of the cost of acquisition of pension assets, less the related deferred tax liabilities recognized in the balance sheet. This does not apply to the company as it has sufficient reserves.

The company has established provisions for the full amount of top-up payments and termination benefits for employees on the German phased retirement plan or who have signed agreements to embark on this plan, plus pro rata provisions for their salary payments in the period in which they are not working.

Further, provisions have been established for potential use of the phased early retirement plan, based on a probable take-up rate of 60 percent.

Commitments relating to long-term accounts comprise two components. The first is an obligation to grant collectively agreed one-time payments and vacation during the period in which employees do not work, plus final company-financed benefits. This obligation is recognized in the financial statements through a provision. Entitlements to final company-financed benefits for which there is not yet a firm agreement are weighted by the probability of use. The second component comprises current amounts credited by employees and employers to their personal long-term accounts, which are insured against insolvency through a contractual trust arrangement. This component is a securities-based commitment as defined by Section 253 Paragraph 1 Sentence 3 German Commercial Code (HGB).

The obligations correspond to the fair value of the assets allocated amounting to €81 million (2011: €60 million), €78 million of which (2011: €59 million) relates to the companies whose plants are managed by Evonik Industries AG. Pursuant to Section 246 Paragraph 2 Sentence 2 of the German Commercial Code (HGB), the assets that are designated as insolvency insurance for commitments on employee accounts are offset against these commitments. The historical cost of acquisition of the assets was €72 million (2011: €56 million), €69 million of which (2011: €55 million) comprised acquisition costs relating to the companies whose plants are managed by Evonik Industries AG. Where market values are available for assets, these are used as the fair value. Since November 2011 these assets have been held in a segregated equity and bond fund. The asset valuations correspond to the fair values of this segregated fund, which is managed by Allianz, as of December 28, 2012.

The other provisions and tax provisions take adequate account of all identifiable risks and uncertain liabilities. The amounts allocated to provisions reflect the anticipated utilization of the provisions based on the amount required to settle the obligation. In accordance with Section 253 Paragraph 2 Sentence 1 of the German Commercial Code (HGB), provisions due in more than one year are discounted over their remaining term using the average market interest rate for the past seven years.

Deferred taxes are established in accordance with Section 274 Paragraph 1 of the German Commercial Code (HGB) for differences between the valuation of assets, liabilities and deferred income/deferred charges in the commercial accounts and the valuation used for tax purposes. These differences are expected to be settled in subsequent fiscal years. Tax loss carryforwards and interest carried forward are included in the calculation of deferred tax assets at the level at which they are expected to be offset in the next five years.

The tax rates used to calculate deferred taxes are those valid under current legislation or that have been announced as being applicable as of the date when the temporary differences will probably be settled. Such discrepancies between balance sheet valuations are valued using a company-specific tax rate of 31 percent (2011: 31.2 percent). This comprises 15 percent German corporation tax, a 5.5 percent solidarity surcharge on the corporation tax and 15.2 percent trade tax.

If a company forms part of a tax entity, deferred taxes are assigned to the controlling company (formal viewpoint).

If deferred tax assets exceed deferred tax liabilities, the option of recognizing the net deferred tax asset in accordance with Section 274 Paragraph 1 Sentence 2 of the German Commercial Code (HGB) is not utilized. If the net result is a tax liability, this is recognized on the balance sheet as a deferred tax liability. On the income statement, the change in deferred taxes is then shown separately under income taxes.

The bond and liabilities are recognized at nominal value or redemption value if this is higher.

Foreign currency assets and liabilities are recognized at the historical rates at the time of their initial recognition. Items with a remaining term of more than one year are subsequently valued using the imparity principle at the average spot rates on the reporting date. As a result, positive values are not recognized. Items with a remaining term of less than one year are valued at the average spot rate on the reporting date so positive values may also be included.

Receivables and liabilities from the cash pool, overnight funds, trade accounts receivable and payable, cash and cash equivalents and liabilities to banks are valued using the average spot rate.

Valuation units are formed by comparing the fair value of overnight funds with the fair value of the related hedged transaction. If the difference is negative, a provision for pending losses is recognized.

2. Notes to the balance sheet
(in € million, except where stated otherwise)

2.1 Non-current assets

The breakdown of items in non-current assets summarized in the balance sheet and their development during the fiscal year are shown separately in the statement of changes in non-current assets.

Amortization of intangible assets and depreciation of property, plant and equipment amounted to €3 million.

For information on the list of shareholdings of Evonik Industries AG, please refer to Note 31.

2.2 Receivables and other assets

in € million	Remaining term up to 1 year	Remaining term more than 1 year	Dec. 31, 2012 Total	Dec. 31, 2011
Receivables from affiliated companies	2,238	937	3,175	3,062
Other assets	101	5	106	94
Total	**2,339**	**942**	**3,281**	**3,156**

The following table shows the breakdown of receivables from affiliated companies:

in € million	Dec. 31, 2012	Dec. 31, 2011
Financial receivables	1,158	1,048
Other receivables	2,017	2,014
Total	**3,175**	**3,062**

Receivables from affiliated companies include reimbursement claims from plant management and receivables relating to profit transfers for the fiscal year from Evonik Oxeno GmbH and Evonik Risk and Insurance Services GmbH, Essen (Germany).

Other assets mainly comprise receivables relating to income taxes and value-added tax credits.

2.3 Other securities

In fiscal 2012 some of the surplus liquidity was invested in securities. These were securities from issuers with high credit standing, which are used for diversification and to avoid cluster risks.

As of September 1, 2011 Evonik Industries AG acquired all units in Deutsche Asset Management Treasury 1 Spezialfonds. This segregated investment fund is used to reduce risk and diversify the liquid assets of Evonik Industries AG. It invests principally in bonds and Pfandbriefe with short maturities. The units in the segregated fund can be redeemed at any time. There is a de facto restriction on the ability to redeem fund units comprising the ability to sell the securities held by the fund, which normally takes a few working days.

In fiscal 2012, there was a cash inflow of €200 million from Evonik Industries AG. As of December 31, 2012 the value of these units was €553 million, which was €3 million above the cost of acquisition. The net income from the segregated fund of €13 million (2011: €1 million) is retained in the fund. However, €3 million was paid to the fiscal authorities as capital gains tax plus the solidarity surcharge.

2.4 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, credit balances with banks and highly liquid money market investments.

2.5 Issued capital

The company’s issued capital amounts to €466,000,000.00. and is divided into 466,000,000 no-par bearer shares.

At an Extraordinary Shareholders’ Meeting on December 31, 2011, the Executive Board was authorized to increase the company’s capital stock, with the approval of the Supervisory Board, by up to €4,660,000.00 by issuing new no-par bearer in return for cash or capital contributions up to September 26, 2016. This authorization may be utilized in full or in one or more installments. Subscription rights for shareholders are excluded. The new shares may only be used to grant shares to employees of Evonik Industries AG and affiliated companies over which it exercises control (employee stock offering). The new shares may also be issued to a bank or other company that meets the requirements of Section 186 Paragraph 5 Sentence 1 of the German Stock Corporation Act (AktG), providing such bank or company assumes the shares in conjunction with an obligation to use them solely for employee stock offerings. Insofar as legally permissible, shares for employee stock offerings may also be issued out of reserves covered by part of the net income that the Executive Board and Supervisory Board are authorized under Section 58 Paragraph 2 of the German Stock Corporation Act (AktG) to allocate to other revenue reserves. Employee shares may also be procured by a bank or other company that meets the requirements of Section 186 Paragraph 5 Sentence 1 of the German Stock Corporation Act through securities loans and the new shares may be used to repay the securities loans. Further, the Executive Board is authorized, with the approval of Supervisory Board, to set the content of the rights conferred by the shares and the conditions for the share issue.

