

Quarterly financial report Q1 2013

A moderate start—Outlook for 2013 confirmed

- Operating business below strong prior year
- Improvement in net income
- Step plan to exit the Real Estate segment
- Evonik shares listed on the stock market since April 25
- Outlook for 2013 confirmed

Key data for the Evonik Group

in € million	1st quarter	
	2013	2012
Sales	3,263	3,407
Adjusted EBITDA ¹⁾	589	656
Adjusted EBITDA margin in %	18.1%	19.3%
Adjusted EBIT ²⁾	445	509
EBIT	415	440
Income before financial result and income taxes, continuing operations	396	428
Net income	289	269
Earnings per share in €	+0.62	+0.58
Adjusted earnings per share in €	+0.63	+0.68
Cash flow from operating activities	213	383
Capital expenditures	183	161
Net financial debt as of March 31	-1,137	-1,033
Employees as of March 31	33,455	33,316

Prior-year figures restated.

1) Earnings before interest, taxes, depreciation and amortization, after adjustments

2) Earnings before interest and taxes, after adjustments

Management report as of March 31, 2013

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1. Business conditions and performance

1.1 Economic background

Global economic growth remained subdued in the first quarter of 2013. The trend was fragile and differed by region. The economic upturn in the industrialized countries continued its inhomogeneous pattern in the first quarter of 2013 and remained weak overall, whereas economic momentum picked up in the emerging markets.

The negative factors that continued to influence the global economy in the first quarter of 2013 resulted, among other things, from the sovereign debt crisis in the euro zone, geopolitical conflicts and imbalances within major industrialized countries. Despite their positive overall performance, the international commodity and financial markets reflected the economic system's ongoing vulnerability to these risks.

The global development of the **industries served by Evonik** differed by region and by sector in the first quarter of 2013. Compared with the fourth quarter of 2012, however, there was a general upturn in production. Despite basic regional differences, there was an improvement in demand, partly as a result of the inventory cycle. However, compared with the first quarter of 2012, demand was well below output in many end-customer markets in Europe and Japan, especially the automotive sector and the market for paints and coatings. Overall, demand in the construction sector bucked the general industrial trend. While there was still no positive impetus in Europe and demand for construction work declined, demand remained consistently high in the USA.

The price of **Brent crude** oil was again very volatile in the first quarter of 2013, but at US\$101 per barrel it was slightly below the annual average for 2012. The performance of the **euro** was very inhomogeneous in the first quarter owing to the European sovereign debt crisis and the US budget consolidation dispute. However, it was slightly stronger than at the end of 2012, with an average exchange rate of €1.32 per US dollar in the first quarter of 2013.

1.2 Business performance

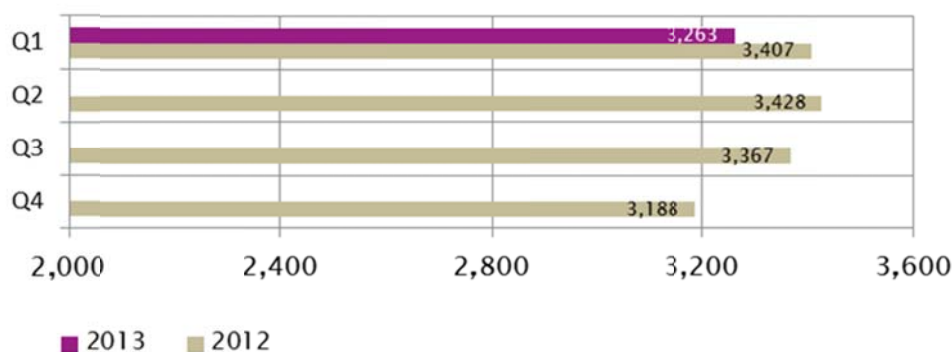
In a challenging economic environment, **Evonik** got off to a somewhat moderate start in 2013. Compared with the strong first quarter of 2012, we registered lower demand in some markets, declining selling prices and, in some cases, higher raw material costs. Overall, sales and operating results in the continuing operations were below the previous year's very good figures (excluding the Real Estate segment).

