

Press release

December 18, 2010

Evonik and Rhein-Ruhr consortium of municipal utilities sign purchase agreement for a 51 percent stake in Evonik Steag GmbH

- Klaus Engel, Chairman of Evonik's Executive Board: "This is an important step in our repositioning as a specialty chemicals group."
- Dr. Hermann Janning, spokesman for the Rhein-Ruhr consortium: "We intend to develop Steag into Germany's largest municipal power generation platform."

As part of its strategic refocusing on specialty chemicals, Evonik Industries AG is divesting 51 percent of the shares in Evonik Steag GmbH, which bundles the Group's energy activities. Evonik and a consortium of seven municipal utility companies signed a sale and purchase agreement. The transaction values Steag at an enterprise value of €3.770 billion. This includes minority interests, net financial debt and pension provisions. The purchase price for the 51 percent equity stake of Evonik Steag GmbH amounts to €649 million. Changes in net financial debt and net working capital as of year-end 2010 could still result in an adjustment in the purchase price. The contract is contingent on the approval of Evonik's Supervisory Board, which has to be preceded by a resolution by the Board of Trustees of RAG-Stiftung (RAG Foundation). Both of these decisions are expected to be taken in January 2011. Assuming that the necessary approval is obtained from the Supervisory Board and from the responsible antitrust authorities, the transaction is expected to close at the end of the first quarter of 2011.

Evonik has also entered into an agreement with the consortium enabling it to sell the remaining 49 percent of shares in Evonik Steag GmbH to the municipal utilities for €594 million after a retention period of up to five years. This agreement is contingent on the approval of Evonik's Supervisory Board, which has to be preceded by a resolution by the Board of Trustees of RAG-Stiftung.

Evonik Industries AG
Barbara Müller
Head of Corporate Press
Phone +49 201 177-3423
Fax +49 201 177-3030
barbara.mueller@evonik.com

Stadtwerke Duisburg AG
Torsten Hiermann
Head of Corporate Communications
Phone +49 203 604-3357
Fax +49 203 604-3364
medienservice@dvv.de

Evonik Industries AG
Rellinghauser Straße 1-11
45128 Essen
Phone +49 201 177-01
Fax +0049 201 177-3475
www.evonik.com

Supervisory Board
Wilhelm Bonse-Beuking, Chairman
**Executive Board/
Board of Management**
Dr. Klaus Engel, Chairman
Ralf Blauth, Dr. Wolfgang Colberg

Registered Office Essen
Register Court
Essen Local Court
Commercial Registry B 19474

Stadtwerke Duisburg AG
Bungertstraße 27
47053 Duisburg
Phone +49 203 604-0
Fax +49 203 604-2900
www.stadtwerke-duisburg.de

Supervisory Board
Adolf Sauerland, Chairman
**Executive Board/
Board of Management**
Dr. Hermann Janning, Chairman
Dr.-Ing. Edmund Baer

Registered Office Duisburg
Register Court
Duisburg Local Court
Commercial Registry B 1140

The municipal utility companies in turn have to obtain the approval of their Supervisory Boards and the relevant local councils.

Klaus Engel, Chairman of the Executive Board of Evonik Industries AG, comments: “We are delighted to have found a strong and competent partner for the future of our energy business. The municipal authorities want to keep Steag in its entirety. Steag’s employees are receiving a reliable new majority owner who will utilize the company’s growth potential and strengthen its competitive position sustainably. We are convinced that the municipal utility companies will contribute their outstanding expertise in energy marketing. In some areas of the Ruhr region, they supply up to 90 percent of the end-users. This will strengthen Steag’s business further and our partnership with the consortium will result in a strong new number 5 on the German energy market.” Engel also emphasised: “The signing of the SPA today is a major step in repositioning Evonik as a dedicated specialty chemicals group.” The proceeds of the transaction will be used for a value-enhancing expansion of the chemicals business and to improve Evonik’s financial profile. Evonik’s chemicals business already accounts for around 80 percent of the Group’s total sales and earnings (EBITDA).”

The strategy of the Rhein-Ruhr consortium is outlined by Dr. Hermann Janning, Chairman of the Board of Management of Stadtwerke Duisburg AG, the consortium leader: “Our aim is to develop Steag into the largest municipal platform for power generation in Germany in both conventional and renewable energies.” The consortium is planning an ecologically focused expansion and restructuring of Steag’s portfolio of power plants, which currently has a bias towards hard coal. Janning: “We will be investing in environment-friendly gas and steam plants as well as in renewable energies. That will provide a sound basis for securing and expanding Steag’s core business in Germany.”

About Evonik Steag GmbH

Evonik Steag GmbH bundles Evonik's power and heat generation businesses and its power plant related activities. Its core competencies include planning, financing, building and operating efficient fossil-fuelled power plants. As a grid-independent operator, Evonik Steag GmbH has nine hard-coal power plants at eight sites in Germany, and two refinery power plants, with total installed capacity of 8.2 Gigawatt. Outside Germany, the company operates three hard-coal power plants – in Turkey, the Philippines and Colombia – with total installed capacity of 1.7 Gigawatt. In the future-oriented renewable energies segment, the company is one of the German leaders in the generation of power and heat from mine gas, biomass and geothermal energy. Its global engineering services also deepen Steag's local insights into the energy market, enabling it to develop new business ideas for power plant projects.

The Evonik Steag Group had 4,820 employees in 2009 and reported sales of €2.615 billion and EBITDA of €502 million.

About the Rhein-Ruhr consortium of municipal utilities

The Rhein-Ruhr consortium comprises the following municipal utility companies: Dortmunder Energie- und Wasserversorgung GmbH (DEW21), Dortmunder Stadtwerke AG (DSW21), Energieversorgung Oberhausen AG (evo), Stadtwerke Bochum GmbH, Stadtwerke Essen AG, Stadtwerke Dinslaken GmbH and Stadtwerke Duisburg AG. As local energy service providers, these companies are partners for the supply of electricity, gas, water and district heating to private households and commercial clients in the Ruhr region, which is Germany's largest conurbation. In 2009 the companies in the consortium sold around 7,100 Gigawatt hours of electricity and 3,000 Gigawatt hours of district heating. Together, they had around 6,900 employees and sales of approximately €2.9 billion.

Company information

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.

Disclaimer

In so far as forecasts or expectations are expressed in this press release or where our statements concern the future, these forecasts, expectations or statements may involve known or unknown risks and uncertainties. Actual results or developments may vary, depending on changes in the operating environment. Neither Evonik Industries AG nor its group companies assume an obligation to update the forecasts, expectations or statements contained in this release.