The Executive Board was instructed that the corresponding change to the Articles of Incorporation should not be notified to the commercial register until immediately after the start of trading in the company’s shares on the regulated market at the Frankfurt Stock Exchange. The change does not become effective until it has been entered in the commercial register.

2.6 Capital reserve

The capital reserve of €720 million results from additions pursuant to Section 272 Paragraph 2 No. 4 of the German Commercial Code (HGB).

2.7 Revenue reserves

This balance sheet item contains the statutory reserve totaling €47 million. The other revenue reserves amounted to €2,238 million as of December 31, 2012 (2011: €2,591 million).

The change in revenue reserves was due to withdrawals totaling €353 million.

2.8 Equity

The company’s equity amounts to €3,900 million (2011: €4,249 million).

2.9 Provisions

in € million	Dec. 31, 2012	Dec. 31, 2011
Provisions for pensions and similar obligations	**759**	**780**
Provisions for taxes	121	222
Other provisions	**863**	**958**
of which		
- personnel -related	640	621
- miscellaneous	223	337
Total	**1,743**	**1,960**

Additional provisions have been transferred from the four further companies whose plants are covered by a plant management agreement. In total, provisions of €1,289 million (2011: €1,368 million) were transferred to the company by companies included in the plant management structure, including pension provisions amounting to €642 million (2011: €656 million), other personnel-related provisions amounting to €588 million (2011: €577 million) and miscellaneous provisions of €59 million (2011: €135 million). At the same time, a compensatory claim against the owners of the plants was capitalized.At the same time, a compensatory claim against the owners of the plants was capitalized.

Provisions for taxes contain appropriate amounts for fiscal years for which tax assessments have not yet been finalized.

Other provisions contains a provision for various risks relating to the divestment of the stake in STEAG GmbH to cover a range of guarantee risks in connection with the release and operation of the coal-fired power plant in Duisburg (Walsum 10). Further, this item includes, among other things, provisions for restructuring, dismantling obligations, discounts and rebates, and provisions for impending liabilities from pending transactions.

€1,130 million (2011: €1,197 million) of the total provisions relates to components due in more than one year.

2.10 Liabilities

	Dec. 31, 2012				Dec. 31, 2011
	Remaining term				
in € million	up to 1 year	more than 1 and up to 5 years	more than 5 years	Total	Total
Bonds	0	750	0	750	750
Liabilities to banks	98	0	0	98	111
Advanced payments received for orders	6	0	0	6	0
Trade accounts payable	352	0	0	352	336
Liabilities to affiliated companies	6,437	4	31	6,472	6,315
Other liabilities	64	47	0	111	84
of which taxes	19	0	0	19	16
of which for social securitiy	4	0	0	4	2
	6,957	**801**	**31**	**7,789**	**7,596**
Prior year	6,684	880	32	7,596	

In October 2009 the company issued a €750 million bond with a coupon of 7 percent p.a. and a maturity of 5 years. The issue price was 99.489 percent.

The liabilities to banks include a fixed-interest promissory note totaling €82 million, which was redeemed in January 2013.

The advance payments received for orders were transferred under the plant management agreements.

Trade accounts payable include payables to suppliers totaling €336 million transferred to Evonik Industries AG under plant management agreements.

The following table shows the breakdown of liabilities to affiliated companies:

in € million	Dec. 31, 2012	Dec. 31, 2011
Financial liabilities	6,114	6,006
Trade accounts payable	287	240
Other liabilities	71	69
Total	**6,472**	**6,315**

Liabilities to affiliated companies include loans to RÜTGERS GmbH, Essen (Germany) and RCIV Vermögensverwaltungs-GmbH, Essen (Germany) and liabilities relating to cash pooling and short-term time deposits, for example, with Evonik Degussa GmbH, Essen (Germany), Evonik Speciality Organics Ltd., Milton Keynes (UK), Evonik Degussa Corporation, Parsippany (USA), Evonik International Holding B.V., Amsterdam (Netherlands), Evonik Oxeno GmbH, Marl (Germany), Evonik Röhm GmbH, Darmstadt (Germany), Infracor GmbH, Marl (Germany), and Evonik Oxeno Antwerpen N.V., Antwerp (Belgium). Further, this item includes liabilities to affiliated companies totaling €272 million relating to the plant management structure, value-added tax invoiced for the tax entity, imputable taxes, other liabilities for the assumption of losses under profit-and-loss transfer agreements and the reimbursement of expenses.

Other liabilities contain liabilities of €37 million relating to plant management, liabilities for the payment of wage tax, interest on bonds (€11 million) and liabilities to non-banks relating to promissory notes (€10 million). Further, this item includes liabilities relating to profit-participation rights amounting €50 million issued by Evonik Industries AG under the profit participation plans 2008 through 2012, to which eligible employees within the Group were able to subscribe. The nominal value of each right is €1. In 2012, employees subscribed to 17,774,283 rights. In the previous year, they purchased 14,524,778 rights. A discount of €0.50 was granted on the first 270 rights. Every further right up to the nominal subscription ceiling of €4,135 could be purchased for €1.

3. Notes to the income statement

(in € million, except where stated otherwise)

3.11 Sales

Sales comprise fees from service agreements with subsidiaries amounting to €1 million (2011: €24 million). The year-on-year decline in these fees is principally attributable to service agreements that were negotiated in 2011. In addition, sales contain the plant management fees of €70 million (2011: €27 million). The year-on-year increase in plant management fees is mainly attributable to the fact that a plant management agreement was concluded with four further companies effective April 1.

3.12 Other operating income

in € million	2012	2011
Proceeds from the disposal of assets	16	10
Invoicing of rental costs	11	13
IT licences	14	12
Invoicing of consulting and M&A project costs	5	1
Miscellaneous costs passed through to Group companies	5	1
Currency translation gains	421	456
Income from project expenses passed through to Group companies	10	9
Miscellaneous operating income	2	6
Income relating to other periods:		
Income from the reversal of provsions	21	21
Total	**505**	**529**

The currency translation gains of €421 million are recognized gross in compliance with the ban on netting imposed by Section 246 Paragraph 2 of the German Commercial Code (HGB). Currency translation losses amounted to €477 million. Economically, these two items comprise a single unit. In a net view, the overall result would have been net expense of €56 million for exchange rate losses.

3.13 Personnel expense

in € million	2012	2011
Wages and salaries	66	61
Social security contributions and expenses for pensions and similar obligations	13	26
of which for pensions	9	21
Total	**79**	**87**

The employees transferred to the company effective August 1, 2011 and April 1, 2012 did not result in a change in personnel expense as the operating companies are still economically responsible for them.

3.14 Other operating expenses

in € million	2012	2011
Corporate services	88	85
Expenses for additions to provisions	14	172
Legal and consulting expenses	26	40
Rental costs	14	13
IT expense	21	18
Currency translation losses	477	404
Miscellaneous operating expenses	67	79
Total	**707**	**811**

The decline in expenses for additions to provisions was principally due to the establishment of provisions in the previous year for various risks in connection with the divestment of the stake in STEAG GmbH.