At the start of 2013, the previous sole owners of Evonik Industries AG—RAG—Stiftung and funds advised by CVC Capital Partners—sold some of their shares to institutional investors in Germany and abroad through private placements in preparation for Evonik's **stock exchange listing**. Shares in Evonik were admitted to trading on the regulated market of the stock exchanges in Frankfurt am Main and Luxembourg on April 24, 2013 and trading commenced on April 25, 2013. Through a number of private placements, the previous sole owners had sold equal proportions of their shares amounting to around 14.5 percent of the company's capital stock prior to the start of trading.

In accordance with its **focus on specialty chemicals**, Evonik intends to withdraw completely from the real estate activities bundled in its Real Estate segment. In March 2013 we resolved on a step plan to divest the majority of this business. Accordingly, the Real Estate business has been reclassified to discontinued operations. Evonik currently holds 100 percent of the shares in Vivawest GmbH, which in turn has a stake of around 50 percent in THS GmbH. The other 50 percent is held by Vermögensverwaltungs- und Treuhandgesellschaft der Industriegewerkschaft Bergbau und Energie mbH (VTG). Vivawest and THS combined

the property management activities for their residential real estate effective January 1, 2012. Now Vivawest GmbH and THS GmbH are to be combined in a single entity. VTG will hold around 27 percent of the shares in the new company, while Evonik will hold about 73 percent. As part of the transfer to a stable new ownership structure, Evonik plans to sell a 30 percent stake to RAG-Stiftung and a stake of around 10 percent to RAG Aktiengesellschaft. These transactions are contingent on the approval of the relevant bodies. The real estate activities are expected to be deconsolidated during 2013 once Evonik no longer holds a majority of shares in the new company. In addition, a 25 percent stake is to be transferred to Evonik Pensionstreuhand e. V. (contractual trust arrangement, CTA). After these transactions, Evonik will probably still directly hold around 8 percent of the shares in the real estate activities. In the mid term we intend to divest this stake to trusted investors with a long-term investment horizon. Ahead of the planned reorganization of the ownership structure, Vivawest's capital structure will be adjusted to a level that is customary in the sector and will distribute €650 million to its present sole owner, Evonik Industries AG.

Sales by quarters



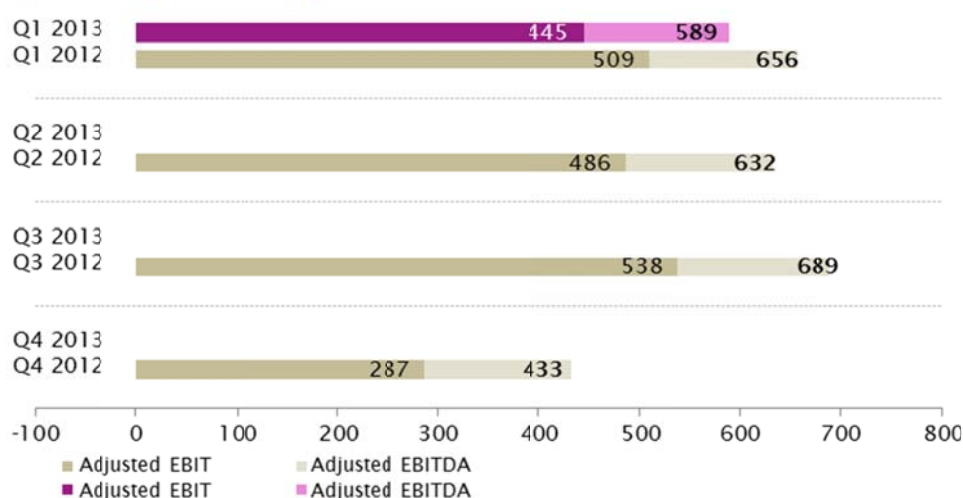
In € million; prior-year figures restated.

