Interim report

3rd quarter 2013
January to September 2013

A solid business performance in difficult market conditions

- Solid operating results, albeit well below the very good prior-year level
- Pleasing volume growth but a perceptible decline in selling prices
- Successful disposal of the real estate business
- Considerable rise in net income thanks to divestment gains
- Clear improvement in financial profile
- Program to optimize administrative structures launched
- Outlook for 2013 confirmed

Evonik. Power to create.

EVONIK INDUSTRIES

Key data for the Evonik Group

in € million	3rd quarter 2013	3rd quarter 2012	1st nine months 2013	1st nine months 2012
Sales	3,239	3,359	9,739	10,186
Adjusted EBITDA [1]	518	701	1,622	2,014
Adjusted EBITDA margin in %	16.0	20.9	16.7	19.8
Adjusted EBIT [2]	375	553	1,196	1,577
EBIT	140	599	868	1,530
Income before financial result and income taxes, continuing operations	128	596	818	1,502
Net income	1,470	355	1,951	888
Earnings per share in €	3.15	0.76	4.19	1.91
Adjusted earnings per share in €	0.45	0.72	1.51	1.97
Cash flow from operating activities	676	605	898	994
Capital expenditures	306	248	723	595
Net financial assets/debt as of September 30	–	–	592	–990
Employees as of September 30	–	–	33,612	33,931

Prior-year figures restated.
[1] Earnings before interest, taxes, depreciation and amortization, after adjustments.
[2] Earnings before interest and taxes, after adjustments.

Due to rounding, some figures in this report may not add up exactly to the totals stated.

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Evonik in focus Q3 2013

Evonik initiates streamlining of administrative structures and reduces the size of its Executive Board

Following its successful repositioning from an integrated conglomerate to a listed specialty chemicals company, Evonik is now embarking on Group-wide consolidation of its management and administrative processes. The new Administration Excellence program aims to create a global administrative organization with a common stamp—without duplication of responsibilities or cost-intensive interfaces. This should leverage savings of up to €250 million a year by the end of 2016. Efficient and flexible administrative structures should make Evonik faster and more agile in the marketplace.

The reorganization is starting at the top: Effective January 1, 2014, operational responsibility for the entire specialty chemicals business will be transferred to Patrik Wohlhauser (49). Dr. Dahai Yu (52) and Dr. Thomas Haeberle (57) will be leaving the company by amicable mutual agreement on December 31, 2013. The reduction in the size of the Executive Board takes account of the significant reduction in complexity in the Group in recent years.

Long-term financial targets announced

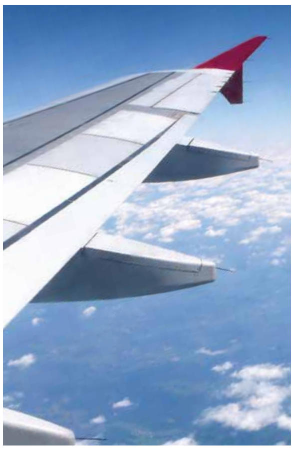
At our first Capital Markets Day in early September 2013, we confirmed our growth strategy and underpinned it with long-term financial targets. Based on strong organic growth, efficiency enhancements and growth-oriented investments to raise margins, we aim to achieve sales of around €18 billion and adjusted EBITDA of over €3 billion in 2018.

Evonik included in the MDAX

Evonik has been included in the MDAX index since September 23, 2013. As of the same date, it was also listed on the STOXX Europe 600 index and the corresponding sub-indices, including the DJ STOXX 600 Chemicals℠.

Expansion of oil additives capacity in Singapore

Evonik is planning a significant increase in capacity at its oil additives plant on Jurong Island (Singapore) by early 2015. Most of the current improvements and debottlenecking activities are scheduled for completion in the first half of 2014. These optimization measures and the planned expansion will almost double production capacity at our present oil additives plant in Singapore in response to above-average growth in the market for oil additives resulting from rising mobility in Asia and increased demand for high-performance additives for modern, resource-efficient lubricants.



Innovative lightweight composites for the automotive and aviation industries

A new joint venture—LiteCon Advanced Composite Products—has been established for the mass production of fiber-reinforced composite components for the automotive and aviation industries. Evonik owns 49 percent of the shares in this new joint venture; the other 51 percent are held by the Austrian company SECAR Technologie. Evonik will be contributing its expertise in materials development, especially ROHACELL® structural foam, to the joint venture. SECAR is an established supplier of fiber-reinforced composite materials for the automotive, aviation and medical sectors.

Evonik stock

Share price performance

Low interest rates and indications that the relaxed monetary policy would continue created a positive environment for equity investments in the third quarter. Against this backdrop, the DJ STOXX 600 Chemicals℠ rose 5.3 percent.

Evonik's shares rose appreciably through the quarter until mid-September, from €27.29 on July 1 to €28.97 on September 20. Positive impetus came from the financial report on the second quarter and inclusion of the share in the MDAX index. However, the share price slipped slightly in the last week of September, ending the month at €27.31, which was 0.4 percent above the closing price on June 28, 2013.

Key data

	July 1 – September 30, 2013
Highest share price*	€28.97
Lowest share price*	€24.56
Average price*	€27.11
Closing price* on Sept. 30, 2013	€27.31
No. of shares	466,000,000
Market capitalization* Sept. 30, 2013 in billion	€12.72
Average daily trading volume* No. of shares	183,087

* Xetra trading

Performance of Evonik shares April 25 – September 30, 2013

Capital Markets Day was well received

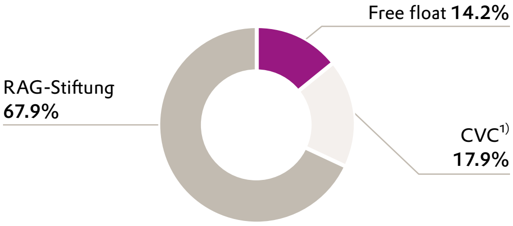
Evonik's growth strategy and long-term financial targets formed the heart of the company's first Capital Markets Day in Essen (Germany) on September 3, which attracted around 60 international analysts and investors. The capital markets also showed considerable interest in the subsequent roadshows and investor conferences.

Further analysts took up coverage of the share in the third quarter. By the end of September, 15 equity research reports had been published. Six of them rated shares in Evonik as a buy, two issued sell recommendations, and seven were neutral. The price targets were between €23 and €37, giving a median of €29.

First analysis of shareholder structure

We conducted the first analysis of our shareholder structure as of July 31, 2013. Around 95 percent of the free float is held by institutional investors, with private shareholders accounting for around 5 percent. The regional distribution of the free float shows that—alongside Asia—most shareholders are in the USA, Germany, the UK and Italy.

Shareholder structure



[1] The shares in Evonik are held by Gabriel Acquisitions GmbH, an indirect subsidiary of funds advised by CVC Capital Partners.

Evonik included in the MDAX

Evonik has been included in the MDAX index since September 23, 2013 so its visibility on the international financial markets will increase further in the future. Criteria for the weighting of the shares in this index are trading volume and market capitalization, based on the free float. On these criteria, Evonik was ranked 40th and 20th respectively. The weighting in the MDAX was initially 1.7 percent, based on market capitalization of around €1.8 billion. In parallel with its inclusion in the MDAX, the share was included in the STOXX Europe 600 and the corresponding sub-indices, including the DJ STOXX 600 Chemicals℠.

New €1.75 billion syndicated credit facility

At the start of September 2013, we agreed a new syndicated revolving credit facility totaling €1.75 billion with our core banks. It is split into two tranches of €875 million each maturing initially in three and five years respectively. Both tranches have two one-year extension options. This credit facility is our central liquidity reserve and is not currently drawn. The syndicate comprises 27 banks from Germany (7), the USA (5), the UK (4), France (3), Japan (2), China (2), and Italy, Sweden, Switzerland and Spain (one from each of these countries).

We also maintain intensive contact with our bond investors. In the fall we held a fixed-income roadshow for institutional investors in several European cities including Paris, Amsterdam and Frankfurt am Main.

Basic data on Evonik stock

WKN	EVNK01
ISIN	DE000EVNK013
Ticker symbol	EVK
Reuters (Xetra trading)	EVKn.DE
Bloomberg (Xetra trading)	EVK GY
First trading day	April 25, 2013
Trading segments	Regulated market (Prime Standard) Frankfurt am Main Regulated market Luxembourg
Indices	MDAX, STOXX Europe 600

Profile of Evonik

Evonik is one of the world's leading specialty chemicals companies. Around 80 percent of sales come from leading market positions, which we plan to expand further. We concentrate on high-growth megatrends, especially health, nutrition, resource efficiency and globalization. As part of our ambitious growth strategy, we are investing considerable amounts to step up our presence in emerging markets, especially in Asia. Important competitive advantages come from our integrated technology platforms, which we are constantly refining. Our operations are grouped in three segments, each of which has two business units which act as entrepreneurs within the enterprise.

Consumer, Health & Nutrition

This segment's products are used principally in applications in the consumer goods, animal nutrition and healthcare sectors. It comprises the Consumer Specialties and Health & Nutrition Business Units.

Resource Efficiency

This segment provides environment-friendly and energy-efficient system solutions. It is comprised of the Inorganic Materials and Coatings & Additives Business Units.

Specialty Materials

The heart of the Specialty Materials segment is the production of polymer materials and intermediates, mainly for the rubber and plastics industries. It consists of the Performance Polymers and Advanced Intermediates Business Units.

Services

This segment principally comprises Site Services and Evonik Business Services. It mainly provides services for Evonik's specialty chemicals segments and Corporate Center, but also serves third parties.

Quarterly financial report 2013

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Interim management report for the Evonik Group as of September 30, 2013

1. Business conditions and performance

1.1 Economic background

Global economic conditions remained difficult in the third quarter of 2013 and there was only a partial recovery in global growth. In Europe, North America and China, which are particularly important regions for Evonik, growth rates were below expectations. As anticipated, overall growth in the world economy remained weak and was lower than in the previous year.

Worldwide, the development of Evonik's end-customer industries still showed little momentum in the third quarter of 2013. As expected, output was only slightly higher than in the previous year. In many end-customer industries, production volumes were probably only marginally above the levels reported for the second quarter of 2013, partly due to the continued economic weakness in Europe, which is our main market, and partly for seasonal reasons. Price trends were essentially unchanged at the low level of the first six months and thus still considerably lower than in the previous year.

Contrary to expectations, despite a rise in the price of crude oil there was virtually no increase in Evonik's average raw material prices, which remained around the same level as in the second quarter.

1.2 Business performance

Main events

Shares in Evonik Industries AG have been listed on the stock exchanges in Frankfurt am Main (Prime Standard) and Luxembourg since April 25, 2013. Effective September 23, 2013, they were included in Deutsche Börse's MDAX index. As of the same date, the shares were also listed on the STOXX Europe 600 index and the corresponding sub-indices, including the DJ STOXX 600 Chemicals[SM].

At the end of September we launched a program to streamline our administrative structures. Following Evonik's successful repositioning from a conglomerate to a listed specialty chemicals company, the next step is Group-wide consolidation of management and administrative processes. The Administration Excellence program aims to create a global administrative organization with a common stamp—without duplication of responsibilities or cost-intensive interfaces. This should leverage savings of up to €250 million a year by the end of 2016.

In connection with this, at its meeting on September 23, 2013, the Supervisory Board of Evonik Industries AG decided to reduce the size of the company's Executive Board. Dr. Dahai Yu (52) and Dr. Thomas Haeberle (57) will be leaving the company by amicable mutual agreement on December 31, 2013. Responsibility for the specialty chemicals business will be transferred to Patrik Wohlhauser (49) on January 1, 2014. On June 21, 2013, the Supervisory Board appointed Ute Wolf (45) to succeed Dr. Wolfgang Colberg (53) as a member of the Executive Board and Chief Financial Officer with effect from October 1, 2013. Ute Wolf has a degree in mathematics and had headed Evonik's Finance Division since 2006.