The currency translation losses of €477 million are recognized gross in compliance with the ban on netting imposed by Section 246 Paragraph 2 of the German Commercial Code (HGB). Currency translation gains amounted to €421 million. Economically, these two items comprise a single unit. In a net view, the overall result would have been net expense of €56 million for exchange rate losses.

3.15 Income from investments

in € million	2012	2011
Income from profit-and-loss transfer agreements	363	103
Income from investments	5	0
Expenses for the assumption of losses	-3	-2
Total	**365**	**101**

The increase in income from profit-and-loss transfer agreements was mainly due to the profit-and-loss transfer agreement with Evonik Oxeno GmbH, Marl (Germany), which took effect for tax purposes on January 1, 2012.

There was no profit transfer from Evonik Degussa GmbH in fiscal 2012 or fiscal 2011.

The expenses for the assumption of losses relate to the profit-and-loss transfer agreement with Evonik Services GmbH, Essen (Germany) and amounted to -€3 million including tax allocations (2011: -€2 million).

Further, income from investments includes income of €116 million (2011: €6 million) from German corporation tax and trade tax allocations paid by various companies included in the same tax entity as Evonik Industries AG.

3.16 Write-downs of financial assets

Write-downs of financial assets totaled €4 million (2011: €5 million).

This amount resulted from the write-down of the affiliated company RÜTGERS GmbH, Essen (Germany) to its fair value.

3.17 Net interest expense

in € million	2012	2011
Income from other securities and loans included in non-current financial assets	3	5
of which from affiliated companies	0	0
Other interest and similar income	36	55
of which interest on provisions	0	4
of which from affiliated companies	26	38
Interest and similar expense	-132	-207
of which for interest on provisions	-14	-6
of which due to affiliated companies	-53	-113
Total	**-93**	**-147**

The change in interest relating to pensions and personnel-related commitments amounting to €2 million is included in interest and similar expense. Current income from pension fund assets of €3 million was offset against interest and other expenses.

3.18 Deferred taxes

If a company forms part of a tax entity, deferred taxes are assigned to the controlling company (formal viewpoint).

Tax-relevant temporary differences relating to other provisions were offset against tax-deductible temporary differences relating to other receivables. In accordance with Section 274 Paragraph 1 Sentence 2 of the German Commercial Code (HGB), any net deferred tax assets relating to temporary differences are not capitalized.

3.19 Extraordinary loss

in € million	2012	2011
Extraordinary income	8	11
Extraordinary expense	-10	-17
Extraordinary loss	**-2**	**-6**

The extraordinary expense of €10 million comprised expenses of €8 million for preparations for the planned stock exchange listing and further related expenses of €2 million. The extraordinary income resulted from the reimbursement of expenses for preparations for the planned stock exchange listing under the agreement with the company's shareholders on the assumption of these costs concluded on August 12, 2011.

3.20 Income taxes

The tax income totaling €23 million is calculated from tax expenses of €8 million for current taxes in 2012 and tax income of €31 million relating to previous years. The current tax expense comprises corporation tax of €3 million and trade tax of €5 million. The tax income for previous years comprises corporation tax of €16 million (2011: tax expense of €29 million) and trade tax of €15 million (2011: trade tax expense of €17 million).

4. Other disclosures

4.21 Further information on the reporting period

Average number of employees during the year

	2012	2011
Exempt employees	2,956	1,477
Other employees	10,176	4,876
Apprentices	745	394
Total	**13,877**	**6,747**

The increase mainly results from the five companies whose plants have been managed by Evonik Industries AG since August 1, 2011, as they are fully included in the average number of employees for 2012.

As of December 31, 2012 the company had 14,148 employees (2011: 13,236).

Auditors' fees

Pursuant to Section 285 No. 17 of the German Commercial Code (HGB), no information is given on the auditors' fees as these are included in the consolidated financial statements of Evonik Industries AG.

4.22 Contingent liabilities

in € million	Dec. 31, 2012	Dec. 31, 2011
Guarantee obligations	51	97
of which to be benefit of affiliated companies	50	96
Obligations under indemnity guarantees	519	527
of which to be benefit of affiliated companies	499	507
Total	**570**	**624**

As part of its Group financing activities, Evonik Industries AG provides banks with guarantees and indemnities in respect of companies in the Evonik Group. Further, Evonik Industries AG has provided guarantees and indemnities for possible obligations of Group companies towards third parties.

With the exception of one contentious withdrawal of €12 thousand, no guarantees or indemnities have been utilized since the establishment of Evonik Industries AG. All guarantees and indemnities are continuously monitored by the Accounting and Finance departments. They are provided exclusively to assure the activities of Group companies.

Credit insurance guarantees totaled €259 million and are examined as part of the monthly financial reporting and liquidity planning process. The liquidity of the subsidiaries in the Evonik Group is ensured through a uniform corporate financing strategy, so utilization is not likely.

Contract fulfillment guarantees comprise €202 million. Group companies are required to meet the contractual obligations they have entered into. Controlling of contracts at individual companies ensures ongoing monitoring so utilization of these guarantees is not probable.

As well as the guarantee obligations and indemnity guarantees of Evonik Industries AG, contract fulfillment guarantees include guarantees in respect of credit balances for the phased early retirement plan under the statutory insolvency requirements for Evonik Degussa GmbH. These credit balances are covered by bank guarantees that are renewed every six months and cover the maximum balance in the relevant period. The level of these bank guarantees is based on the companies included in the guarantees and the forecast data on the number of employees to be covered by the guarantees. The trustee for this guarantee model for the phased early retirement plan is Deutsche Treuinvest-Stiftung, Frankfurt am Main (Germany). As of December 31, 2012, the guarantee totaled €180 million.

Guarantees for advance payments totaled €6 million. Companies in the Group meet obligations relating to trade accounts as set out in the corresponding agreements, so these guarantees are not expected to be drawn.

There are also a few other guarantees amounting to €103 million. Since these are managed by the responsible specialist departments, especially the Legal division, it is assumed that they will not be utilized.

Evonik has issued letters of comfort for affiliated companies in which it undertakes to provide liquid assets for these companies insofar as is necessary to enable them to settle obligations in existence as of December 31, 2012 and which arise in fiscal 2013, and which are due in a period of not less than twelve months from December 31, 2012. The liquidity of the subsidiaries in the Evonik Group is ensured through a uniform corporate financing strategy, so utilization is not likely.

4.23 Other financial obligations

as of December 31 in € million	2012
Commitments arising from rental and leasing agreements	
due in 2013	14
due in 2014	13
due in 2015	13
due in 2016	12
due in 2017	10
due after 2017	26
Total	**88**
of which due to affiliated companies	0
Purchase commitments in connection with capital expenditures	1
Total	**89**
Commitments and a long-term offtake agreements and other legal commitments	
due in 2013	31
due in 2014	25
due in 2015	20
due in 2016	6
due in 2017	2
due after 2017	3
Total	**87**
of which due to affiliated companies	3

4.24 Derivative financial instruments

In the course of its business, Evonik Industries AG is exposed to exchange rate

and interest rate risks. Financial derivatives are used to reduce or eliminate these risks. They are used to hedge foreign currency receivables and liabilities and the expected refinancing of the bond in 2013. Financial derivatives contracts are only concluded with banks and trading institutions with first-class credit standing within fixed limits. Only customary market instruments with sufficient liquidity are used. Consequently, the company has no material credit risks.

