

### Key Financial Data

January 1 – September 30, 2010 / Q3 2010

November 15, 2010

### **Strong business performance continued – Record earnings expected in 2010**

- Net income almost quadrupled in the first nine months
- New historical earnings record for Chemicals
- Increase in cash flow, further reduction in net financial debt
- Investment for further growth under way

Essen. “The third quarter remained strong; the first nine months were excellent. We are very pleased with our business,” commented Klaus Engel, Chairman of the Executive Board of Evonik Industries AG today, when the Group published its key financial figures for the third quarter and first nine months of 2010. In the Chemicals Business Area in particular higher global demand, a substantial improvement in capacity utilization and effective action to raise efficiency lifted earnings considerably. “At the end of the first nine months earnings in our Chemicals Business Area are on course for a historical record,” commented Engel. The Energy Business Area also posted a considerable improvement.

Evonik expects the business trend to remain positive in the fourth quarter and also gave more detailed guidance for the full year: “We anticipate excellent results with sales growth of more than 20 percent,” said Engel. At the same time, Evonik has initiated strategically important investment projects to ensure that the growth trajectory continues in the long term. These include the planned construction of a production facility for methionine for feed additives in Singapore and increasing capacity for precipitated silica for the tire, feed, food, coatings and colorants sectors in Asia and Europe. Evonik already ranks among the global market leaders in both businesses and now aims to strengthen them selectively in growth markets.

The positive business trend in the first nine months of 2010 enabled Evonik to grow both sales and all earnings parameters significantly compared with the first nine months of 2009. The Group’s **sales** climbed 24 percent to €11,887 million (9M 2009: €9,590 million). **EBITDA**

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(earnings before interest, taxes, depreciation and amortization) surged 55 percent to €2,276 million in the first nine months of 2010 (9M 2009: €1,468 million) and the EBITDA margin was 19.1 percent, well above the year-back level of 15.3 percent. **EBIT** (earnings before interest and taxes) increased 93 percent to €1,689 million (9M 2009: €873 million), driven by considerably higher demand and improved margins. All three business areas, especially Chemicals, contributed to this rise.

The **non-operating loss** of €165 million principally comprised expenses for pensions in the UK and for the On Track efficiency enhancement program. **Income before income taxes from the continuing activities** was €1,118 million. That was €745 million (199 percent) more than in the previous year. Overall, the **net income** of the Evonik Group almost quadrupled to €790 million in the first nine months of 2010 (9M 2009: €211 million).

The considerable rise in the operating result in the first nine months of 2010 brought a significant increase in the **cash flow** from operating activities to €1,360 million. That was €101 million above the good year-back figure despite the rise in net working capital as a result of the significant upturn in business. Capital expenditures amounted to €479 million. A pilot plant for the manufacture of key ultra-high purity products for the semiconductor sector was started up successfully in Rheinfelden (Germany) and preparations are now under way to raise output. In Nanning (China) Evonik started up a new production facility for pharmaceutical active ingredients. In addition, a new production facility for precious metal powder catalysts for the pharmaceuticals sector and for fine and industrial chemicals came into service in Shanghai (China). Evonik used the cash flow to finance investments, pay the dividend of €320 million for fiscal 2009, and reduce net debt substantially. **Net financial debt** has decreased to €3,027 million, a drop of €404 million since year end 2009 and €1,556 million lower than at the start of 2009.

### **Group's third quarter performance improved considerably year-on-year**

The good business trend seen in the first six months continued unabated in the third quarter of 2010. **Group sales** increased 24 percent to €4,088 million (Q3 2009: €3,309 million) due to higher demand worldwide. **EBITDA** advanced 18 percent to €744 million (Q3 2009:

€629 million). **EBIT** improved 26 percent to €541 million (Q3 2009: €430 million) as a result of higher earnings contributions from all three business areas. **Net income** rose 55 percent to €260 million (Q3 2009: €168 million).

### **All three business areas posted an improvement in the first nine months of 2010**

The **Chemicals** Business Area developed extremely well in the first nine months. **Sales** grew 31 percent to €9,593 million (9M 2009: €7,316 million) thanks to increased volume sales (18 percentage points) and higher selling prices (10 percentage points), principally because this business area was able to pass on higher raw material costs to customers. **EBITDA** increased by €707 million to €1,874 million (9M 2009: €1,167 million). **EBIT** grew €710 million to €1,400 million (9M 2009: €690 million), driven mainly by higher volumes, improved capacity utilization and better margins. All business units increased their earnings considerably year-on-year.