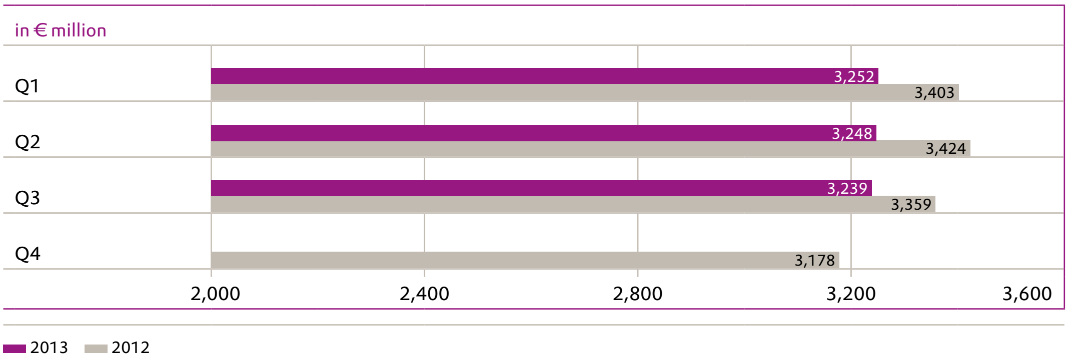
In accordance with the focus on specialty chemicals, in July 2013 we divested the majority of our stake in the real estate operations bundled in the Real Estate segment[1]. RAG-Stiftung, Essen (Germany) now holds 30.0 percent of Vivawest GmbH (Vivawest), Essen (Germany), Vermögensverwaltungs- und Treuhandgesellschaft der Industriegewerkschaft Bergbau und Energie mbH (VTG), Hanover (Germany), holds 26.8 percent, Evonik Pensionstreuhand e.V., (contractual trust arrangement, CTA), Essen (Germany) holds 25.0 percent and RAG Aktiengesellschaft, Herne (Germany) holds 7.3 percent. We plan to divest our remaining 10.9 percent stake in Vivawest to long-term investors in the intermediate term. All operations of the Real Estate segment were reclassified to discontinued operations in March 2013 and deconsolidated in July.

Further, we intend to withdraw completely from our activities in the field of electromobility. Accordingly, we have reclassified our lithium-ion business to discontinued operations[2]. The prior-year figures have been restated accordingly.

Business performance in Q3 2013

Overall, we achieved a solid operating performance in the third quarter of 2013 even though global economic conditions remained difficult. Although there was only a slight upturn in key end-customer industries, we were able to increase volume sales perceptibly. As a consequence of the challenging market conditions there was, however, a considerable drop in the selling prices of some important products. In all, sales and the operating results were below the previous year's very good figures, but the operating results improved slightly compared with the second quarter of 2013.

Sales by quarters



Prior-year figures restated.

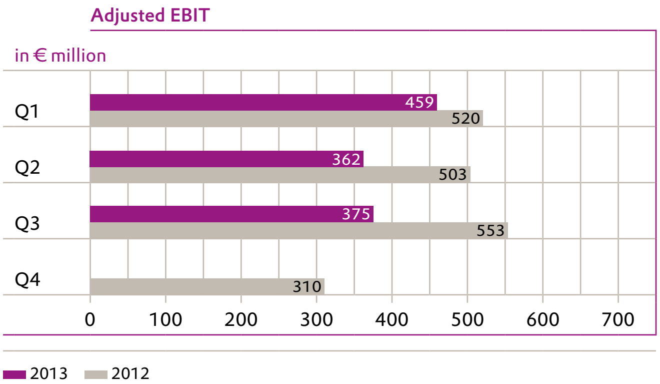
[1] For further information, see Note (4.2).
[2] For further information, see Note (4.3).

In the third quarter of 2013, the Evonik Group's sales were €3,239 million, 4 percent lower than in the prior-year period. The organic sales decrease was 1 percent, with lower prices almost offset by higher volumes. Exchange rates clipped sales by 1 percentage point. The other effects totaling minus 2 percentage points mainly related to the cyanuric chloride business in China, which was sold in December 2012.

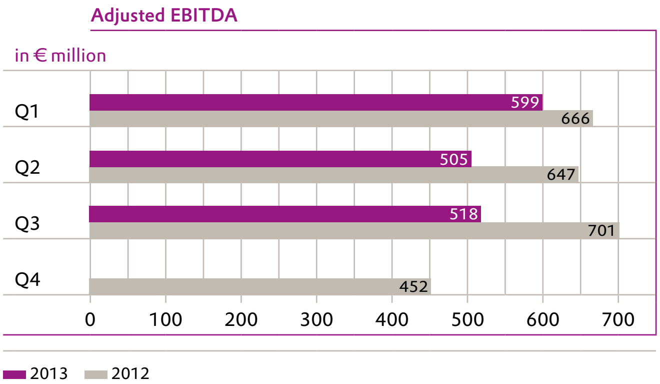
Year-on-year change in sales

in %	Q1 2013	Q2 2013	Q3 2013	Q1–Q3 2013
Volume	0	2	5	2
Price	–2	–5	–6	–4
Organic sales growth	**–2**	**–3**	**–1**	**–2**
Exchange rates	0	–1	–1	–1
Other effects	–2	–1	–2	–1
Total	**–4**	**–5**	**–4**	**–4**

Operating results by quarters



Prior-year figures restated.



Prior-year figures restated.

The operating results fell short of the very high prior-year results, mainly because of lower selling prices for some important products. Overall, adjusted EBITDA declined by 26 percent to €518 million, and adjusted EBIT dropped 32 percent to €375 million. The adjusted EBITDA margin was 16.0 percent, below the previous year's exceptionally good level of 20.9 percent.

Statement of income

in € million	3rd quarter 2013	2012	Change in %	1st nine months 2013	2012	Change in %
Sales	**3,239**	**3,359**	**–4**	**9,739**	**10,186**	**–4**
Adjusted EBITDA	**518**	**701**	**–26**	**1,622**	**2,014**	**–19**
Depreciation and amortization	–143	–148		–426	–437	
Adjusted EBIT	**375**	**553**	**–32**	**1,196**	**1,577**	**–24**
Adjustments	–235	46		–328	–47	
thereof attributable to						
Restructuring	*–163*	*142*		*–160*	*135*	
Impairment losses/reversals of impairment losses	*–19*	*–106*		*–54*	*–178*	
Acquisition/divestment of shareholdings	*–27*	*–1*		*–37*	*3*	
Other	*–26*	*11*		*–77*	*–7*	
Net interest expense	–67	–80		–201	–239	
Income before income taxes, continuing operations	**73**	**519**	**–86**	**667**	**1,291**	**–48**
Income taxes	–16	–180		–180	–457	
Income after taxes, continuing operations	**57**	**339**	**–83**	**487**	**834**	**–42**
Income after taxes, discontinued operations	1,321	14		1,363	43	
Income after taxes	**1,378**	**353**	**290**	**1,850**	**877**	**111**
Attributable to non-controlling interests	92	2		101	11	
Net income	**1,470**	**355**	**314**	**1,951**	**888**	**120**
Earnings per share in €	**3.15**	**0.76**	**314**	**4.19**	**1.91**	**120**

Prior-year figures restated.

The adjustments of minus €235 million comprised restructuring expenses of €163 million, mainly in connection with the planned optimization of administrative and service structures and workflows, and a slight counter-effect from income in connection with the restructuring of the photovoltaic business. The adjustments also include impairment losses on production plants in the Specialty Materials segment and expenses relating to the divestment of former non-core operations. Other adjustments include expenses for, among other things, provisions for environmental protection measures and legal disputes. In addition, the adjustments contain income in connection with the recognition of the put and the call option for the remaining shares in STEAG GmbH. The prior-year figure of €46 million essentially comprised income from settlements and impairment losses in connection with the restructuring of the photovoltaic business.

Net interest expense improved to €67 million as a result of transfers made to the CTA in 2012 and 2013 and lower interest on non-current provisions. Income before income taxes, continuing operations declined by 86 percent to €73 million due to higher adjustment expense and the reduction in operating income. The income tax rate was 22 percent as a consequence of extraordinary income from the revaluation of deferred tax assets.

Income after taxes, discontinued operations[2] amounted to €1,321 million, principally because of the income from the divestment of the real estate operations. It also includes operating income from these activities and from the lithium-ion business. Total income after taxes therefore rose from €353 million to €1,378 million. The €92 million attributable to non-controlling interests contains the pro rata losses of fully consolidated subsidiaries attributable to shareholders outside the Evonik Group. Net income improved from €355 million in the third quarter of 2012 to €1,470 million thanks to the income from divestments.

Adjusted net income reflects the operating performance so it does not contain the impact of adjustments or the discontinued operations. Adjusted net income therefore dropped 38 percent to €210 million in the third quarter of 2013. Adjusted earnings per share decreased from €0.72 to €0.45.

Reconciliation to adjusted net income

	3rd quarter			1st nine months		
in € million	2013	2012	Change in %	2013	2012	Change in %
Income before financial result and income taxes[1]	**128**	**596**	**–79**	**818**	**1,502**	**–46**
Result from investments recognized at equity	12	4		39	28	
Other financial income	–	–1		11	–	
EBIT	**140**	**599**	**–77**	**868**	**1,530**	**–43**
Adjustments	235	–46		328	47	
Adjusted EBIT	**375**	**553**	**–32**	**1,196**	**1,577**	**–24**
Net interest expense	–67	–80		–201	–239	
Adjusted income before income taxes[1]	**308**	**473**	**–35**	**995**	**1,338**	**–26**
Adjusted income taxes	–95	–134		–282	–410	
Adjusted income after taxes[1]	**213**	**339**	**–37**	**713**	**928**	**–23**
Adjusted income attributable to non-controlling interests	–3	–3		–9	–11	
Adjusted net income[1]	**210**	**336**	**–38**	**704**	**917**	**–23**
Adjusted earnings per share in €[1]	**0.45**	**0.72**	**–38**	**1.51**	**1.97**	**–23**

Prior-year figures restated.
[1] Continuing operations.

[2] For further information, see Note (4.3).

Business performance in the first nine months of 2013

In the first nine months of 2013, the Evonik Group's sales declined 4 percent to €9,739 million. The 2 percent organic sales decline was due to lower selling prices (minus 4 percentage points), whereas volumes increased by 2 percentage points. Exchange rates and other effects each reduced sales by 1 percentage point. The impact of the other effects mainly related to the colorants business that was divested in April 2012 and the cyanuric chloride business in China, which was sold in December 2012.

The operating results declined, principally as a result of lower selling prices for key products. Overall, adjusted EBITDA fell by 19 percent to €1,622 million, while adjusted EBIT dropped 24 percent to €1,196 million. The adjusted EBITDA margin slipped from 19.8 percent to 16.7 percent.

Good progress is being made with the On Track 2.0 efficiency enhancement program. After just 21 months, measures are already under way to achieve around €230 million of the planned annual savings of €500 million.

The adjustments of minus €328 million comprise restructuring expenses of €160 million, mainly in connection with the planned optimization of administrative and service structures and workflows, and a slight counter-effect from income in connection with the restructuring of the photovoltaic business. In addition, adjustments take account of impairment losses and expenses in connection with the shutdown of production facilities in the Resource Efficiency and Specialty Materials segments and expenses relating to the sale of former non-core operations. Other adjustments relate, among other things, to the establishment of provisions for environmental protection and legal disputes, and expenses in connection with the recognition of the put option and the call option for the remaining shares in STEAG GmbH. The prior-year figure of minus €47 million mainly related to income from settlements and impairment losses in connection with the restructuring of the photovoltaic business. All income and expenses reflected in adjustments are included in other operating income and expenses in the income statement.

Net interest expense improved to €201 million. Income before income taxes, continuing operations fell 48 percent to €667 million due to the weaker operating performance and higher one-off adjustment expense. The income tax rate was 27 percent and thus below the expected Group tax rate of 30 percent thanks to prior-period tax income.

Income after taxes, discontinued operations[1] totaling €1,363 million mainly contains the proceeds from the divestment of the real estate operations. It also includes operating income from these activities and the lithium-ion business. Non-controlling interests totaling €101 million comprised pro rata losses of fully consolidated subsidiaries attributable to shareholders outside the Evonik Group. Net income grew 120 percent to €1,951 million.

Adjusted net income decreased by 23 percent to €704 million, while adjusted earnings per share declined from €1.97 to €1.51.

[1] For further information, see Note (4.3).