In fiscal 2012, forward exchange rate agreements were used to hedge currency risks and interest rate swaps were used to hedge interest rate risks.

For the annual financial statements, all derivative financial instruments are measured at fair value. The fair value shows the result that would have been obtained by closing out the derivative as of the reporting date, without taking the underlying (hedged) item into account. As a result of market volatility, the fair value of derivative financial instruments on the reporting date may vary considerably from their current realizable value. The fair value of forward exchange rate contracts is calculated on the basis of the spot price on the balance-sheet date and a premium or discount is then applied for the exchange rate agreed in the contract. Interest rate swap are valued by discounting future cash flows.

Fair values are recognized using the imparity principle: Negative fair values are recognized as provisions for anticipated losses unless they are included in a valuation portfolio or form a valuation unit with corresponding underlying transactions. Under its currency hedging policy, Evonik Industries AG has passed on some forward exchange rate contracts concluded with subsidiaries to banks on a back-to-back basis and grouped some to form a currency portfolio. The amount remaining after internal netting is closed out with banks. Forward exchange rate contracts concluded with banks on a back-to-back basis and the corresponding counter-transactions with subsidiaries are combined in valuation units through portfolio hedges. These are presented as net hedges so the valuation result is low. The critical terms match method is used to determine the effectiveness of the hedging relationship and the average term of the derivatives is less than one year. In addition, Evonik Industries AG establishes portfolio hedges for those transactions that are not passed on through other transactions. As of December 31, 2012, provisions for anticipated losses totaling €17 million were established for negative balances on these currency portfolios and the negative fair values of forward exchange rate contracts for which no counter-transaction was recognized on the balance sheet. The amounts relating to the establishment of these provisions are shown in other operating expense.

The following hedged items were included in valuation units:

in € million	
Assets	903
Liabilities	1,931
Total	2,834

In addition, interest rate swaps entered into to hedge the expected refinancing of the bond were included in a valuation unit as a micro hedge. This is presented as a net hedge and the effectiveness of the hedging relationship is determined using the critical terms match method. No provisions for anticipated losses had to be recognized as of December 31, 2012.

As of the reporting date, Evonik Industries AG had the following derivative financial instruments to hedge interest rate and currency risks:

Interest rate and currency risks

	Notional value < 1 year		Notional value > 1 year		Fair value	
in € million	Dec. 31, 2012 External	Dec. 31, 2012 Intragroup	Dec. 31, 2012 External	Dec. 31, 2012 Intragroup	Dec. 31, 2012 Positive	Dec. 31, 2012 Negative
Forward exchange rate agreements	3,656	2,478	43	11	100	88
Interest rate swaps	500	-	37	-	2	17

4.25 Performance-related remuneration – Long-Term Incentive Plan

Evonik's remuneration system comprises a basic salary, short-term incentives and long-term components, the Long-Term Incentive Plan for members of the Executive Board and executives of the Evonik Group (Evonik LTI Plan) and a Long-Term Incentive Plan for executives of the former Evonik Degussa Group (Evonik Degussa LTI Plan). The value of these LTI Plans is not linked to the development of shares in the company. Instead it is calculated on the basis of defined business indicators.

Evonik LTI Plan for the Executive Board

The Evonik LTI Plan was granted to members of the Executive Board by the Supervisory Board of Evonik Industries AG for the first time in 2008. This LTI Plan comprises a five-year performance period, starting on January 1 of the year in which it is granted. The intrinsic value of the plan depends on how the fictitious equity value of Evonik derived from EBITDA develops over the performance period.

The reference base for calculating the increase in value is the fictitious equity value as of December 31 of the year prior to the grant date. The actual increase compared with this reference base is compared with the mid-term plan approved by the Supervisory Board of Evonik Industries AG in the year in which the plan is granted. Assuming that after five years this reaches or exceeds the fictitious equity value set in the mid-term planning, a cash payment is made under the LTI Plan. The level of this payment is based on an individual target and the relationship between the actual and planned target attainment. The first payment for serving members of the Executive Board will be in 2013. For members who leave the Executive Board before expiry of the five-year period, a three-year qualifying period is applied. As of December 31, 2012 a provision of €5 million (2011: €4 million) had been established for the Evonik LTI Plans 2008 through 2012.

Evonik LTI Plan for Group executives

Evonik Industries AG granted the Evonik LTI Plan to executives nominated by the Executive Board for the first time in 2008. This LTI Plan comprises a three-year performance period, starting on May 1 on the year on which it is granted. The intrinsic value of the plan depends on how the fictitious equity value of Evonik derived from EBITDA develops over the performance period. From 2010 attainment of the mid-term EVA® budget was added as an additional target.

The reference base for calculating the increase in value is the fictitious equity value as of December 31 of the year prior to the grant date. The actual increase compared with this reference base will be compared with the mid-term plan approved by the Supervisory Board of Evonik Industries AG in the year in which the plan is granted. Assuming that this reaches or exceeds the fictitious equity value set in the mid-term planning within a defined percentage range, a cash payment is made under the LTI Plan. The level of this payment is based on an individual target and the relationship between the actual and planned target attainment.

Under the conditions for the 2009 tranche of the LTI Plan, regular rights totaling €10 million were exercised in 2012.

As of December 31, 2012 a provision of €22 million (2011: €24 million) had been established for the Evonik LTI Plans 2008 through 2012.

4.26 Related parties

in € million

	Type of transaction										
Type of related party	Interest income	Interest expense	Rental income	Interest from costs were passed through	Reimbursement of project costs	Reimbursement of costs and other expendes	Plant management fees	Dividend	Contingent liabilites	Other financial commitments	Closing of time-deposit investments
Affiliated companies	30	32	2	6	4	31	71		549	3	
Other related parites					8						
Investments				1		2		5			
Pubilc sector corporations											50

For information on income and expenses relating to profit-and-loss transfer agreements with subsidiaries, please see Note 15.

The presentation includes all material transactions with related parties. Under the German Commercial Code, the provisions of IAS 24 are used to define related parties. Due to the revision of IAS 24, the Federal Republic of Germany and the federal states of North Rhine-Westphalia and Saarland have been defined as related parties since January 1, 2011.