The **Energy** Business Area also reported a significant improvement year-on-year. **Sales** increased 7 percent in the first nine months to €1,977 million (9M 2009: €1,849 million) driven by higher volumes and rising coal prices. **EBITDA** rose by €124 million to €389 million (9M 2009: €265 million). **EBIT** climbed €128 million to €326 million (9M 2009: €198 million). Alongside higher earnings contributions from German and foreign power plants, this was principally attributable to coal trading, which was held back by one-off factors in the first nine months of 2009.

In the **Real Estate** Business Area, **sales** were essentially unchanged year-on-year at €280 million in the first nine months (9M 2009: €279 million). **EBITDA** increased by €5 million year-on-year to €138 million. **EBIT** was €103 million, €5 million above the prior-year figure, mainly because of the favorable development of property management.

### **Outlook: Excellent results expected in FY 2010**

The Evonik Group expects the positive business trend to continue in the fourth quarter, although seasonal factors mean that it will not match the very good figures reported for the previous quarters.

Overall, Evonik assumes that it will report an excellent performance in fiscal 2010. Thanks to sustained high global demand, it expects to grow sales by more than 20 percent over the full year. EBITDA and EBIT will be considerably higher than in the previous year. The Group anticipates that the Chemicals Business Area will post an especially successful development and report a historical EBIT record.

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

(in € million)	Q3 2010	Q3 2009	Change in %	9M 2010	9M 2009	Change in %
Sales	4,088	3,309	24	11,887	9,590	24
EBITDA	744	629	18	2,276	1,468	55
<b>EBIT</b>	<b>541</b>	<b>430</b>	<b>26</b>	<b>1,689</b>	<b>873</b>	<b>93</b>
Non-operating result, continuing operations	-22	-97		-165	-138	
Net interest expense	-157	-115		-406	-362	
<b>= Income before income taxes, continuing operations</b>	<b>362</b>	<b>218</b>	<b>66</b>	<b>1,118</b>	<b>373</b>	<b>199</b>
= Income before income taxes, discontinued operations	2	0		-2	-5	
<b>= Income before income taxes (total)</b>	<b>364</b>	<b>218</b>	<b>67</b>	<b>1,116</b>	<b>368</b>	<b>203</b>
Income taxes	-91	-29		-280	-107	
<b>= Income after taxes</b>	<b>273</b>	<b>189</b>	<b>44</b>	<b>836</b>	<b>261</b>	<b>220</b>
Non-controlling interests	13	21		46	50	
<b>= Net income</b>	<b>260</b>	<b>168</b>	<b>55</b>	<b>790</b>	<b>211</b>	<b>275</b>

**Performance of the business areas**

	Sales			EBITDA		
	Q3 2010 € million	Q3 2009 € million	Change in %	Q3 2010 € million	Q3 2009 € million	Change in %
Chemicals	3,318	2,643	26	638	519	23
Energy	654	510	28	108	86	26
Real Estate	102	95	7	47	49	-3
Other	14	61	-77	-49	-25	-96
<b>Evonik Group</b>	<b>4,088</b>	<b>3,309</b>	<b>24</b>	<b>744</b>	<b>629</b>	<b>18</b>
	Sales			EBITDA		
	9M 2010 € million	9M 2009 € million	Change in %	9M 2010 € million	9M 2009 € million	Change in %
Chemicals	9,593	7,316	31	1,874	1,167	61
Energy	1,977	1,849	7	389	265	47
Real Estate	280	279	1	138	133	4
Other	37	146	-75	-125	-97	-29
<b>Evonik Group</b>	<b>11,887</b>	<b>9,590</b>	<b>24</b>	<b>2,276</b>	<b>1,468</b>	<b>55</b>

**Employees by business area**

	<b>Sept. 30, 2010</b>	<b>Dec. 31, 2009</b>
Chemicals	31,052	30,318
Energy	4,896	4,820
Real Estate	475	479
Other	2,922	3,064
<b>Evonik Group</b>	<b>39,345</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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