1.3 Segment performance

Consumer, Health & Nutrition segment

- Higher volumes, lower selling prices
- Operating results below the very good prior-year figures
- Adjusted EBITDA margin remained very good at 22.5 percent in the first nine months

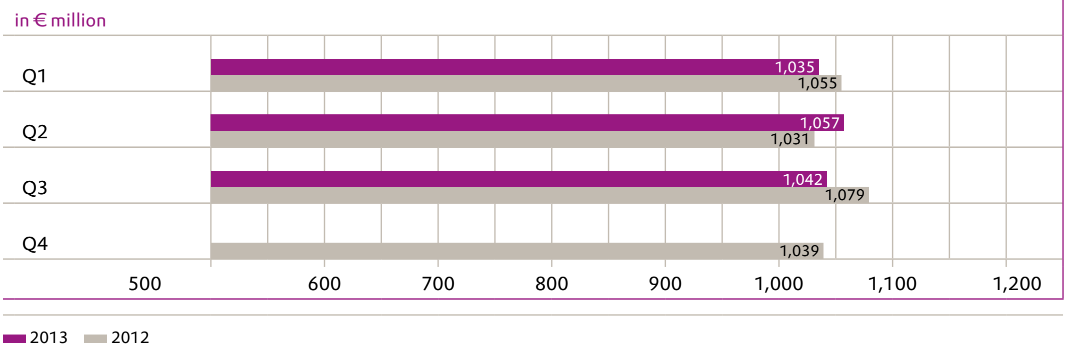
Key data on the Consumer, Health & Nutrition segment

	3rd quarter			1st nine months		
in € million	**2013**	2012	Change in %	**2013**	2012	Change in %
External sales	1,042	1,079	–3	3,135	3,165	–1
Consumer Specialties Business Unit	545	522	4	1,657	1,565	6
Health & Nutrition Business Unit	497	557	–11	1,478	1,600	–8
Adjusted EBITDA	210	280	–25	706	826	–15
Adjusted EBITDA margin in %	20.2	25.9	–	22.5	26.1	–
Adjusted EBIT	175	249	–30	604	733	–18
Capital expenditures	116	81	43	260	195	33
Employees as of September 30	–	–		7,116	6,801	5

Prior-year figures restated.

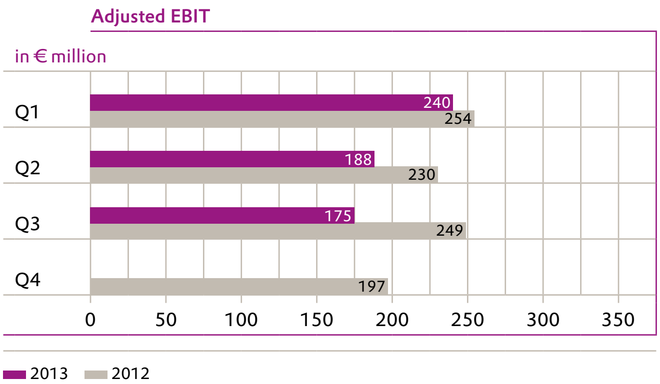
Sales in the Consumer, Health & Nutrition segment slipped 3 percent to €1,042 million in the third quarter of 2013. The organic sales decrease was caused by lower selling prices, while volumes increased. The operating results fell short of the previous year's very good levels, mainly as a result of lower prices. Adjusted EBITDA fell 25 percent to €210 million, while adjusted EBIT dropped 30 percent to €175 million. The adjusted EBITDA margin declined from 25.9 percent to 20.2 percent.

Sales for the Consumer, Health & Nutrition segment

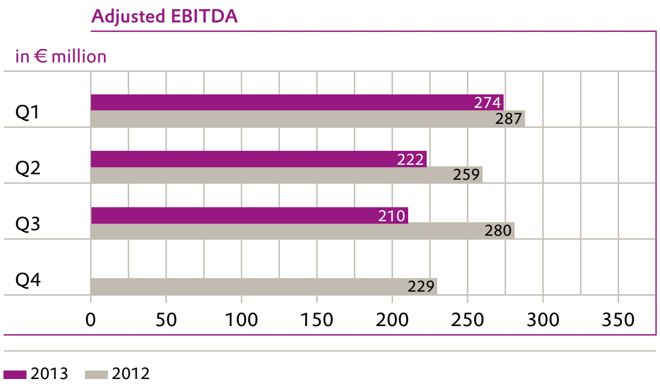


In the first nine months, sales in the Consumer, Health & Nutrition segment were €3,135 million, a slight decline compared with the prior-year period. The reduction in selling prices was largely offset by volume growth. The operating results fell short of the previous year's high levels, mainly for price reasons. Adjusted EBITDA decreased 15 percent to €706 million, while adjusted EBIT declined 18 percent to €604 million. The adjusted EBITDA margin remained very good at 22.5 percent.

Operating results for the Consumer, Health & Nutrition segment



Prior-year figures restated.



Prior-year figures restated.

Consumer Specialties

The Consumer Specialties Business Unit grew sales 4 percent to €545 million in the third quarter, driven mainly by superabsorbents, which benefited from high volumes. Products for industrial applications and personal care products also registered a pleasing development. The operating results were on a par with the previous year as a result of higher raw material costs and a rise in fixed costs caused by growth-driven investments.

Health & Nutrition

This business unit's sales contracted by 11 percent to €497 million in the third quarter. Volume sales of amino acids for animal nutrition were considerably higher than in the second quarter, but below the very high level registered in the prior-year period. Selling prices were also down from the previous year's very good level. The Health & Nutrition Business Unit's operating results were below the excellent year-back results due to lower prices and higher raw material costs.

Resource Efficiency segment

- Stable operating performance
- Demand picking up on key end-markets
- Adjusted EBITDA margin was very good at 21.8 percent in the first nine months

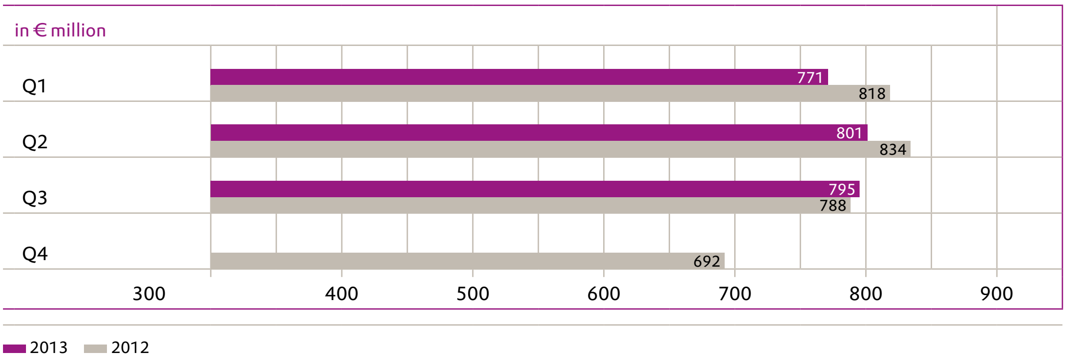
Key data on the Resource Efficiency segment

	3rd quarter			1st nine months		
in € million	**2013**	2012	Change in %	**2013**	2012	Change in %
External sales	795	788	1	2,367	2,440	–3
Inorganic Materials Business Unit	367	382	–4	1,098	1,132	–3
Coatings & Additives Business Unit	428	406	5	1,269	1,308	–3
Adjusted EBITDA	169	202	–16	516	546	–5
Adjusted EBITDA margin in %	21.3	25.6	–	21.8	22.4	–
Adjusted EBIT	142	167	–15	430	438	–2
Capital expenditures	68	43	58	155	107	45
Employees as of September 30	–	–		5,873	5,804	1

Prior-year figures restated.

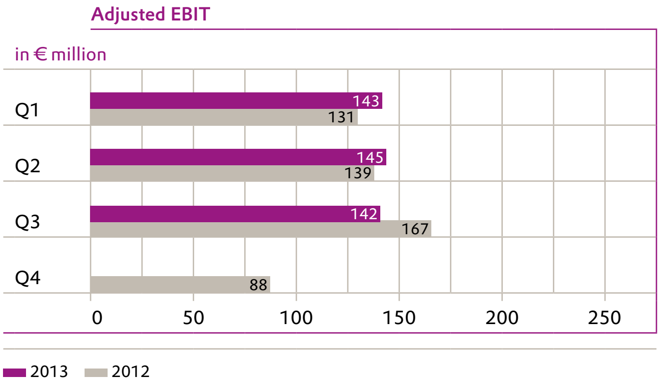
Buoyed by higher demand, the Resource Efficiency segment posted a successful development in the third quarter of 2013. Stable selling prices and a considerable rise in volumes led to perceptible organic sales growth. However, as a result of negative exchange rate effects sales only rose 1 percent to €795 million. The operating results remained below the prior-year levels, which benefited from one-off factors. Overall, adjusted EBITDA slipped 16 percent to €169 million, and adjusted EBIT declined 15 percent to €142 million. The adjusted EBITDA margin was 21.3 percent and thus below the prior-period level (25.6 percent).

Sales for Resource Efficiency segment

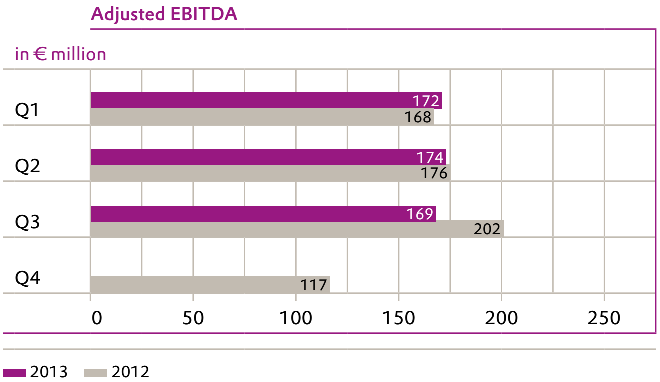


In the first nine months of the year, sales in the Resource Efficiency segment shrank 3 percent to €2,367 million. This was due to negative currency effects and the colorants business, which was still included in the prior-year figures until April 2012. At the same time, higher volumes led to organic sales growth. The operating results did not quite reach the previous year's high figures: Adjusted EBITDA decreased 5 percent to €516 million, while adjusted EBIT fell 2 percent to €430 million. The adjusted EBITDA margin declined from 22.4 percent to 21.8 percent.

Operating results for the Resource Efficiency segment



Prior-year figures restated.



Prior-year figures restated.

Inorganic Materials

The Inorganic Materials Business Unit generated sales of €367 million in the third quarter. The decline of 4 percent compared with the third quarter of 2012 was mainly attributable to negative currency effects—especially the Japanese yen—and the fact that the prior-year figures still contained sales with the photovoltaic industry. The operating business developed well thanks to an upturn in demand but the operating results were below the year-back levels, which included one-off income from restructuring of the photovoltaic business.

Coatings & Additives

The Coatings & Additives Business Unit grew sales 5 percent to €428 million in the third quarter thanks to a considerable rise in sales volumes, driven by strong demand from the coatings industry and from the automotive sector, especially for oil additives. Demand from the construction sector also picked up somewhat. The operating results were slightly higher than in the prior-year period.

Specialty Materials segment

- Impacted by sharp drop in selling prices
- Operating results below the very good prior-year period
- Adjusted EBITDA margin dropped from 18.3 percent to 13.3 percent in the first nine months

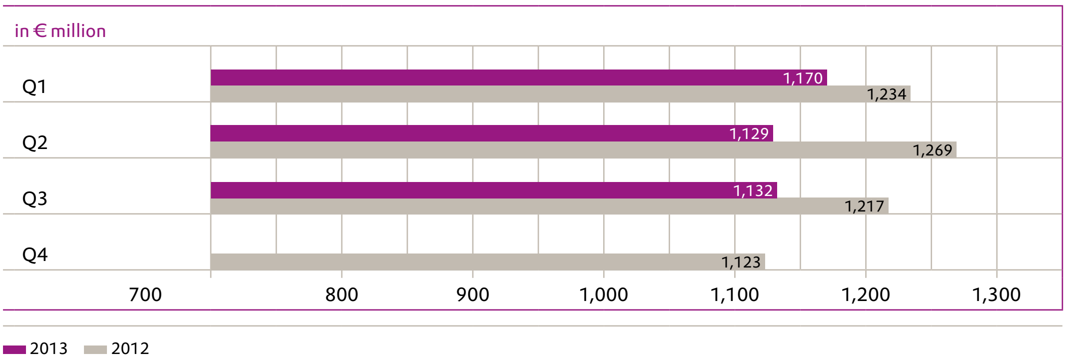
Key data on the Specialty Materials segment

	3rd quarter			1st nine months		
in € million	**2013**	2012	Change in %	**2013**	2012	Change in %
External sales	1,132	1,217	−7	3,430	3,720	−8
Performance Polymers Business Unit	469	426	10	1,370	1,373	−0
Advanced Intermediates Business Unit	663	791	−16	2,060	2,347	−12
Adjusted EBITDA	147	222	−34	457	679	−33
Adjusted EBITDA margin in %	13.0	18.2	–	13.3	18.3	–
Adjusted EBIT	107	185	−42	342	565	−39
Capital expenditures	81	93	−13	206	214	−4
Employees as of September 30	–	–		6,305	6,747	−7

Prior-year figures restated.