4.27 Members of the Executive Board and Supervisory Board

Members of the Executive Board

Dr. Klaus Engel, Mülheim an der Ruhr
Chairman

Dr. Wolfgang Colberg, Ratingen
Chief Financial Officer
Energy companies
Evonik Business Services

Dr. Thomas Haeberle, Einhausen
Resource Efficiency

Thomas Wessel, Herten
Chief Human Resources Officer
Real estate companies
Site Services

Patrik Wohlhauser, Kelkheim
Consumer, Health & Nutrition

Dr. Dahai Yu, Shanghai
Specialty Materials

Members of the Supervisory Board

Dr. Werner Müller, Mülheim an der Ruhr
(from December 1, 2012)
Chairman
Chairman of the Executive Board of RAG-Stiftung

Michael Vassiliadis, Hanover
(from August 31, 2012)
Deputy Chairman (from September 26, 2012)
Chairman of the Mining, Chemical and Energy Industrial Union (IG BCE)

Günter Adam, Freigericht
Deputy Chairman of the Central Works Council of Evonik Industries AG

Dr. Peter Bettermann, Weinheim
Former spokesman for the management of
Freudenberg & Co. KG

Karin Erhard, Hanover
(from November 14, 2012)
Head of the Collective Bargaining Law and Collective Bargaining Policy Department at the Mining, Chemical and Energy Industrial Union (IG BCE)

Dr. Hans Michael Gaul, Düsseldorf
Former member of the Management Board of E.ON AG

Stephan Gemkow, Overath
Chairman of the Board of Management of Franz Haniel & Cie. GmbH

Ralf Giesen, Hanover
Secretary to the Board of the Mining, Chemical and Energy Industrial Union (IG BCE)

Ralf Hermann, Herten
Chairman of the Central Works Council of Evonik Industries AG

Professor Wolfgang A. Herrmann, Freising
President of Munich Technical University

Dieter Kleren, Wesseling
Chairman of the Works Council for the Wesseling facilities

Steven Koltes, St. Moritz (Switzerland)
Managing Director of CVC Capital Partners SICAV-FIS S.A.

Dr. Siegfried Luther, Gütersloh
Former CFO of Bertelsmann AG

Jürgen Nöding, Duisburg
Chairman of the Central Works Council of Evonik Services GmbH

Norbert Pohlmann, Essen
Chairman of the Works Council for the Goldschmidtstraße facilities

Dr. Wilfried Robers, Gescher
Chairman of the Senior Staff Committee of Evonik Industries AG

Christian Strenger, Frankfurt am Main
Former spokesperson for the management of DWS Investment GmbH

Ulrich Terbrack, Reinheim
Deputy Chairman of the Central Works Council of Evonik Industries AG

Dr. Volker Trautz, Munich
Former Chairman of the Management Board of LyondellBasell Holdings B.V.

Dr. Christian Wildmoser, Savigny (Switzerland)
Managing Director of CVC Capital Partners Switzerland GmbH

Members who left the Supervisory Board during the fiscal year:

Wilhelm Bonse-Geuking, Chairman
Chairman
Chairman of the Executive Board of RAG-Stiftung
(until November 30, 2012)

Werner Bischoff, Monheim
Deputy Chairman (until September 26, 2012)
Former member of the National Executive of the Mining, Chemical and Energy Industrial Union (IG BCE)
(until October 31, 2012)

Rainer Kumlehn, Hochheim
Former District Secretary of the Hesse-Thuringia Section of the Mining, Chemical and Energy Industrial Union (IG BCE)
(until August 30, 2012)

4.28 Total remuneration of the Executive Board and Supervisory Board

The total remuneration paid to the members of the Executive Board for their work in 2012 amounted to €10,083,378.55 (2011: €10,523,444.57). In 2012 provisions for bonus payments for Executive Board members for the previous year amounting to €536,547 were utilized. Due to the expiry of the performance period for an LTI Plan, the total remuneration includes, for the first time, long-term performance-related remuneration totaling €612,307.69. Total remuneration for former members of the Executive Board and their surviving dependents was €801,620.16 in 2012 (2011: €674,103.56).

The total value of the LTI Plan 2012 granted in 2012 is €2,100,000.00 assuming that target attainment is 100 percent and the eligible Executive Board members are still serving at the end of the five-year performance period.

As of the reporting date €15,360,119.00 (2011: €17,900,793.00) was allocated to provisions for pension obligations to former members of the Executive Board and their surviving dependents.

The remuneration of the Supervisory Board for 2012 totaled €3,310,958.34 (2011: €2,198,666.66).

4.29 Notifications pursuant to § 20 of the German Stock Corporation Act (AktG)

On January 8, 2008 RAG-Stiftung submitted notification pursuant to Section 20 Paragraph 4 of the German Stock Corporation Act (AktG) that it directly holds a majority of the capital stock of Evonik Industries AG.

Gabriel Acquisitions GmbH, Gadebusch (Germany) notified Evonik Industries AG on September 15, 2008 pursuant to Section 20 Paragraphs 1 and 3 of the German Stock Corporation Act (AktG) that it directly holds more than a quarter of the shares in Evonik Industries AG.

Further, on September 15, 2008 the following companies submitted notification that – through their investment in Gabriel Acquisitions – they indirectly hold more than a quarter of the shares in Evonik Industries AG pursuant to Section 20 Paragraph 1 of the German Stock Corporation Act (AktG): Gabriel Investments S.à r.l., Gabriel Holdings S.à r.l., Clear Vision Capital Fund SICAV-FIS S.A., all of Luxembourg (Luxembourg) and

CVC European Equity Partners Tandem (A) L.P., CVC European Equity Partners Tandem (B) L.P., CVC European Equity Partners Tandem (C) L.P., CVC European Equity Partners V (A) L.P., CVC European Equity Partners V (B) L.P., CVC European Equity Partners V (C) L.P., CVC European Equity Partners V (D) L.P., CVC European Equity Partners V (E) L.P., all of George Town (Grand Cayman, Cayman Islands) and CVC Nominees Limited, CVC European Equity V Limited, CVC European Equity Tandem GP Limited, CVC Capital Partners Finance Limited, CVC Capital Partners Advisory Company Limited, all of St. Helier (Jersey, Channel Islands).

4.30 Inclusion in the consolidated financial statements of RAG-Stiftung

RAG-Stiftung, Essen (Germany) is the parent company of Evonik Industries AG, and prepares the consolidated financial statements for the largest and smallest groups of companies. The consolidated financial statements are published in the Federal Gazette.

The consolidated financial statements for Evonik Industries AG are also published in the Federal Gazette.

4.31 List of shareholdings

SUBSIDIARIES

Consolidated subsidiaries Germany

	Name	Registered office	Share-holding in %	Fiscal year	Equity in € million	Net income/ loss in € million
1	Aachener Bergmannssiedlungsgesellschaft mbH	Hückelhoven	100	2012	23	7
2	AQura GmbH	Hanau	100	2012	2	-2**
3	Bauverein Glückauf GmbH	Ahlen	100	2012	11	0
4	BHS Liegenschaften GmbH & Co. KG	Peißenberg	100	2012	2	2
5	BHS Liegenschaften Verwaltungs-GmbH	Peißenberg	100	2012	0	0
6	BHS Projektentwicklungs-GmbH & Co. KG	Peißenberg	100	2012	0	0
7	BK-Wolfgang-Wärme GmbH	Hanau	100	2012	1	-1
8	CyPlus GmbH	Hanau	100	2012	53	19**
9	EBV Gesellschaft mit beschränkter Haftung	Hückelhoven	100	2012	86	19
10	Evonik Beteiligungs-GmbH	Frankfurt am Main	100	2012	1	0**
11	Evonik Chempower GmbH	Essen	100	2012	0	0
12	Evonik Dahlenburg	Dahlenburg	100	2012	2	-1**
13	Evonik Degussa GmbH	Essen	100	2012	4.888	643***
14	Evonik Degussa Immobilien GmbH & Co. KG	Marl	100	2012	160	26
15	Evonik Degussa Immobilien Verwaltungs-GmbH	Marl	100	2012	0	0
16	Evonik Goldschmidt GmbH	Essen	100	2012	128	85*
17	Evonik Goldschmidt Rewo GmbH	Steinau an der Straße	100	2012	4	2**
18	Evonik Gorapur GmbH	Wittenburg	100	2012	1	2**
19	Evonik Hanse GmbH	Geesthacht	100	2012	11	3**
20	Evonik IP GmbH (i.G.)	Eschborn	100	2012	0	0
21	Evonik Litarion GmbH	Kamenz	100	2012	8	-14**
22	Evonik Oil Additives GmbH	Darmstadt	100	2012	31	44**
23	Evonik Oxeno GmbH	Marl	100	2012	39	246****
24	Evonik Peroxygens GmbH	Essen	100	2012	18	10**
25	Evonik Peroxygens Holding GmbH	Essen	100	2012	-23	0
26	Evonik Polymer Technologies GmbH	Wörth am Main	100	2012	-1	-1**
27	Evonik Projekt-Beteiligungs-GmbH & Co. KG	Essen	99	2012	343	-1
28	Evonik Projekt-Beteiligung Verwaltungs-GmbH	Essen	100	2012	0	0
29	Evonik Risk and Insurance Services GmbH	Essen	100	2012	1	0*
30	Evonik Röhm GmbH	Darmstadt	100	2012	170	132**
31	Evonik Services GmbH	Essen	100	2012	2	-2*
32	Evonik Technochemie GmbH	Dossenheim	100	2012	58	-4**
33	Evonik Tego Chemie GmbH	Essen	100	2012	1	30**
34	Evonik Wohnen GmbH	Essen	100	2012	3	4
35	Goldschmidt ETB GmbH	Berlin	100	2012	1	0**
36	Goldschmidt SKW Surfactants GmbH	Essen	100	2012	42	2**

