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Key Financial Data: January 1 – March 31, 2010

**Evonik raises outlook for 2010 following a strong start to the year**

- Sales up 18 percent
- 126 percent rise in EBITDA, EBIT more than quadrupled
- Robust cash flow, further reduction in net financial debt
- Efficiency enhancement program is having an impact
- Outlook for 2010: EBITDA and EBIT should be above 2009 level

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Essen. “We started this year with strong figures,” commented Klaus Engel, Chairman of the Executive Board of Evonik Industries AG, today, when the company published its key financial data for the first quarter of 2010. The Group reported a substantial improvement in all major financial indicators. In particular, earnings have increased steadily. “The economy is starting to recover and our confidence is growing. Nevertheless, the economic situation remains uncertain,” said Engel.

The Evonik Group grew **sales** to €3,769 million in the first quarter of 2010, a rise of 18 percent on the year-back quarter, which was marked by the economic crisis. **EBITDA** (earnings before interest, taxes, depreciation and amortization) increased 126 percent to €744 million, principally due to far higher volume sales. The EBITDA margin improved to 19.7 percent (Q1 2009: 10.3 percent), bringing it to a good level. **EBIT** (earnings before interest and taxes) more than quadrupled to €554 million, driven mainly by the pleasing development of the Chemicals and Energy Business Areas. Overall, the Evonik Group’s **net income** was €290 million, compared with a loss of €46 million in Q1 2009.

The **cash flow** from operating activities advanced 20 percent to €530 million. This was mainly attributable to a far higher operating result, while net working capital increased as a result of a perceptible upturn in business. The cash flow was sufficient to finance capital expenditures of €117 million and to reduce **net financial debt** to €3,192 million, a decline of €239 million compared with year end 2009.

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### Positive development in all three business areas

The successful business trend registered by the **Chemicals** Business Area in Q4 2009 continued and gained momentum. There was a clear rise in demand, especially in Asia and Europe, and business also picked up slightly in North America. Overall, volume sales were considerably higher than in the first quarter of last year, which was severely impacted by the economic crisis. Sales grew 32 percent to €2,989 million. That was attributable to a 30 percentage point increase in volume sales and a slight improvement of 3 percentage points in selling prices, whereas currency effects trimmed sales by 1 percentage point. EBITDA rose 140 percent to €579 million. EBIT increased fivefold to €425 million, driven principally by a significant rise in volumes and the related increase in capacity utilization. A substantial rise in raw material costs was partly recouped through selling prices.

Sales slipped 15 percent year-on-year to €689 million in the **Energy** Business Area as a result of lower coal prices. EBITDA climbed 67 percent to €149 million and EBIT advanced 93 percent to €129 million. This was mainly due to coal trading, which was held back by one-off factors in Q1 2009.

The **Real Estate** Business Area posted sales of €82 million, in line with the year-back level. EBITDA rose 9 percent to €43 million, while the good development of property and portfolio management lifted EBIT 48 percent to €32 million.

### Outlook for 2010 raised

Despite the present improvement in economic conditions, there is still some uncertainty with regard to future economic trends, especially in view of the situation on the financial markets. Rising raw material costs could also dampen the trend.

Nevertheless, after a successful first quarter Evonik is more optimistic about the outlook for the full year than it was at the start of the year. Thanks to far higher demand, the Group now anticipates that sales growth will be in the double-digit percentage range. Overall, Evonik expects both EBITDA and EBIT to be higher than last year. Positive impetus will also come from the On Track efficiency enhancement

program in 2010. This program aims to achieve sustained cost savings of around €500 million p.a. from 2012. By the end of Q1 2010, specific measures had already been defined for 80 percent of this target. “We are making good progress but we will not diminish our efforts and will resolutely drive forward further action,” commented Engel.

**Evonik Group: Excerpt from the income statement**

(in € million)	Q1 2010	Q1 2009	Change in %
Sales	3,769	3,205	18
EBITDA	744	329	126
EBIT	554	126	340
Non-operating result, continuing operations	-4	-7	
<b>= Operating income</b>	<b>550</b>	119	362
Net interest expense	-122	-131	
<b>= Income before income taxes, continuing operations</b>	<b>428</b>	-12	-
= Income before income taxes, discontinued operations	2	-4	
<b>= Income before income taxes (total)</b>	<b>430</b>	-16	-
Income taxes	-122	-27	
<b>= Income after taxes</b>	<b>308</b>	-43	-
Non-controlling interests	-18	-3	
<b>= Net income</b>	<b>290</b>	-46	-

### Performance of the business areas

	Sales			EBITDA		
	Q1 2010 € million	Q1 2009 € million	Change in %	Q1 2010 € million	Q1 2009 € million	Change in %
Chemicals	2,989	2,271	32	579	241	140
Energy	689	814	-15	149	89	67
Real Estate	82	81	0	43	40	9
Other	9	39	-77	-27	-41	34
<b>Evonik Group</b>	<b>3,769</b>	<b>3,205</b>	<b>18</b>	<b>744</b>	<b>329</b>	<b>126</b>

### Employees by business area

	Mar.31, 2010	Dec. 31, 2009
Chemicals	30,779	29,723
Energy	4,900	4,820
Real Estate	472	479
Other	2,922	3,659
<b>Evonik Group</b>	<b>39,073</b>	<b>38,681</b>

### About Evonik

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

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