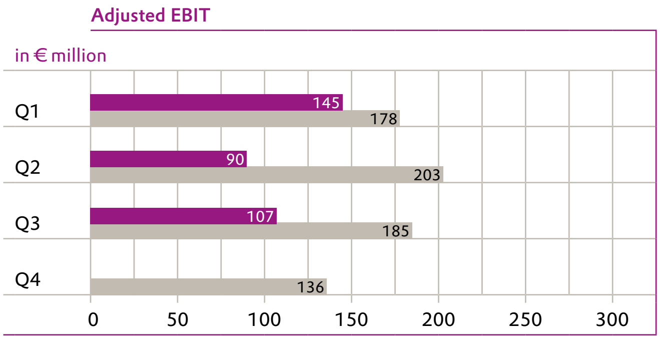
In the Specialty Materials segment sales dropped 7 percent to €1,132 million in the third quarter. Alongside withdrawal from the cyanuric chloride business in China in December 2012, this was due to an organic sales decline, caused by far lower selling prices, especially for butadiene. However, volumes increased appreciably. The operating results were below the previous year's very good figures, mainly on price grounds. Adjusted EBITDA decreased by 34 percent to €147 million, and adjusted EBIT fell 42 percent to €107 million. The adjusted EBITDA margin was 13.0 percent, down from 18.2 percent in the third quarter of 2012.

Sales for the Specialty Materials segment

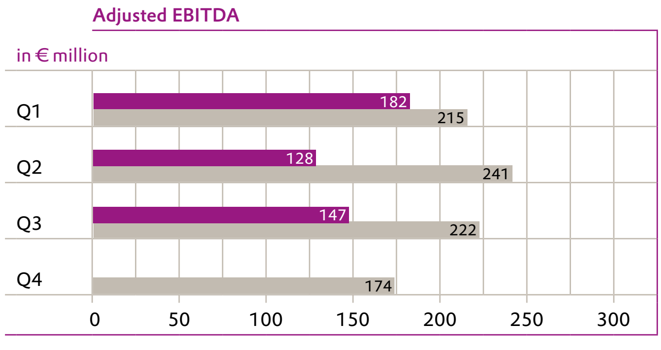


In the first nine months of 2013, sales in the Specialty Materials segment were 8 percent lower than in the previous year at €3,430 million. Since volume sales were slightly higher, this was mainly due to far lower selling prices, especially for butadiene. Another factor was the withdrawal from the cyanuric chloride business in China in December 2012. The operating results fell short of the very good results achieved in the prior-year period due to the decline in selling prices. Adjusted EBITDA fell 33 percent to €457 million, while adjusted EBIT dropped 39 percent to €342 million. The adjusted EBITDA margin was 13.3 percent, compared with 18.3 percent in the prior-year period.

Operating results for the Specialty Materials segment



2013 2012
Prior-year figures restated.



2013 2012
Prior-year figures restated.

Performance Polymers

The Performance Polymers Business Unit grew sales 10 percent to €469 million in the third quarter of 2013. This was due to far higher volumes as the CDT plant came back into service in early 2013. It had been shut down temporarily following a fire in late-March 2012. By contrast, the methacrylates business was held back by the persistently challenging global economic situation. In particular, demand remained soft in southern Europe and Asia, putting considerable pressure on selling prices. As a result, the operating results declined.

Advanced Intermediates

This business unit's sales slipped 16 percent to €663 million in the third quarter, principally because of a sharp drop in the price of C4 products, especially butadiene, and lower production volumes due to a planned production shutdown. This had already had an adverse effect in the second quarter and was still having an impact at the start of the third quarter. The background was extensive maintenance work at the C4 production facilities in Marl (Germany), which is carried out every five years. The hydrogen peroxide business posted a pleasing trend, benefiting from higher demand, especially for applications produced using the HPPO process developed by Evonik and ThyssenKrupp Uhde. The operating results fell short of the very good results for the prior-year period due to the lower selling prices.

Services segment

Key data on the Services segment

	3rd quarter			1st nine months		
in € million	**2013**	2012	Change in %	**2013**	2012	Change in %
External sales	226	228	–1	678	729	–7
Adjusted EBITDA	50	49	2	157	152	3
Adjusted EBITDA margin in %	22.1	21.5	–	23.2	20.9	–
Adjusted EBIT	27	23	17	88	82	7
Capital expenditures	28	21	33	74	51	45
Employees as of September 30	–	–		12,108	11,901	2

Prior-year figures restated.

The Services segment's sales totaled €680 million in the third quarter. Internal sales accounted for €454 million of the total. External sales were virtually unchanged year-on-year at €226 million. Lower revenues at Site Services following the shutdown of a customer's production facility at the Marl site were offset by higher sales from procurement activities. Adjusted EBITDA increased 2 percent to €50 million, while adjusted EBIT rose 17 percent to €27 million.

In the first nine months, external sales declined by 7 percent to €678 million due to the demand situation. The increase in the operating results was mainly driven by improved cost structures at Site Services. Adjusted EBITDA increased to €157 million, while adjusted EBIT grew to €88 million.

2. Earnings, financial and asset position

2.1 Earnings position

Sales dropped 4 percent to €9,739 million in the first nine months of 2013, while the cost of sales only declined by 2 percent to €6,963 million due to higher energy and raw material costs. The gross profit on sales was therefore €2,776 million, which was 11 percent lower than in the prior-year period. Our short-term cost-cutting measures resulted in a clear reduction in selling and administrative expenses in the third quarter. That offset the increase in the first six months, so selling and administrative expenses for the first nine months were around the year-back level at €1,449 million. To increase our innovative strength further, we raised spending on research and development by 5 percent to €287 million.

The other operating income totaling €710 million includes income from the measurement of derivatives (€224 million), and from currency translation of monetary assets and liabilities (€110 million). Together, these two items declined €163 million year-on-year. The prior-year figure of €1,150 million also included income from settlements with two photovoltaic customers. The other operating expenses amounted to €932 million and related, among other things, to the measurement of derivatives (€228 million) and currency translation of monetary assets and liabilities (€130 million), which together were €135 million lower than in the previous year. The 2013 figure also includes additions to provisions of €296 million, while the prior-year figure contained impairment losses and expenses, especially in connection with the restructuring of the photovoltaic business and the incident at the CDT plant. Income before financial result and income taxes, continuing operations dropped 46 percent to €818 million.

The financial result improved by €60 million to minus €151 million, principally due to lower interest expense and higher income from securities transactions. Income before income taxes, continuing operations was 48 percent lower at €667 million. Income taxes decreased to €180 million, primarily as a result of the reduction in income and tax income relating to prior periods. Income after taxes, continuing operations dropped by 42 percent overall to €487 million.

Income after taxes, discontinued operations[1)] was €1,363 million and mainly comprised the proceeds from the divestment of the real estate business and operating income from these activities and the lithium-ion business. Income after taxes therefore improved 111 percent to €1,850 million. Non-controlling interests in after-tax income amounted to minus €101 million and comprised the pro rata losses of fully consolidated subsidiaries attributable to shareholders outside the Evonik Group. Overall, the net income of the Evonik Group grew 120 percent to €1,951 million.

2.2 Financial and asset position

As of September 30, 2013, we had net financial assets of €592 million, compared with net financial debt of €1,163 million at year-end 2012. The main reason for the €1,755 million improvement in the net position was the sale of the majority stake in our real estate activities, in other words, income from the divestment of the shares in Vivawest, and deconsolidation of the Real Estate segment, including its debt. The cash inflow from the transaction was the main reason for the increase in financial assets to €3,387 million, a rise of €1,716 million compared with year-end 2012.

[1)] For further information, see Note (4.3).

Financial debt was €2,795 million as of September 30, 2013, a slight decline of €39 million compared with year-end 2012. It includes the seven-year bond with a face value of €500 million issued in April. The €1.1 billion Evonik Degussa bond, which matures in December 2013, will be redeemed out of cash and cash equivalents.

Net financial debt

in € million	Sept. 30, 2013	Dec. 31, 2012
Non-current financial liabilities	–1,382	–1,397
Current financial liabilities	–1,413	–1,437
Financial debt[1]	**–2,795**	**–2,834**
Cash and cash equivalents	2,425	741
Current securities	960	928
Other financial assets	2	2
Financial assets[1]	**3,387**	**1,671**
Net financial assets/debt as stated on the balance sheet	**592**	**–1,163**
Net financial debt, discontinued operations	–54	–
Net financial assets (total)	**538**	**–**

[1] Excluding derivatives.

At the start of September 2013, we agreed a new syndicated revolving credit facility totaling €1.75 billion with our core banks. It is split into two tranches of €875 million each, maturing in initially three and five years respectively. Both tranches have two one-year extension options. This credit facility is our central liquidity reserve and is not currently drawn.

Cash flow statement (excerpt)

	1st nine months	
in € million	**2013**	2012
Cash flow from operating activities, continuing operations	891	975
Cash flow from operating activities, discontinued operations	7	19
Cash flow from operating activities	**898**	**994**
Cash flow from investing activities, continuing operations	296	–867
Cash flow from investing activities, discontinued operations	59	–122
Cash flow from investing activities	**355**	**–989**
Cash flow from financing activities, continuing operations	57	–385
Cash flow from financing activities, discontinued operations	385	7
Cash flow from financing activities	**442**	**–378**
Change in cash and cash equivalents	**1,695**	**–373**

Prior-year figures restated.

The cash flow from operating activities, continuing operations declined to €891 million in the first nine months of 2013, a drop of €84 million compared with the prior-year period. The impact of far lower income before depreciation, amortization, financial result and income taxes was countered to some extent by a lower increase in net working capital. The cash flow from operating activities, discontinued operations was €7 million, down from €19 million in the previous year. Overall, the cash flow from operating activities declined by €96 million to €898 million.

Investing activities by the continuing operations led to a cash inflow of €296 million. Cash inflows of €1,047 million, mainly from the divestment of shareholdings, especially the shares in Vivawest, were countered by outflows of €752 million for capital expenditures. In the prior-year period, cash outflows for capital expenditures and securities resulted in a total outflow of €867 million. Together with the cash inflow from investing activities, discontinued operations, the cash inflow for investing activities amounted to €355 million, compared with an outflow of €989 million in the prior-year period. The cash inflow from financing activities, continuing operations was €57 million, with the outflow for payment of the dividend more than offset by an inflow from the bond issue. In the prior-year period, the cash outflow for financing activities, continuing operations was €385 million. Including the cash inflow from financing activities, discontinued operations of €385 million, the total cash inflow from financing activities was €442 million, compared with an outflow of €378 million in the prior-year period.

Capital expenditures increased 22 percent to €723 million, in line with our ambitious investment program. 36 percent of capital expenditures were allocated to the Consumer, Health & Nutrition segment, 28 percent to the Specialty Materials segment and 21 percent to the Resource Efficiency segment. In June 2013, the Advanced Intermediates Business Unit started up a new production plant for phthalate-free plasticizers at the site in Marl (Germany). Investment was in the double-digit million euro range. The Coatings & Additives Business Unit started production of a new class of silane-modified isocyanates, also in Marl. These products are used, among other things, for novel binders for coatings. In Essen (Germany), the Consumer Specialties Business Unit started production of the TEGOPAC® brand of silane-modified polymers for the sealants and adhesives industry. Technical construction work has been completed on Consumer Specialties' new production complex in Shanghai (China), which will be using renewable raw materials to produce precursors for cosmetics and fabric care products, and specialty surfactants for industrial applications. Trial production is scheduled to start in the near future.