SUBSIDIARIES

Consolidated subsidiaries Germany

	Name	Registered office	Share-holding in %	Fiscal year	Equity in € million	Net income/ loss in € million
37	HD Ceracat GmbH	Frankfurt am Main	100	2012	0	0
38	Heinrich Schäfermeyer GmbH	Hückelhoven	100	2012	10	5
39	Hüls Service GmbH	Marl	100	2012	0	0**
40	HVG Grünflächenmanagement GmbH	Essen	99	2012	4	-1
41	Industriepark Wolfgang GmbH	Hanau	100	2012	4	2**
42	Infracor GmbH	Marl	100	2012	67	45**
43	Infracor Lager- und Speditions-GmbH	Marl	100	2012	1	0**
44	KMV Vermögensverwaltungs-GmbH	Marl	100	2012	12	0
45	Li-Tec Battery GmbH	Kamenz	50,1	2012	26	-50
46	Lünener Wohnungs- und Siedlungsgesellschaft mbH	Lünen	100	2012	28	3
47	Mönch-Kunststofftechnik GmbH	Bad König	100	2012	1	2**
48	R & B Industrieanlagenverwertung GmbH	Essen	100	2012	2	0
49	RBV Verwaltungs-GmbH	Essen	100	2012	597	44
50	RCIV Vermögensverwaltungs-GmbH	Essen	100	2012	30	0
51	Rhein Lippe Wohnen GmbH	Duisburg	100	2012	148	26
52	RHZ Handwerks-Zentrum GmbH	Gladbeck	99	2012	2	0
53	RIAG Immobilienverwaltung GmbH	Essen	100	2012	3	1
54	RÜTGERS Dienstleistungs-GmbH	Essen	100	2012	2	0
55	RÜTGERS GmbH	Essen	100	2012	371	-16
56	RÜTGERS Rail Verwaltungs GmbH	Essen	100	2012	50	0
57	Siedlung Niederrhein GmbH	Dinslaken	100	2012	43	4
58	Stockhausen Unterstützung-Einrichtungs GmbH	Krefeld	100	2012	0	0
59	Th. Goldschmidt-Fürsorge GmbH (i.L.)	Essen	100	2012		in liquidation
60	Vivawest Beteiligungen GmbH & Co. KG	Essen	94,9	2012	-81	0
61	Vivawest GmbH	Essen	100	2012	417	78
62	Walsum Immobilien GmbH	Duisburg	94,9	2012	25	4
63	Westgas GmbH	Marl	100	2012	8	7
64	Wohnbau Auguste Victoria GmbH	Marl	100	2012	34	7
65	Wohnbau Westfalen GmbH	Dortmund	100	2012	80	17
66	Wohnungsbaugesellschaft mbH „Glückauf“	Moers	100	2012	44	7
	Consolidated subsidiaries other countries					
67	Cosmoferm B.V. (i.L.)	Delft	100	2012		in liquidation
68	Degussa Africa Holdings (Pty) Ltd.	Johannesburg	84,37	2012	5	0
69	Degussa International Inc.	Wilmington	100	2012	443	31
70	Degussa Limited	Milton Keynes	100	2012	3	0
71	Degussa SKW Co.	Milton Keynes	100	2012	766	0
72	Egesil Kimya Sanayi ve Ticaret A.S.	Istanbul	51	2012	14	8
73	EGL Ltd.	Milton Keynes	100	2012	0	0

Consolidated subsidiaries other countries

	Name	Registered office	Share-holding in %	Fiscal year	Equity in € million	Net income/ loss in € million
74	Evonik Acrylics Africa (Pty) Ltd.	Johannesburg	51	2012	9	0
75	Evonik Aerosil France S.A.R.L.	Salaise-sur-Sanne	100	2012	3	0
76	Evonik Agroferm Zrt.	Kaba	100	2012	16	2
77	Evonik Amalgamation Ltd.	Milton Keynes	100	2012	28	-6
78	Evonik Australia Pty Ltd	Mount Waverley	100	2012	5	0
79	Evonik Canada Inc.	Calgary	100	2012	8	0
80	Evonik Carbon Black Nederland B.V.	Botlek	100	2012	6	3
81	Evonik CB LLC	Wilmington	100	2012	0	0
82	Evonik Cristal Materials Corporation	Taipeh	52	2012	1	-1
83	Evonik Cyro Canada Inc.	Etobicoke	100	2012	6	1
84	Evonik Cyro LLC	Wilmington	100	2012	92	25
85	Evonik Degussa Africa (Pty) Ltd.	Midrand	100	2012	21	1
86	Evonik Degussa Antwerpen N.V.	Antwerpen	100	2012	281	29
87	Evonik Degussa Argentina S.A.	Buenos Aires	100	2012	16	3
88	Evonik Degussa Brasil Ltda.	São Paulo	100	2012	109	-4
89	Evonik Degussa Canada ULC	Calgary	100	2012	31	18
90	Evonik Degussa Carbons, Inc.	Wilmington	100	2012	0	0
91	Evonik Degussa Chile S.A.	Santiago	99,99	2012	0	0
92	Evonik Degussa (China) Co., Ltd.	Peking	100	2011	-110	-13
93	Evonik Degussa Corporation	Parsippany	100	2012	1.413	111
94	Evonik Degussa France Groupe S.A.S.	Ham	100	2012	13	1
95	Evonik Degussa Hong Kong Ltd.	Hongkong	100	2012	12	9
96	Evonik Degussa Ibérica S.A.	Granollers	100	2012	22	3
97	Evonik Degussa India Pvt. Ltd.	Mumbai	100	2012	6	1
98	Evonik Degussa International AG	Zürich	100	2012	24	19
99	Evonik Degussa Iran AG	Teheran	100	2012	1	1
100	Evonik Degussa Italia S.p.A.	Milan	100	2012	76	4
101	Evonik Degussa Japan Co., Ltd.	Tokio	100	2012	142	5
102	Evonik Degussa Korea Ltd.	Seoul	100	2012	14	3
103	Evonik Degussa Mexico S.A. de C.V.	Mexico City	100	2012	37	1
104	Evonik Degussa Mexico Servicios, S.A. de C.V.	Mexico City	100	2012	0	0
105	Evonik Degussa Peroxid GmbH	Klagenfurt	100	2012	12	1
106	Evonik Degussa Services LLC	Wilmington	100	2012	0	0
107	Evonik Degussa Specialty Chemicals (Shanghai) Co., Ltd.	Shanghai	100	2012	141	-34
108	Evonik Degussa Taiwan Ltd.	Taipeh	100	2012	37	6
109	Evonik Degussa Ticaret Ltd. Sirketi	Tuzla/Istanbul	100	2012	7	1
110	Evonik Degussa UK Holdings Ltd.	Milton Keynes	100	2012	855	-16
111	Evonik Dutch Holding B.V.	Amsterdam	100	2012	42	5

