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– Text as prepared for spoken delivery –

Chart 1: Annual Press Conference on Fiscal 2016]

Ladies and gentlemen,
May I, too, extend a warm welcome to today's press conference.

[Chart 2: Good operating performance in FY 2016]

Let us take a look at the key financials for the past fiscal year.
Although economic growth remained weak, we achieved a significant rise in volume sales.
While sales declined in the light of the lower raw material costs, at € 12.7 billion they were nevertheless still at a high level.

Our most important indicator, adjusted EBITDA, achieved the target set a year ago despite price declines for some key products. In fact, we actually came in at the upper end of the forecast range specified at the end of the first six months. Evidence of the Evonik Group's earning power is that 17 of our 22 business lines posted an - in some cases substantial - increase.

The adjusted EBITDA margin of 17.0 is still very good compared with the European chemicals sector.

ROCE - the return on capital employed - also remained high at 14.0 percent, so we again earned a very attractive premium on the cost of capital.

Adjusted earnings per share, which forms the basis for our dividend, was nearly € 2.

[Chart 3: Delivering on financial targets]

The next slide compares the final figures for our main financial indicators with the original targets.
In all areas - earnings, cash flow and capital efficiency - they were in line with the forecast level or range. That shows we set demanding targets, even in volatile economic conditions, and achieve them through hard work and consistent management during the year. As Chief Financial Officer, I would especially like to highlight the very good development of our free cash flow.

[Chart 4: Successful implementation of efficiency enhancement programs]

To strengthen our future competitiveness, we are working continuously to streamline our structures and workflows.

Last year, we successfully completed the On Track 2.0 efficiency enhancement program introduced in 2012. We significantly over fulfilled our original targets: Instead of the target of € 500 million, measures to reduce costs by more than € 600 million were defined for implementation.

The Administration Excellence program has stood for optimization of our administration processes since 2013. In 2016, measures were defined for the full target potential of € 230 million and handed over to the organizational units for implementation. By the end of 2016, measures totaling around € 155 million had been already been realized under this program.

We cannot afford to relax our endeavors to build on the success of these two completed efficiency enhancement programs because factor costs are rising steadily. We will be systematically continuing the drive to raise efficiency further in production and administration in the future through the established continuous improvement process.

[Chart 5: Capital expenditures clearly above depreciation, High investments in German sites continued]

As usual, we took a disciplined approach to our capital expenditures last year. Our investment projects open up selected potential for profitable growth and thus contribute to sustained value creation.

Capital expenditures amounted to € 960 million in 2016. That was still well above depreciation, which was € 717 million. In the past year, we therefore steadily extended our growth businesses by investing in our own facilities.

One in two euros was invested in Germany. That is further evidence of the tremendous significance of our German sites - both now and in the future. Other regional focuses of our capital expenditures were North America and Asia-Pacific.

[Chart 6: Reliable and attractive dividend policy]

Dividend continuity and an attractive dividend remain important to Evonik.
This dividend policy makes us a reliable partner for our shareholders.
With a proposed dividend of € 1.15 per share, we are holding the dividend stable despite lower earnings. Our dividend yield of over 4 percent therefore remains at a top level within our sector. On a long-term view as well, Evonik shares provide a reliable return for shareholders: In recent years, the dividend has increased by an average of 8 percent p.a.

[Chart 7: Resource Efficiency and Performance Materials with strong earnings growth]

And now, ladies and gentlemen, allow me to talk briefly about the development of our three chemical segments.

Earnings in the Nutrition & Care segment dropped significantly following the previous year's exceptionally strong performance. This was mainly due to the normalization of selling prices for essential amino acids for animal nutrition.
By contrast, our healthcare business and our business with additives for polyurethane foams developed very well.

In the Resource Efficiency segment, both our earnings and our margin increased for the third consecutive year, rising to € 977 million and 21.8 percent respectively. This is further evidence of the very robust nature of this business, irrespective of cyclical fluctuations.
Particularly high demand was registered for crosslinkers and there was also a perceptible rise in sales of silica and of specialty additives for paints and coatings.

Following several highly challenging years caused by difficult market conditions, the Performance Materials segment was able to raise EBITDA again. The substantial rise of 20 percent to € 371 million was attributable to an improvement in the supply and demand situation, with higher volumes and improved capacity utilization. In addition, the cost-cutting measures introduced in this segment started to have an effect. The adjusted EBITDA margin improved from 9.0 percent to 11.4 percent.
This pleasing improvement was driven by methacrylates and by the strong development of C_4 chemicals at year-end.

[Chart 8: Outlook 2017: Targeting earnings growth]

Dr. Engel has already presented our outlook for next year, so I would merely like to summarize it here: Evonik aims to report higher sales and higher earnings in 2017. We expect adjusted EBITDA to be between € 2.2 billion and € 2.4 billion.
The specialty additives business we have just acquired from Air Products will make a significant contribution to this, including initial positive synergies.

Looking at our segments, Resource and Efficiency and Performance Materials are expected to report a rise in earnings. We assume that earnings in the Nutrition & Care segment will be lower than in 2016.

[Chart 9: Progress in 2016 as basis for further profitable growth ahead]

Ladies and gentlemen,
We successfully mastered the challenges in 2016, fully achieved our financial targets, and also made many strategic moves. In particular, the systematic implementation of our segment strategy, the acquisition of the Air Products specialty additives business, and the planned acquisition of Huber's silica business will give us a more balanced portfolio and earnings profile in the future.

What we have achieved is a sound basis and good starting point for further profitable growth at Evonik in the future.

Thank you for your attention.