Additions to financial assets totaled €163 million, which was above the previous year's figure of €26 million. This includes part of a promissory note loan[1)], which Evonik Industries AG granted to Vivawest on market terms at the end of June 2013. This will be repaid in installments by the end of June 2015.

As a consequence of the retrospective application of IAS 19,[2)] some items on the balance sheet for 2012 have been restated. This increased pension provisions as of December 31, 2012 by €2.0 billion, while equity declined by €1.4 billion. In all, the changes increased total equity and liabilities as of year-end 2012 by €0.5 billion to €17.2 billion.

Total assets were €17.2 billion as of September 30, 2013, around the same level as at year-end 2012. The €1.8 billion drop in non-current assets to €9.7 billion was mainly due to the deconsolidation of the Real Estate segment. The €1.8 billion increase in current assets to €7.5 billion was principally driven by the income from the divestment of shares in Vivawest. Equity increased by €1.3 billion to €6.7 billion thanks to high net income, and the equity ratio rose from 31.9 percent to 39.2 percent.

[1)] For further information, see Note (7).
[2)] For further information, see Note (3).

3. Research & development

In the third quarter of 2013, research and development (R&D) expenses amounted to €100 million, a rise of 5 percent year-on-year. In the first nine months of 2013 we spent €287 million on R&D (9M 2012: €273 million).

As a result of intensive research, the Performance Polymers Business Unit opened a pilot plant for the production of bio-based amino lauric acid in Slovenska L'upča (Slovak Republic). This is an alternative to petroleum-based laurinlactam and yields an identical polyamide 12 (PA 12). In this way, Evonik is taking the next step in the production of sustainable high-performance polymers. The development of this globally unique process was sponsored by the Federal Ministry of Education and Research (BMBF). The pilot plant will drive forward process development for the scale-up to industrial production. In the long term, the new process could supplement butadiene-based production of PA 12.

Following successful market launch, the OPHINA project has been transferred from Creavis, our strategic innovation unit, to the Performance Polymers Business Unit. For three years Creavis coordinated Evonik's internal work on this project to develop siliconized membranes, which was also sponsored by the Federal Ministry of Education and Research. The membrane modules open up new applications in specialty chemicals, pharmacy and petrochemicals in the growing market for organophilic nanofiltration, a novel separation process that raises efficiency and reduces pressure on resources in chemical process technology. For example, it can be used to recover catalysts without any loss of activity.

Regular interchange with leading international researchers is important to Evonik. At the Evonik Meets Science forum in Atlantic City (New Jersey, USA) in September 2013, our experts discussed surface-active systems for consumer and industrial applications with professors from leading US universities.

Evonik is highly innovative and has efficient research according to a report by PatentSight, which regularly analyzes companies' patent portfolios against their global competitors. In 2012, we had more than 26,000 patents and patent applications, including around 260 newly filed patents. The value of our patent portfolio has increased steadily in the past.

4. Employees

As of September 30, 2013 the Evonik Group had 33,612 employees, 32,948 of whom were employed in the continuing operations. The increase of 914 employees in the continuing operations since year-end 2012 is principally due to the increase in headcount in connection with growth-driven investments. The decrease of 600 employees at the discontinued operations is attributable to the deconsolidation of the Real Estate segment.

Employees by segment

	Sept. 30, 2013	Dec. 31, 2012
Consumer, Health & Nutrition	7,116	6,821
Resource Efficiency	5,873	5,755
Specialty Materials	6,305	6,134
Services	12,108	11,900
Other operations	1,546	1,424
Continuing operations	**32,948**	**32,034**
Discontinued operations	664	1,264
Evonik	**33,612**	**33,298**

Prior-year figures restated.

5. Events after the reporting date

No material events have occurred since the reporting date.

6. Expected development

As an international Group with a diversified portfolio of specialty chemicals, Evonik is exposed to a wide range of opportunities and risks. The opportunities are described in detail in the report on expected developments in the Group management report for 2012 and still apply. The risk categories and principal individual risks to our earnings, financial and asset position, and the structure of our risk management system are described in detail in the risk report for 2012. With the economic situation remaining uncertain, we regularly and systematically monitor and analyze the markets, sectors and growth prospects of relevance for our segments. No risks that could jeopardize the continued existence of Evonik and no significant change in our risk profile were identified in the first nine months of 2013.

Global economic conditions will remain challenging in the coming months. So far, the global economic recovery that was expected for the second half of the year has been more subdued than had been assumed at the start of the year. Although we expect the slight upward trend to continue in the fourth quarter, we are not anticipating any perceptible impetus for our business, partly for seasonal reasons. In Europe and China, which are important markets for us, we expect growth to be lower than had been anticipated at the start of the year. Consequently, we are sticking to our mid-year forecast for global economic conditions in 2013 as a whole and expect that in the fourth quarter the markets of relevance to us will continue to develop at the same level as in the first nine months.

The following guidance refers to the continuing operations only. Accordingly, it does not take account of the Real Estate segment, which was deconsolidated in July 2013, or the lithium-ion business.

In our view, the outlook for 2013 given in our half-year financial report is still applicable. Overall we expect sales in 2013 to be around the same level as in the previous year at around €13 billion, and the operating results to be below the very good 2012 levels. We still assume that adjusted EBITDA will be around €2.0 billion.

To secure our earnings we will be driving forward the measures to raise efficiency introduced as part of our On Track 2.0 program. The cost management program introduced in mid-year to realize short-term savings potential of around €40 million by year-end 2013 is also progressing well.

This report contains forward-looking statements based on the present expectations, assumptions and forecasts made by the Executive Board and the information available to it. These forward-looking statements do not constitute a guarantee of future developments and earnings expectations. Future performance and developments depend on a wide variety of factors which contain a number of risks and unforeseeable factors and are based on assumptions that may prove incorrect.

Consolidated interim financial statements as of September 30, 2013

Income statement

Evonik Group

in € million	3rd quarter 2013	3rd quarter 2012	1st nine months 2013	1st nine months 2012
Sales	3,239	3,359	9,739	10,186
Cost of sales	−2,354	−2,318	−6,963	−7,074
Gross profit on sales	**885**	**1,041**	**2,776**	**3,112**
Selling expenses	−322	−324	−971	−960
Research and development expenses	−100	−94	−287	−273
General administrative expenses	−156	−161	−478	−480
Other operating income	220	558	710	1,150
Other operating expenses	−399	−424	−932	−1,047
Income before financial result and income taxes, continuing operations	**128**	**596**	**818**	**1,502**
Interest income	7	12	22	24
Interest expense	−74	−92	−223	−263
Result from investments recognized at equity	12	4	39	28
Other financial income	–	−1	11	–
Financial result	**−55**	**−77**	**−151**	**−211**
Income before income taxes, continuing operations	**73**	**519**	**667**	**1,291**
Income taxes	−16	−180	−180	−457
Income after taxes, continuing operations	**57**	**339**	**487**	**834**
Income after taxes, discontinued operations	1,321	14	1,363	43
Income after taxes	**1,378**	**353**	**1,850**	**877**
thereof attributable to				
Non-controlling interests	−92	−2	−101	−11
Shareholders of Evonik Industries AG (net income)	1,470	355	1,951	888
Earnings per share in € (basic and diluted)	**3.15**	**0.76**	**4.19**	**1.91**

Prior-year figures restated.

Statement of comprehensive income

Evonik Group

in € million	3rd quarter 2013	3rd quarter 2012	1st nine months 2013	1st nine months 2012
Income after taxes	**1,378**	**353**	**1,850**	**877**
Comprehensive income that will be reclassified subsequently to profit or loss	**–71**	**5**	**–129**	**45**
Unrealized gains/losses on available-for-sale-securities	1	4	–13	8
Unrealized gains/losses on hedging instruments	14	64	12	48
Currency translation adjustment	–81	–43	–125	5
Deferred taxes	–5	–20	–3	–16
Comprehensive income that will not be reclassified subsequently to profit or loss	**16**	**–380**	**–22**	**–1,055**
Actuarial gains and losses relating to pension plans and other post-employment benefits	25	–543	–25	–1,507
Deferred taxes	–9	163	3	452
Other comprehensive income after taxes	**–55**	**–375**	**–151**	**–1,010**
Total comprehensive income	**1,323**	**–22**	**1,699**	**–133**
thereof attributable to				
Non-controlling interests	–94	–3	–105	–9
Shareholders of Evonik Industries AG	1,417	–19	1,804	–124

Prior-year figures restated.

Balance sheet

Evonik Group

in € million	Sept. 30, 2013	Dec. 31, 2012
Intangible assets	3,051	3,190
Property, plant and equipment	4,504	4,497
Investment property	10	1,550
Investments recognized at equity	975	1,122
Financial assets	278	197
Deferred tax assets	810	842
Other income tax assets	20	21
Other receivables	29	35
Non-current assets	**9,677**	**11,454**
Inventories	1,694	1,718
Other income tax assets	163	121
Trade accounts receivable	1,697	1,687
Other receivables	299	325
Financial assets	1,095	1,086
Cash and cash equivalents	2,425	741
	7,373	**5,678**
Assets held for sale	161	34
Current assets	**7,534**	**5,712**
Total assets	**17,211**	**17,166**

Issued capital	466	466
Reserves	6,267	4,892
Equity attributable to shareholders of Evonik Industries AG	**6,733**	**5,358**
Equity attributable to non-controlling interests	13	111
Equity	**6,746**	**5,469**
Provisions for pensions and other post-employment benefits	3,537	4,380
Other provisions	862	799
Deferred tax liabilities	416	413
Other income tax liabilities	137	115
Financial liabilities	1,383	1,464
Other payables	75	309
Non-current liabilities	**6,410**	**7,480**
Other provisions	930	1,130
Other income tax liabilities	205	223
Financial liabilities	1,493	1,483
Trade accounts payable	978	1,096
Other payables	311	272
	3,917	**4,204**
Liabilities associated with assets held for sale	138	13
Current liabilities	**4,055**	**4,217**
Total equity and liabilities	**17,211**	**17,166**

Prior-year figures restated.

Statement of changes in equity

Evonik Group

in € million	Issued capital	Reserves: Capital reserve	Reserves: Accumulated income	Reserves: Accumulated other comprehensive income	Attributable to shareholders of Evonik Industries AG	Attributable to non-controlling interests	Total equity
As of December 31, 2011	**466**	**1,165**	**4,568**	**−218**	**5,981**	**93**	**6,074**
Adjustments pursuant to IAS 8	–	–	−653	–	−653	–	−653
As of January 1, 2012	**466**	**1,165**	**3,915**	**−218**	**5,328**	**93**	**5,421**
Capital increases/decreases	–	–	–	–	–	15	15
Dividend distribution	–	–	−425	–	−425	−10	−435
Changes in ownership interests in subsidiaries without loss of control	–	–	−1	–	−1	–	−1
Income after taxes	–	–	888	–	888	−11	877
Other comprehensive income after taxes	–	–	−1,055	43	−1,012	2	−1,010
Total comprehensive income	–	–	−167	43	−124	−9	−133
Other changes	–	–	2	−2	–	−2	−2
As of September 30, 2012	**466**	**1,165**	**3,324**	**−177**	**4,778**	**87**	**4,865**
As of January 1, 2013	**466**	**1,165**	**3,940**	**−213**	**5,358**	**111**	**5,469**
Capital increases/decreases	–	–	–	–	–	18	18
Dividend distribution	–	–	−429	–	−429	−6	−435
Changes in ownership interests in subsidiaries without loss of control	–	–	–	–	–	−2	−2
Income after taxes	–	–	1,951	–	1,951	−101	1,850
Other comprehensive income after taxes	–	–	−22	−125	−147	−4	−151
Total comprehensive income	–	–	1,929	−125	1,804	−105	1,699
Other changes	–	–	2	−2	–	−3	−3
As of September 30, 2013	**466**	**1,165**	**5,442**	**−340**	**6,733**	**13**	**6,746**

Prior-year figures restated.