Consolidated subsidiaries other countries

	Name	Registered office	Share-holding in %	Fiscal year	Equity in € million	Net income/ loss in € million
112	Evonik Fermas s.r.o.	Slovenská L'upca	100	2012	55	2
113	Evonik Fibres GmbH	Schörfling	100	2012	8	-1
114	Evonik Finance B.V.	Amsterdam	100	2012	2	0
115	Evonik Foams Inc.	Wilmington	100	2012	19	2
116	Evonik Forhouse Optical Polymers Corporation	Taichung	51	2012	23	2
117	Evonik Goldschmidt Corp.	Wilmington	100	2012	115	41
118	Evonik Goldschmidt UK Ltd.	Milton Keynes	100	2012	19	1
119	Evonik Gulf FZE	Dubai	100	2012	0	0
120	Evonik International Holding B.V.	Amsterdam	100	2012	2.549	170
121	Evonik Jayhawk Fine Chemicals Corporation	Carson City	100	2012	14	0
122	Evonik Malaysia Sdn. Bhd.	Kuala Lumpur	100	2012	0	0
123	Evonik MedAvox SpA (i.L.)	Milan	100	2012		in liquidation
124	Evonik Membrane Extraction Technology Limited	Milton Keynes	100	2012	-1	-2
125	Evonik Methionine SEA Pte. Ltd.	Singapore	100	2012	122	-2
126	Evonik Metilatos S.A.	Rosario	100	2012	8	0
127	Evonik Mexico S.A. de C.V.	Mexico City	100	2012	6	-2
128	Evonik Monosilane Japan Co., Ltd.	Tokio	100	2012	-2	6
129	Evonik Oil Additives Asia Pacific Pte. Ltd.	Singapore	100	2012	47	21
130	Evonik Oil Additives Canada Inc.	Morrisburg	100	2012	16	4
131	Evonik Oil Additives S.A.S.	Lauterbourg	100	2012	20	2
132	Evonik Oil Additives USA, Inc.	Horsham	100	2012	52	19
133	Evonik Oxeno Antwerpen N.V.	Antwerpen	100	2012	312	51
134	Evonik Para-Chemie GmbH	Gramatneusiedl	99	2012	19	1
135	Evonik Pension Scheme Trustee Limited	Milton Keynes	100	2012	0	0
136	Evonik Peroxide Africa (Pty) Ltd.	Umbogintwini	100	2012	7	0
137	Evonik Peroxide B.V.	Amsterdam	100	2012	87	0
138	Evonik Peroxide Holding B.V.	Amsterdam	100	2012	193	0
139	Evonik Peroxide Ltd.	Morrinsville	100	2012	17	1
140	Evonik Re S.A.	Luxembourg	100	2012	5	0
141	Evonik Rexim (Nanning) Pharmaceutical Co., Ltd.	Nanning	100	2012	0	-2
142	Evonik Rexim S.A.S.	Ham	100	2012	6	-1
143	Evonik (SEA) Pte. Ltd.	Singapore	100	2012	134	5
144	Evonik Silquimica S.A.	Zubillaga-Lantaron	100	2012	11	1
145	Evonik Solar Norge AS	Trondheim	100	2012	0	0
146	Evonik Speciality Organics Ltd.	Milton Keynes	100	2012	793	4
147	Evonik Speciality Chemicals (Chongqing) Co., Ltd.	Chongqing	100	2012	-2	19
148	Evonik Speciality Chemicals (Jilin) Co., Ltd.	Jilin	100	2012	49	0
149	Evonik Stockhausen LLC	Wilmington	100	2012	42	10

SUBSIDIARIES

Consolidated subsidiaries other countries

	Name	Registered office	Share-holding in %	Fiscal year	Equity in € million	Net income/ loss in € million
150	Evonik Thai Aerosil Co. Ltd.	Bangkok	100	2012	11	3
151	Evonik (Thailand) Ltd.	Bangkok	100	2012	7	1
152	Evonik Tianda (Liaoyang) Chemical Additive Co., Ltd.	Liaoyang	97,04	2012	21	-1
153	Evonik Trustee Limited	Milton Keynes	100	2012	0	0
154	Evonik United Silica Industrial Ltd.	Tao Yuan Hsien	100	2012	26	2
155	Evonik United Silica (Siam) Ltd.	Rayong	70	2012	7	1
156	Evonik Wellink Silica (Nanping) Co., Ltd.	Nanping	60	2012	28	7
157	Insilco Ltd.	Gajraula	73,11	2012	14	0
158	JIDA Evonik High Perfomance Polymers (Changchun) Co., Ltd.	Changchun	84,04	2012	4	-1
159	Laporte Industries Ltd.	Milton Keynes	100	2012	1	-11
160	Laporte Nederland (Holding) B.V.	Amsterdam	100	2012	1	0
161	Laporte Organisation Ltd. (i.L.)	London	100	2011		in liquidation
162	Nilok Chemicals Inc. (i.L.)	Parsippany	100	2012		in liquidation
163	Nippon Aerosil Co., Ltd.	Tokio	80	2012	54	13
164	OOO Destek	Podolsk	62,25	2012	4	2
165	OOO Evonik Chimia	Moskau	100	2012	6	2
166	PT. Evonik Indonesia	Cikarang Bekasi	100	2012	6	1
167	PT. Evonik Sumi Asih	Bekasi Timur	75	2012	9	2
168	Qingdao Evonik Chemical Co., Ltd.	Jiaozhou	52	2012	27	2
169	Roha B.V.	Tilburg	100	2012	3	0
170	RÜTGERS Organics Corporation	State College	100	2012	-11	-2
171	SKC Evonik Peroxide Korea Co., Ltd.	Ulsan	55	2012	22	2
172	Stockhausen Nederland B.V.	Amsterdam	100	2012	22	0
173	The St. Bernard Insurance Company Ltd.	Douglas	100	2012	6	0

SUBSIDIARIES

Non-consolidated subsidiaries Germany

	Name	Registered office	Share-holding in %	Fiscal year	Equity in € million	Net income/ loss in € million
174	GSB Gesellschaft zur Sicherung von Bergmannswohnungen mbH	Essen	50	2011	0	0
175	PKU Pulverkautschuk Union GmbH (i.L.)	Marl	100	2012		in liquidation
176	RWS Wohnpark Sanssouci GmbH	Essen	67,1	2011	1	0
177	SJ Brikett- und Extrazitfabriken GmbH	Hückelhoven	100	2011	2	3
178	Studiengesellschaft Kohle mbH	Mülheim	69,99	2011	0	0