Cash flow statement

Evonik Group

in € million	3rd quarter 2013	3rd quarter 2012	1st nine months 2013	1st nine months 2012
Income before financial result and income taxes, continuing operations	128	596	818	1,502
Depreciation, amortization, impairment losses/reversal of impairment losses on non-current assets	160	249	478	611
Gains/losses on the disposal of non-current assets	−2	34	–	21
Change in inventories	−15	−62	−105	−169
Change in trade accounts receivable	82	133	−78	−152
Change in trade accounts payable and current advance payments received from customers	50	16	−50	11
Change in provisions for pensions and other post-employment benefits	−44	−60	−103	−145
Change in other provisions	247	57	−7	−135
Change in miscellaneous assets/liabilities	116	−197	143	−235
Cash outflows for interest	−13	−14	−49	−34
Cash inflows from interest	2	6	8	20
Cash inflows from dividends	1	–	62	34
Cash inflows/outflows for income taxes	−26	−162	−226	−354
Cash flow from operating activities, continuing operations	**686**	**596**	**891**	**975**
Cash flow from operating activities, discontinued operations	−10	9	7	19
Cash flow from operating activities	**676**	**605**	**898**	**994**
Cash outflows for investments in intangible assets, property, plant and equipment, investment property	−303	−244	−752	−594
Cash outflows for investments in shareholdings	−4	–	−8	−24
Cash inflows from divestments of intangible assets, property, plant and equipment, investment property	3	11	33	24
Cash inflows/outflows from divestment of shareholdings	1,071	−4	1,047	55
Cash inflows/outflows relating to securities, deposits and loans	−296	−13	−24	−328
Cash flow from investing activities, continuing operations	**471**	**−250**	**296**	**−867**
Cash flow from investing activities, discontinued operations	75	−28	59	−122
Cash flow from investing activities	**546**	**−278**	**355**	**−989**
Cash outflows for dividends to shareholders of Evonik Industries AG	–	–	−429	−425
Cash outflows for dividends to non-controlling interests	−3	−4	−6	−7
Cash inflows/outflows from changes in ownership interests in subsidiaries without loss of control	–	−1	−2	−1
Cash inflows from the addition of financial liabilities	156	69	751	170
Cash outflows for repayment of financial liabilities	−89	−48	−257	−122
Cash flow from financing activities, continuing operations	**64**	**16**	**57**	**−385**
Cash flow from financing activities, discontinued operations	272	−36	385	7
Cash flow from financing activities	**336**	**−20**	**442**	**−378**
Change in cash and cash equivalents	**1,558**	**307**	**1,695**	**−373**
Cash and cash equivalents as of July 1/January 1	**874**	**737**	**741**	**1,411**
Change in cash and cash equivalents	1,558	307	1,695	−373
Changes in exchange rates and other changes in cash and cash equivalents	−7	−1	−11	5
Cash and cash equivalents as of September 30	**2,425**	**1,043**	**2,425**	**1,043**
Cash and cash equivalents included in assets held for sale	–	−1	–	−1
Cash and cash equivalents as on the balance sheet as of September 30	**2,425**	**1,042**	**2,425**	**1,042**

Prior-year figures restated.

Notes

1. Segment report

by operating segments — 3rd quarter

in € million	Reporting segments: Consumer, Health & Nutrition 2013	Consumer, Health & Nutrition 2012	Resource Efficiency 2013	Resource Efficiency 2012	Specialty Materials 2013	Specialty Materials 2012
External sales	1,042	1,079	795	788	1,132	1,217
Internal sales	17	28	20	24	33	28
Total sales	1,059	1,107	815	812	1,165	1,245
Adjusted EBITDA	210	280	169	202	147	222
Adjusted EBITDA margin in %	20.2	25.9	21.3	25.6	13.0	18.2
Adjusted EBIT	175	249	142	167	107	185
Capital expenditures	116	81	68	43	81	93
Financial investments	4	−2	–	–	–	2

Prior-year figures restated.

by regions — 3rd quarter

in € million	Germany 2013	Germany 2012	Other European countries 2013	Other European countries 2012	North America 2013	North America 2012
External sales	797	762	1,007	1,072	605	580
Capital expenditures	90	120	21	18	32	30

Prior-year figures restated.

	Services		**Total reporting segments**		Corporate, other operations, consolidation		**Total Group (continuing operations)**	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
	226	228	**3,195**	3,312	44	47	**3,239**	3,359
	454	410	**524**	490	−524	−490	**–**	–
	680	638	**3,719**	3,802	−480	−443	**3,239**	3,359
	50	49	**576**	753	−58	−52	**518**	701
	22.1	21.5	**18.0**	22.7	–	–	**16.0**	20.9
	27	23	**451**	624	−76	−71	**375**	553
	28	21	**293**	238	13	10	**306**	248
	–	–	**4**	–	–	1	**4**	1

	Central and South America		Asia-Pacific		Middle East, Africa		**Total Group (continuing operations)**	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
	202	216	558	644	70	85	**3,239**	3,359
	14	3	148	77	1	–	**306**	248

by operating segments—1st nine months

in € million	Reporting segments: Consumer, Health & Nutrition 2013	Consumer, Health & Nutrition 2012	Resource Efficiency 2013	Resource Efficiency 2012	Specialty Materials 2013	Specialty Materials 2012
External sales	3,135	3,165	2,367	2,440	3,430	3,720
Internal sales	50	69	68	58	103	88
Total sales	3,185	3,234	2,435	2,498	3,533	3,808
Adjusted EBITDA	706	826	516	546	457	679
Adjusted EBITDA margin in %	22.5	26.1	21.8	22.4	13.3	18.3
Adjusted EBIT	604	733	430	438	342	565
Capital expenditures	260	195	155	107	206	214
Financial investments	6	22	–	–	2	2
Employees as of September 30	7,116	6,801	5,873	5,804	6,305	6,747

Prior-year figures restated.

by regions—1st nine months

in € million	Germany 2013	Germany 2012	Other European countries 2013	Other European countries 2012	North America 2013	North America 2012
External sales	2,296	2,374	3,082	3,211	1,791	1,851
Goodwill as of September 30[1)]	1,542	1,543	541	543	271	283
Other intangible assets, property, plant and equipment, investment property as of September 30[1)]	2,673	2,671	466	471	652	629
Capital expenditures	226	284	55	50	83	89
Employees as of September 30	21,190	20,775	2,814	2,765	3,801	3,793

Prior-year figures restated.
[1)] Non-current assets according to IFRS 8.33 b.

Services		Total reporting segments		Corporate, other operations, consolidation		Total Group (continuing operations)	
2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
678	729	**9,610**	10,054	129	132	**9,739**	10,186
1,284	1,267	**1,505**	1,482	−1,505	−1,482	**–**	–
1,962	1,996	**11,115**	11,536	−1,376	−1,350	**9,739**	10,186
157	152	**1,836**	2,203	−214	−189	**1,622**	2,014
23.2	20.9	**19.1**	21.9	–	–	**16.7**	19.8
88	82	**1,464**	1,818	−268	−241	**1,196**	1,577
74	51	**695**	567	28	28	**723**	595
–	–	**8**	24	155	2	**163**	26
12,108	11,901	**31,402**	31,253	1,546	1,430	**32,948**	32,683

Central and South America		Asia-Pacific		Middle East, Africa		Total Group (continuing operations)	
2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
617	633	1,717	1,879	236	238	**9,739**	10,186
26	27	248	286	1	–	**2,629**	2,682
61	29	1,074	793	10	10	**4,936**	4,603
36	8	321	163	2	1	**723**	595
505	429	4,514	4,815	124	106	**32,948**	32,683

2. General information

Evonik Industries AG is an international specialty chemicals company headquartered in Germany. It also has investments in residential real estate and the energy sector.

Trading in shares in Evonik Industries AG commenced on the stock exchanges in Frankfurt am Main and Luxembourg on April 25, 2013. The main shareholders of Evonik Industries AG are still RAG-Stiftung (RAG-Stiftung), Essen (Germany), and Gabriel Acquisitions GmbH (Gabriel Acquisitions), Gadebusch (Germany).

The present condensed and consolidated interim financial statements (consolidated interim financial statements) of Evonik Industries AG and its subsidiaries (referred to jointly as Evonik or the Group) as of September 30, 2013, have been prepared in accordance with the provisions of IAS 34 Interim Financial Reporting, and in application of Section 315 a Paragraph 1 of the German Commercial Code (HGB) using the International Financial Reporting Standards (IFRS) and comply with these standards. The IFRS comprise the standards (IFRS, IAS) issued by the International Accounting Standards Board (IASB), London (UK), and the interpretations (IFRIC, SIC) of the IFRS Interpretations Committee (IFRS IC), as adopted by the European Union.

The consolidated interim financial statements as of September 30, 2013 are presented in euros. The reporting period is January 1 to September 30, 2013. All amounts are stated in millions of euros (€ million) except where otherwise indicated. The basis for the consolidated interim financial statements comprises the consolidated financial statements for the Evonik Group as of December 31, 2012, which should be referred to for further information.

3. Accounting policies

The accounting and consolidation principles applied in these consolidated interim financial statements are the same as those used for the consolidated financial statements as of December 31, 2012, with the exception of changes resulting from mandatory application of new or revised accounting standards. The changes in 2013 are outlined below.

As of January 1, 2013, Evonik retrospectively applied IAS 19 Employee Benefits (revised 2011), which the IASB published in June 2011, in conjunction with the transition provisions of IAS 19 (2011), together with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The following amendments in IAS 19 (2011) have a material impact on the consolidated financial statements. IAS 19 (2011) abolishes the corridor method previously used by Evonik. Under this method, actuarial gains and losses were recognized with a time lag and only insofar as they exceeded certain thresholds. Now they have to be recognized immediately in full in other comprehensive income. Another effect results from the immediate recognition of non-vested past service cost in profit or loss as it arises. The previous method of recognition over the period until it became vested is no longer permitted. A further impact comes from net interest expense, which replaces interest expense and the expected income from plan assets. The expected return on plan assets is no longer calculated on the basis of expected investment income, but is assumed to be equal to the discount rate for defined benefit obligations. Top-up and termination benefits under the German phased early retirement model and for long-term accounts are no longer immediately expensed in full, as was the case in the past. Instead, they are amortized over the remaining term of active employment. This change also affects the consolidated financial statements.

The following tables summarize the effects of the amended accounting standard for the comparative data as of December 31, 2012, the opening balance sheet as of January 1, 2012 and the prior-year periods.

Balance sheet Evonik Group (excerpt)

in € million	Dec. 31, 2012 Before restatement	Impact of change	Restated amount	Jan. 1, 2012 Before restatement	Impact of change	Restated amount
Investments recognized at equity	1,132	−10	1,122	1,057	−1	1,056
Deferred tax assets	329	513	842	477	235	712
Non-current assets	**10,951**	**503**	**11,454**	**11,026**	**234**	**11,260**
Total assets	**16,663**	**503**	**17,166**	**16,944**	**234**	**17,178**
Reserves	6,252	−1,360	4,892	5,515	−653	4,862
Equity attributable to shareholders of Evonik Industries AG	6,718	−1,360	5,358	5,981	−653	5,328
Equity	**6,829**	**−1,360**	**5,469**	**6,074**	**−653**	**5,421**
Provisions for pensions and other post-employment benefits	2,377	2,003	4,380	2,805	1,030	3,835
Other provisions	889	−90	799	1,014	−102	912
Deferred tax liabilities	463	−50[1)]	413	481	−41[1)]	440
Non-current liabilities	**5,617**	**1,863**	**7,480**	**7,484**	**887**	**8,371**
Total equity and liabilities	**16,663**	**503**	**17,166**	**16,944**	**234**	**17,178**

[1)] Offset against deferred tax assets.

The effects of the amended accounting standard on income before financial result and income taxes, continuing operations, essentially canceled each other out in the third quarter of 2012 and the first nine months of 2012. They mainly comprised income from the abolition of amortization of actuarial gains and losses amounting to €5 million in the third quarter of 2012 and €16 million in the first nine months of 2012. This was countered by the newly required recognition of expenses for top-up benefits under the German phased early retirement model amounting to €5 million for the third quarter of 2012 and €16 for the first nine months of 2012. The introduction of net interest expense and the lower interest resulting from the reduction in personnel-related provisions resulted in insignificant income, or rather, a negligible reduction in expenses in the financial result in the third quarter of 2012 and the first nine months of 2012.

Statement of comprehensive income Evonik Group (excerpt)

	3rd quarter 2012			1st nine months 2012		
in € million	Before restatement	Impact of change	Restated amount	Before restatement	Impact of change	Restated amount
Comprehensive income that will be reclassified subsequently to profit or loss	**3**	**2**	**5**	**45**	**–**	**45**
Currency translation adjustment	–45	2	–43	5	–	5
Comprehensive income that will not be reclassified subsequently to profit or loss	**–**	**–380**	**–380**	**–**	**–1,055**	**–1,055**
Actuarial gains and losses relating to pension plans and other post-employment benefits	–	–543	–543	–	–1,507	–1,507
Deferred taxes	–	163	163	–	452	452
Other comprehensive income after taxes	**3**	**–378**	**–375**	**45**	**–1,055**	**–1,010**
Total comprehensive income	**356**	**–378**	**–22**	**922**	**–1,055**	**–133**
thereof attributable to						
Shareholders of Evonik Industries AG	359	–378	–19	931	–1,055	–124

Compared with the old version of IAS 19, the application of IAS 19 (2011) increased the reported income before financial result and income taxes, continuing operations by around €19 million in the third quarter of 2013, while the financial result declined by about €10 million. Similarly, it increased income before financial result and income taxes, continuing operations by around €57 million in the first nine months of 2013 and decreased the financial result by about €30 million. The actuarial gains and losses relating to pension plans and other post-employment benefits in the statement of comprehensive income is a new item.

IFRS 13 Fair Value Measurement, which was adopted by the IASB in May 2011, was applied prospectively by Evonik for the first time as of January 1, 2013, in accordance with the transition provisions contained in this standard. IFRS 13 prescribes uniform rules for the measurement of fair value across various standards and extends the disclosures on fair value. It does not provide information on when fair value is to be used. First-time application of IFRS 13 in the reporting period had no significant impact on the consolidated financial statements apart from additional disclosures in the notes.

In June 2011 the IASB issued Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income (amendments to IAS 1). This stipulates that in the presentation of other comprehensive income, subtotals must be shown for items depending on whether these items might subsequently be reclassified to the income statement. Evonik has applied these amendments since January 1, 2013.

Since January 1, 2013, Evonik has also applied the amendments to IFRS 7 Financial Instruments: Disclosures issued by the IASB in December 2011. The supplementary disclosures on the offsetting of financial instruments did not have a significant impact on the consolidated financial statements.

Evonik applied the amendments to IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34 issued as part of the Annual Improvements 2009–2011 Cycle retrospectively for the first time as of January 1, 2013, in conjunction with the applicable transition provisions. These amendments comprise improvements and clarification of existing standards. The amended standards did not have a material impact on the consolidated financial statements.

Following harmonization and standardization of cost accounting, Evonik reassigned certain warehousing costs and energy sales to the functional areas in the income statement in 2013. The retrospective adjustment of the income statement reduced production costs by €13 million in the third quarter of 2012 and increased selling and administrative expenses by €12 million and €1 million respectively. Analogously, in the first nine months of 2013, production costs were €37 million lower, while selling expenses increased by €34 million and administrative expenses by €3 million.

Further, the presentation of tax prepayments on the balance sheet had to be adjusted in accordance with IAS 8. This increased tax receivables as of December 31, 2012 by €42 million and reduced other receivables by the same amount.

Due to the reassessment of possible fluctuations in the value of some current securities as of December 31, 2012, the following prior-year data in the cash flow statement have been restated to reflect the current presentation. Cash and cash equivalents as of September 30, 2012 were reduced by €233 million. Cash outflows for securities, deposits and loans within the cash flow for investing activities decreased by €73 million in the third quarter of 2012, and increased by €33 million in the first nine months of 2012. The change in cash and cash equivalents also altered by these amounts. Cash and cash equivalents were €306 million lower as of July 1, 2012 and €200 million lower as of January 1, 2012.

Due to the publication of an interim management report for the Group for each reporting period since the first quarter of 2013, the structure of the notes to the consolidated financial statements has changed compared with the prior year.

4. Changes in the Group

4.1 Scope of consolidation

The scope of consolidation changed as follows in the reporting period:

Changes in the scope of consolidation

Number of companies	Germany	Other countries	**Total**
Evonik Industries AG and consolidated subsidiaries			
As of December 31, 2012	**67**	**107**	**174**
Other companies consolidated for the first time	3	1	4
Divestments	–17	–	–17
Intragroup mergers	–6	–2	–8
Other companies deconsolidated	–2	–4	–6
As of September 30, 2013	**45**	**102**	**147**
Investments recognized at equity			
As of December 31, 2012	**11**	**8**	**19**
Other companies consolidated for the first time	1	1	2
Divestments	–4	–	–4
Other companies deconsolidated	–1	–	–1
As of September 30, 2013	**7**	**9**	**16**
	52	**111**	**163**

The divestments of consolidated subsidiaries principally resulted from the disposal of the real estate activities. Further, a number of intragroup mergers were undertaken to simplify the structure of the Evonik Group, for example, Evonik Oxeno GmbH and Evonik Goldschmidt GmbH have been merged into Evonik Degussa GmbH.

4.2 Acquisitions and divestments

This section provides a more detailed commentary of the changes in the scope of consolidation in the reporting period, divided into acquisitions and divestments.

Acquisitions

In the reporting period there were no acquisitions that had a material impact on the scope of consolidation.

Divestments

In accordance with its focus on specialty chemicals, in July 2013 Evonik divested its majority shareholding and thus its controlling influence in Vivawest GmbH (Vivawest), Essen (Germany). As a consequence, the real estate activities bundled in the former Real Estate segment were deconsolidated. Under agreements signed on July 4 and 5, 2013, Vivawest and THS GmbH (THS), Essen (Germany) have been combined and transferred to a new ownership structure. The combination involved a capital increase in kind at Vivawest through the transfer of the 50 percent stake in THS held by Vermögensverwaltungs- und Treuhandgesellschaft der Industriegewerkschaft Bergbau und Energie mit beschränkter Haftung (VTG), Hanover (Germany) to Vivawest in return for a 26.8 percent stake.

Immediately afterwards, Evonik sold 30.0 percent of the shares in Vivawest to RAG-Stiftung and 7.3 percent of the shares to RAG Aktiengesellschaft (RAG Aktiengesellschaft), Herne (Germany). This reduced Evonik's stake in Vivawest to 35.9 percent. In a further step, Evonik transferred 25.0 percent of the shares in Vivawest to Evonik Pensionstreuhand e.V. (contractual trust arrangement, CTA), Essen (Germany). Following conclusion of these transactions, Evonik's direct shareholding in Vivawest is 10.9 percent. This is recognized at equity in Evonik's consolidated financial statements and is to be sold to long-term investors in the intermediate term.

When the Vivawest shares were sold to RAG-Stiftung and RAG Aktiengesellschaft, Vivawest was valued at €3,030 million, putting the price of shares sold to RAG-Stiftung at €909 million and the price of those sold to RAG Aktiengesellschaft at €220 million. The carrying amount of the remaining investment, which is recognized at equity, is €330 million and the value of the shares transferred to the CTA was €758 million. The total gross cash inflow from the divestment of the shares in Vivawest was €1,129 million. The divestment included outflows of cash and cash equivalents totaling €42 million. The proceeds from these transactions therefore amounted to €1,538 million.

4.3 Assets held for sale and discontinued operations

In addition to the divestment of the real estate activities outlined in Note (4.2) above, Evonik intends to withdraw completely from the lithium-ion business. This business comprises the development and production of chemical components for battery cells and the assembly of these components to battery cells and battery systems. The planned exit from this business is connected with the development of supply and demand on the electromobility market. In this environment, further investment would be required to achieve the necessary economies of scale in the production of battery cells. Moreover, in the long term, the lithium-ion business would therefore probably fail to meet the high return requirements set by Evonik as a specialty chemicals company. Evonik is therefore seeking a purchaser for the lithium-ion business who will be able to concentrate fully on this business and extend its market access. In the segment report, the lithium-ion business is included in other operations.

Further, to optimize its portfolio, Evonik plans to divest the STOKO® Skin Care business. STOKO® Skin Care is part of the Consumer, Health & Nutrition segment and produces protective, cleansing and skin-care products for use in working conditions that are tough on the skin.

The assets and liabilities of the lithium-ion business and the STOKO® Skin Care business were reclassified as held for sale for the first time as of September 30, 2013. IFRS 5 Non-current Assets Held for Sale and Discontinued Operations sets out the valuation and accounting principles to be used for such operations and their presentation in the consolidated financial statements:
Assets held for sale and the associated liabilities have to be stated separately from other assets and liabilities on the balance sheet. The amounts recognized for these assets and liabilities in the previous year do not have to be reclassified or restated.

Businesses whose assets and liabilities have been classified as held for sale may also meet the criteria for classification as discontinued operations, especially if a separate, significant business area is to be sold. The income and expenses of such discontinued operations have to be stated separately from those of continuing operations in the income statement. Cash flows must also be stated separately. The prior-period figures in the income statement and the cash flow statement have to be restated.

The lithium-ion business meets the criteria for classification as a discontinued operation. Moreover, the real estate activities were classified as discontinued operations until their divestment on July 17, 2013.

The following table shows the main impact of the discontinued operations on the income statement, broken down into operating income and the gain or loss on divestment:

Income statement 3rd quarter

	Operating income after taxes		Divestment gains/losses after taxes		Income after taxes, discontinued operations	
	3rd quarter		3rd quarter		3rd quarter	
in € million	**2013**	2012	**2013**	2012	**2013**	2012
Former Real Estate segment	41	28	1,519	–	1,560	28
Lithium-ion business	−239	−15	–	–	−239	−15
Other discontinued operations	–	–	–	1	–	1
	−198	**13**	**1,519**	**1**	**1,321**	**14**

Income statement 1st nine months

in € million	Operating income after taxes 1st nine months 2013	2012	Divestment gains/losses after taxes 1st nine months 2013	2012	Income after taxes, discontinued operations 1st nine months 2013	2012
Former Real Estate segment	110	74	1,519	–	1,629	74
Lithium-ion business	–272	–46	–	–	–272	–46
Other discontinued operations	–	–	6	15	6	15
	–162	**28**	**1,525**	**15**	**1,363**	**43**

The following income and expense items relate to the operating income of the former Real Estate segment and the lithium-ion business:

Income statement: operating income

in € million	3rd quarter 2013	2012	1st nine months 2013	2012
Income	**72**	**80**	**249**	**211**
Former Real Estate segment	52	72	202	194
Lithium-ion business	20	8	47	17
Expenses	**–291**	**–65**	**–425**	**–175**
Former Real Estate segment	–10	–41	–82	–115
Lithium-ion business	–281	–24	–343	–60
Operating income before income taxes, discontinued operations	**–219**	**15**	**–176**	**36**
Former Real Estate segment	42	31	120	79
Lithium-ion business	–261	–16	–296	–43
Income taxes	**21**	**–2**	**14**	**–8**
Former Real Estate segment	–1	–3	–10	–5
Lithium-ion business	22	1	24	–3
Operating income after taxes, discontinued operations	**–198**	**13**	**–162**	**28**
Former Real Estate segment	41	28	110	74
Lithium-ion business	–239	–15	–272	–46

The operating income before income taxes of minus €296 million from the lithium-ion business contains impairment losses of €222 million on non-current assets (mainly property, plant and equipment), provisions for anticipated losses, and operating losses.