SUBSIDIARIES

	Non-consolidated subsidiaries other countries					
	Name	Registered office	Share-holding in %	Fiscal year	Equity in € million	Net income/ loss in € million
179	Ariens Steenfabriek I B.V.	Almelo	100	2011	0	0
180	Evonik Degussa Romania S.R.L. (i.L.)	Bukarest	100	2012		in liquidation
181	Inspec Fine Chemicals Ltd. (i.L.)	Milton Keynes	100	2012		in liquidation
182	Laporte Chemicals Ltd.	Milton Keynes	100	2012	0	0
183	RÜTGERS S.r.L. (i.L.)	Milan	99,99	2012		in liquidation
184	Sarclear Ltd. (i.L.)	Milton Keynes	100	2012		in liquidation
185	SKW Chemicals UK Ltd. (i.L.)	Milton Keynes	100	2012		in liquidation

INVESTMENTS

	Joint ventures (recognized at equity) Germany					
	Name	Registered office	Share-holding in %	Fiscal year	Equity in € million	Net income/ loss in € million
186	JSSi GmbH	Freiberg	51	2012	5	-3
187	StoHaas Management GmbH	Marl	50	2012	0	0
188	StoHaas Monomer GmbH & Co. KG	Marl	50	2012	202	62
189	THS GmbH	Essen	50	2011	271	63
190	Vivawest Wohnen GmbH	Essen	50	2011	3	-7
	Joint ventures (recognized at equity) other countries					
191	Daicel-Evonik Ltd.	Tokio	50	2012	16	2
192	DSL. Japan Co., Ltd.	Tokio	51	2012	8	1
193	Evonik Headwaters LLP	Milton Keynes	50	2012	0	0
194	Evonik Lanxing (Rizhao) Chemical Industrial Co., Ltd.	Rizhao	50	2012	3	0
195	Evonik Treibacher GmbH	Treibach-Althofen	50	2012	7	0
196	Perorsa - Peróxidos Orgánicos S.A. (i.L.)	Barcelona	50	2012		in liquidation
197	Rusferm Limited	Nikosia	49	2012	7	0
	Joint ventures (not recognized at equity) Germany					
198	Faserwerke Hüls GmbH	Marl	50	2012	1	0
199	Landschaftsagentur Plus GmbH	Essen	50	2011	0	0
	Associated companies (recognized at equity) Germany					
200	ARG mbH & Co. KG	Duisburg	19,93	2011	8	22
201	Deutsche Industrieholz GmbH	Essen	45	2011	1	0
202	RAG Verkauf GmbH	Herne	49	2011	1	4
203	STEAG GmbH	Essen	49	2011	435	100
204	TÜV Nord InfraChem GmbH & Co. KG	Marl	49	2011	2	0
205	TÜV Nord InfraChem Verwaltungsgesellschaft mbH	Marl	49	2011	0	0
	Associated companies (recognized at equity) other countries					
206	Saudi Acrylic Polymers Company, Ltd.	Jubail	25	2012	84	0

	Name	Registered office	Share-holding in %	Fiscal year	Equity in € million	Net income/ loss in € million
Associated companies (not recognized at equity) Germany						
207	Interkommunale Entwicklungsgesellschaft Hückelhoven-Wassenberg mbH (i.L.)	Hückelhoven	25	2012		in liquidation
208	Umschlag Terminal Marl GmbH & Co. KG	Marl	50	2011	0	0
209	Umschlag Terminal Marl Verwaltungs-GmbH	Marl	50	2011	0	0
210	Wohnbau Dinslaken GmbH	Dinslaken	46,45	2011	43	6
Other companies Germany						
211	Industriepark Münchsmünster GmbH & Co. KG	Münchsmünster	30	2011	8	0
212	Industriepark Münchsmünster Verwaltungs-GmbH	Königstein	38	2011	0	0

*There are domination and profit-and-loss transfer agreements between these companies and Evonik Industries AG.

**There are domination and profit-and-loss transfer agreements between these companies and Evonik Degussa GmbH.

***There is a domination and profit-and-loss transfer agreement between this company and Evonik Industries AG. The net income of Evonik Degussa GmbH for fiscal 2012 has been allocated in full to other profit reserves of Evonik Degussa GmbH with the agreement of the shareholder.

****There is a profit-and-loss transfer agreement between this company and Evonik Industries AG.

Equity is translated at the average rate on the balance-sheet date, while net income is translated using average annual rates.

4.32 Proposal for the appropriation of the profit

The Executive Board proposes that the balance sheet profit of Evonik Industries AG for fiscal 2012 amounting to €428,720,000 should be utilized as follows:

in €

Payment of a dividend of €0.92 per share	428.720.000,00
Balance sheet profit	**428.720.000,00**

Essen, February 20, 2013

The Executive Board

Dr. Engel	Dr. Colberg	Dr. Haeberle
Wessel	Wohlhauser	Dr. Yu

Change in the non-current assets of Evonik Industries AG, Essen between January 1 and December 31, 2012

	Cost of acquisition or production in € million					Depreciation and amortization in € million				Carrying amounts	
	Carried forward as of Jan. 1, 2012	Additions	Disposals	Reclassification	As of Dec. 31, 2012	Carried forward as of Jan. 1, 2012	Depreciaion/ amortization in fiscal year*	Disposals	As of Dec. 31, 2012	Dec. 31, 2012	Dec. 31, 2011
I. Intangible assets											
1 . Self-generated commercial rights and similar rights and assets	0	0	0	0	0	0	0	0	0	0	0
2 . Acquired licenses, trademarks and similar rights	7	1	0	1	9	5	1	0	6	3	2
3. Goodwill	0	0	0	0	0	0	0	0	0	0	0
4. Advance payments made	0	0	0	0	0	0	0	0	0	0	0
Sum	**7**	**1**	**0**	**1**	**9**	**5**	**1**	**0**	**6**	**3**	**2**
II. Property, plant and equipment											
1 . Land, land rights and buildings, including buildings on leased land	3	0	2	0	1	2	0	2	0	1	1
2. Plant and equipment	0	0	0	0	0	0	0	0	0	0	0
3 . Other plant, factory fittings and equipment	8	4	3	0	9	4	2	0	6	3	4
4 . Advance payments and construction in progress	1	4	0	-1	4	0	0	0	0	4	1
Sum	**12**	**8**	**5**	**-1**	**14**	**6**	**2**	**2**	**6**	**8**	**6**
III. Financial assets											
1 . Shares in affiliated companies	9,312	0	0	0	9,312	591	4	0	595	8,717	8,721
2 . Loans to affiliated companies	66	37	0	-2	101	0	0	0	0	101	66
3 . Securities reported under non-current asstes	26	0	26	0	0	0	0	0	0	0	26
Sum	**9,404**	**37**	**26**	**-2**	**8,822**	**591**	**4**	**0**	**595**	**8,818**	**8,813**
Total	**9,423**	**46**	**31**	**-2**	**8,845**	**602**	**7**	**2**	**607**	**8,829**	**8,821**

* Depreciation/amortization includes write-downs of financial assets totaling €4,345 thousand.