The divestment gains and losses for discontinued operations comprise the following:

Income statement: divestment gains/losses

in € million	3rd quarter 2013	3rd quarter 2012	1st nine months 2013	1st nine months 2012
Income before income taxes from the divestment of discontinued operations	**1,538**	**2**	**1,544**	**16**
Former Real Estate segment	1,538	–	1,538	–
Other discontinued operations	–	2	6	16
Income taxes	**–19**	**–1**	**–19**	**–1**
Former Real Estate segment	–19	–	–19	–
Other discontinued operations	–	–1	–	–1
Income after taxes from the divestment of discontinued operations	**1,519**	**1**	**1,525**	**15**
Former Real Estate segment	1,519	–	1,519	–
Other discontinued operations	–	1	6	15

The following table shows the assets held for sale and the associated liabilities after all consolidation steps:

Balance sheet

in € million	Sept. 30, 2013	Dec. 31, 2012
Intangible assets	5	–
Property, plant and equipment	9	6
Investment property	–	–
Investments recognized at equity	–	–
Financial assets	27	–
Deferred tax assets	25	3
Other income tax assets	–	–
Inventories	55	7
Trade accounts receivable	38	16
Other receivables	2	2
Cash and cash equivalents	–	–
Assets held for sale	**161**	**34**
Provisions for pensions and other post-employment benefits	8	–
Other provisions	42	1
Deferred tax liabilities	3	1
Other income tax liabilities	1	–
Financial liabilities	61	8
Trade accounts payable	22	3
Other payables	1	–
Liabilities associated with assets held for sale	**138**	**13**

5. Notes to the income statement

Other operating income

	3rd quarter		1st nine months	
in € million	**2013**	2012	**2013**	2012
Gain on measurement of derivatives (excluding interest rate derivatives)	97	103	224	300
Gain on currency translation of monetary assets and liabilities	14	25	110	197
Other income	109	430	376	653
	220	**558**	**710**	**1,150**

The other income of €376 million in the first nine months of 2013 mainly comprised income from insurance refunds, the reversal of provisions and income in connection with the termination of contracts.

Other operating expenses

	3rd quarter		1st nine months	
in € million	**2013**	2012	**2013**	2012
Additions to other provisions	243	36	296	68
Losses on the measurement of derivatives (excluding interest rate derivatives)	60	90	228	302
Losses on currency translation of monetary assets and liabilities	36	33	130	191
Impairment losses	21	129	61	213
Other expense	39	136	217	273
	399	**424**	**932**	**1,047**

The additions to other provisions comprised, among other things, provisions for restructuring, mainly in connection with the planned optimization of administrative and service structures and workflows, provisions for recultivation and environmental protection, and provisions for other obligations. The other expense of €217 million in the first nine months of 2013 related, among other things, to outsourcing, projects for the acquisition and divestment of companies and business operations, and non-core operations, commission expenses, and legal and consultancy fees.

6. Notes on the segment report

The Executive Board of Evonik Industries AG decides on the allocation of resources and evaluates the earnings power of the Group's operations on the basis of the operating segments (subsequently referred to as segments). The operating activities are divided into business units within the segments. The reporting based on segments reflects the Group's internal organizational and reporting structure (management approach).

In accordance with Evonik's strategic focus on specialty chemicals, the majority interest in the real estate operations bundled in the Real Estate segment was divested as of July 17, 2013. Following deconsolidation of these operations, the Real Estate segment is no longer included in the segment report. Since then, the remaining 10.9 percent stake in Vivawest, which is recognized at equity, has been included in other operations in the segment report. Other operations also include the at-equity stakes in STEAG GmbH (STEAG), Essen (Germany), and the lithium-ion business, which is held for sale.

Composition of Corporate, other operations, consolidation—3rd quarter

	Other operations (including discontinued operations)		Corporate, consolidation, less discontinued operations		Corporate, other operations, consolidation	
in € million	**2013**	2012	**2013**	2012	**2013**	2012
External sales	63	52	−19	−5	44	47
Internal sales	59	59	−583	−549	−524	−490
Total sales	122	111	−602	−554	−480	−443
Adjusted EBITDA	−14	−25	−44	−27	−58	−52
Adjusted EBITDA margin in %	–	–	–	–	–	–
Adjusted EBIT	−21	−31	−55	−40	−76	−71
Capital expenditures	16	24	−3	−14	13	10
Financial investments	–	1	–	–	–	1

Prior-year figures restated.

Composition of Corporate, other operations, consolidation—1st nine months

	Other operations (including discontinued operations)		Corporate, consolidation, less discontinued operations		Corporate, other operations, consolidation	
in € million	**2013**	2012	**2013**	2012	**2013**	2012
External sales	175	148	−46	−16	129	132
Internal sales	172	175	−1,677	−1,657	−1,505	−1,482
Total sales	347	323	−1,723	−1,673	−1,376	−1,350
Adjusted EBITDA	−79	−46	−135	−143	−214	−189
Adjusted EBITDA margin in %	–	–	–	–	–	–
Adjusted EBIT	−101	−59	−167	−182	−268	−241
Capital expenditures	41	67	−13	−39	28	28
Financial investments	3	2	152		155	2
Employees as of September 30	1,864	1,721	−318	−291	1,546	1,430

Prior-year figures restated.

The following table shows a reconciliation from adjusted EBIT for the reporting segments to income before income taxes for the Group's continuing operations.

Reconciliation of adjusted EBIT for the reporting segments to income before income taxes

	3rd quarter		1st nine months	
in € million	**2013**	2012	**2013**	2012
Adjusted EBIT, reporting segments	**451**	**624**	**1,464**	**1,818**
Adjusted EBIT, other operations	–21	–31	–101	–59
Adjusted EBIT, Corporate Center and corporate activities	–57	–40	–172	–182
Consolidation	–9	–16	–39	–44
less adjusted EBIT, discontinued operations	11	16	44	44
Adjusted EBIT, Corporate, other operations, consolidation, less discontinued operations	**–76**	**–71**	**–268**	**–241**
Adjusted EBIT, Group (continuing operations)	**375**	**553**	**1,196**	**1,577**
Adjustments	–235	46	–328	–47
Net interest expense	–67	–80	–201	–239
Income before income taxes, continuing operations	**73**	**519**	**667**	**1,291**

Prior-year figures restated.

The impact of the retrospective application of IAS 19 (2011) increased the operating results previously reported for the third quarter of 2012, i.e. the adjusted EBIT and adjusted EBITDA of the Group (continuing operations), by €5 million, while adjustments were reduced by €5 million. Accordingly, the impact in the first nine months of 2013 was an increase of €16 million in the Group's operating results—adjusted EBIT and adjusted EBITDA (continuing operations)—and a reduction of €16 million in adjustments.

7. Other disclosures

7.1 Fair values

The fair value determination is based on the 3-level hierarchy stipulated by IFRS 13:

- Level 1: Quoted price in an active market
- Level 2: Quoted price in an active market for similar financial instruments or valuation methods based on observable market data
- Level 3: Valuation methods not based on observable market data

The following table shows the assets and liabilities that were measured at fair value on a recurring basis after initial recognition on the balance sheet:

Measurement at fair value pursuant to IFRS 13

	Fair value based on			Sept. 30, 2013
in € million	Level 1	Level 2	Level 3	
Assets measured at fair value	**968**	**65**	**87**	**1,120**
Securities and similar claims	968	–	–	968
Receivables from derivatives	–	65	87	152
Liabilities measured at fair value	**–**	**–23**	**–59**	**–82**
Liabilities from derivatives	–	–23	–59	–82

Level 2 derivatives comprise currency, interest rate and commodity derivatives whose fair value was determined on the basis of the exchange rates at the European Central Bank, observed interest rate structure curves and observed commodity prices. The discount effect on these derivatives is negligible.

The fair value resulting from the measurement of the put option and the call option for the remaining 49 percent shareholding in STEAG and the measurement of derivatives embedded in supply contracts is allocated to Level 3. Recognized mathematical finance methods are used to model the observed change in the market value of the hedged item.

No derivatives were reclassified to other levels in the reporting period.

Reconciliation from the opening to the closing balances for fair value (Level 3)

in € million	Receivables from derivatives	Liabilities from derivatives	Total
As of January 1, 2013	**97**	**–65**	**32**
Additions	–	–1	–1
Gains or losses in the reporting period	–10	7	–3
Other operating income	–	7	7
Other operating expenses	–10	–	–10
As of September 30, 2013	**87**	**–59**	**28**

As of September 30, 2013, the net value of the put option and the call option for the remaining 49 percent of the shares in STEAG was €28 million. The key factors influencing the valuation were the formula-based option strike price and an estimate of the fair value of 49 percent of the shares in STEAG. If the fair value of the 49 percent stake in STEAG had been 10 percent lower on September 30, 2013, the net value of the options would have been €52 million higher and would have resulted in an additional gain of the same amount. A 10 percent increase in the fair value of the 49 percent stake in STEAG would have reduced the net value of the options by €53 million, resulting in a corresponding additional loss.

The balance sheet as of September 30, 2013 contains assets and liabilities that are measured at fair value on a non-recurring basis totaling minus €19 million. These are contained in assets held for sale and the associated liabilities. The net fair value derived from the loss-free valuation of these assets and liabilities is allocated to Level 2. The main input factor for the valuation was the expected proceeds from sale less the costs to sell.

The following overview shows the carrying amounts and fair values of all financial assets and liabilities:

Carrying amounts and fair values of financial assets — Sept. 30, 2013

in € million	Carrying amount	Fair value
Financial assets	**1,373**	**1,372**
Other investments	7	7
Loans	238	236
Securities and similar claims	968	968
Receivables from finance leases	–	1
Receivables from derivatives	152	152
Other financial assets	8	8
Trade accounts receivable	**1,697**	**1,697**
Cash and cash equivalents	**2,425**	**2,425**

Carrying amounts and fair values of financial liabilities — Sept. 30, 2013

in € million	Carrying amount	Fair value
Financial liabilities	**2,876**	**2,953**
Bonds	2,338	2,392
Liabilities to banks	340	361
Loans from non-banks	101	101
Liabilities from finance leases	4	6
Liabilities from derivatives	82	82
Other financial liabilities	11	11
Trade accounts payable	**978**	**978**

7.2 Contingent receivables and liabilities

There has not been any material change in contingent liabilities since the annual financial statements as of December 31, 2012.

The contingent receivables in connection with the damage at a production facility in Marl (Germany) mentioned in the annual financial statements as of December 31, 2012 have now been finalized and paid.

7.3 Related parties

The principal transactions with related parties that have taken place since December 31, 2012 are as follows:

In the first quarter of 2013 a dividend for 2012 was paid to the company's shareholders RAG-Stiftung and Gabriel Acquisitions. The dividend payment to RAG-Stiftung was €296 million, while Gabriel Acquisitions received a dividend of €81 million.

In connection with the divestment of the real estate activities, Evonik Industries AG granted Vivawest a promissory note loan of €204 million.

The property management activities of Evonik Wohnen GmbH (Evonik Wohnen), Essen (Germany), were transferred to Vivawest Wohnen GmbH (Vivawest Wohnen), Essen (Germany) on January 1, 2012 as contractually agreed. Evonik realized €155 million from the intragroup supply of goods and services with the Vivawest Wohnen joint venture as of December 31, 2012. Since the divestment of the real estate activities, these business relationships no longer constitute transactions between related parties in the Evonik Group.

Under contracts signed on July 5, 2013, 30.0 percent of the shares in Vivawest were sold to RAG-Stiftung and 7.3 percent of the shares in Vivawest were sold to RAG Aktiengesellschaft. The transactions were closed on July 17, 2013. Details of these transactions can be found in Note (4.2).

7.4 Events after the reporting date

No material events have occurred since the reporting date.

Essen, October 24, 2013

Evonik Industries AG
The Executive Board

Dr. Engel	Dr. Haeberle	Wessel
Wohlhauser	Wolf	Dr. Yu

Review report

To Evonik Industries AG, Essen,

We have reviewed the condensed consolidated interim financial statements—comprising the condensed income statement, condensed statement of comprehensive income, condensed balance sheet, condensed statement of changes in equity, condensed cash flow statement and selected explanatory notes—and the interim Group management report for Evonik Industries AG, Essen, for the period from January 1, 2013 to September 30, 2013, which are part of the quarterly financial report pursuant to § (Article) 37w WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim Group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the company's Executive Board. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim Group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim Group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) and additionally observed the International Standard on Review Engagements "Review of Interim Financial Information performed by the Independent Auditor of the Entity" (ISRE 2410). These standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim Group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Düsseldorf, October 25, 2013

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Dr. Peter Bartels	Lutz Granderath
(German Public Auditor)	(German Public Auditor)

Financial calendar 2014

Event	Date
Full-year results/Q4 2013	March 7, 2014
Interim Report Q1 2014	May 6, 2014
Annual Shareholders' Meeting	May 20, 2014
Interim Report Q2 2014	July 31, 2014
Interim Report Q3 2014	November 3, 2014

The English version is a translation of the German version and is provided for information only.

Credits

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Evonik. Power to create.