In the first quarter of 2013, the Evonik Group's **sales** declined 4 percent to €3,263 million. While demand was stable overall, the organic sales trend slipped 2 percent due to lower selling prices. The other effects totaling minus 2 percentage points 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.

Year-on-year change in sales

in %	Q1 2013
Volume	0%
Price	-2%
Organic sales growth	-2%
Exchange rates	0%
Other effects	-2%
Total	-4%

Operating results by quarters



In € million; prior-year figures restated.

Operating results were below the previous year's high levels, mainly as a result of lower selling prices and, in some cases, higher raw material costs. The application of IAS 19¹ caused a retrospective increase of €22 million in 2012 operating results, €6 million of which related to the first quarter of 2012. Overall, adjusted EBITDA declined by 10 percent to €589 million, while adjusted EBIT dropped 13 percent to €445 million. The adjusted EBITDA margin slipped from 19.3 percent to 18.1 percent.

¹ See Note 3.

Statement of income

in € million	1st quarter	
	2013	2012
Sales	3,263	3,407
Adjusted EBITDA	589	656
Depreciation and amortization	-144	-147
Adjusted EBIT	445	509
Adjustments	-30	-69
thereof attributable to		
<i>Restructuring</i>	-5	-6
<i>Impairment losses/reversals of impairment losses</i>	-	-71
<i>Acquisition/divestment of shareholdings</i>	-	-3
<i>Other</i>	-25	11
Net interest expense	-66	-80
Income before income taxes, continuing operations	349	360
Income taxes	-83	-114
Income after income taxes, continuing operations	266	246
Income after income taxes, discontinued operations	20	20
Income after taxes	286	266
Attributable to non-controlling interests	3	3
Net income	289	269
Earnings per share in €	+0.62	+0.58

Prior-year figures restated.

The **adjustments** of minus €30 million mainly comprise expenses of €11 million in connection with the recognition of the put and call options for the remaining shares in STEAG GmbH, and €6 million from the adjustment of provisions for the German phased retirement program in accordance with IAS 19. The prior-year figure mainly comprised impairment losses on production plants in the Resource Efficiency segment due to tougher competition in the photovoltaic sector, and income of €11 million in connection with the recognition of the STEAG options.

Net interest expense improved to €66 million, driven by lower interest rates for pensions and higher income as a result of the transfers made to the CTA in 2012. **Income before income taxes, continuing operations** was €349 million, only slightly below the prior-year level of €360 million. The income tax rate was 24 percent, principally due to tax income relating to previous periods.

Income after taxes, discontinued operations amounted to €20 million and related almost entirely to the Real Estate segment. Total income after taxes rose 8 percent to €286 million. Net income grew 7 percent year-on-year to €289 million.

Adjusted net income reflects the operating performance so it does not contain the impact of either the adjustments or discontinued operations. Adjusted net income dropped 7 percent to €294 million in the first quarter of 2013. **Adjusted earnings per share** decreased from €0.68 to €0.63.

Reconciliation to adjusted net income

in € million	1st quarter	
	2013	2012
Income before financial result and income taxes ¹⁾	396	428
Result from investments recognized at equity	13	12
Other financial income	6	-
EBIT	415	440
Adjustments	30	69
Adjusted EBIT	445	509
Net interest expense	-66	-80
Adjusted income before income taxes ¹⁾	379	429
Adjusted income taxes	-88	-115
Adjusted income after taxes ¹⁾	291	314
Adjusted income attributable to non-controlling interests	3	3
Adjusted net income¹⁾	294	317
Adjusted earnings per share in €	+0.63	+0.68

Prior-year figures restated.

1) Continuing operations

1.3 Segment performance

Consumer, Health & Nutrition segment

The Consumer, Health & Nutrition segment produces specialty chemicals, principally for applications in the consumer goods, animal nutrition and health-care sectors. It comprises the Consumer Specialties and Health & Nutrition Business Units.

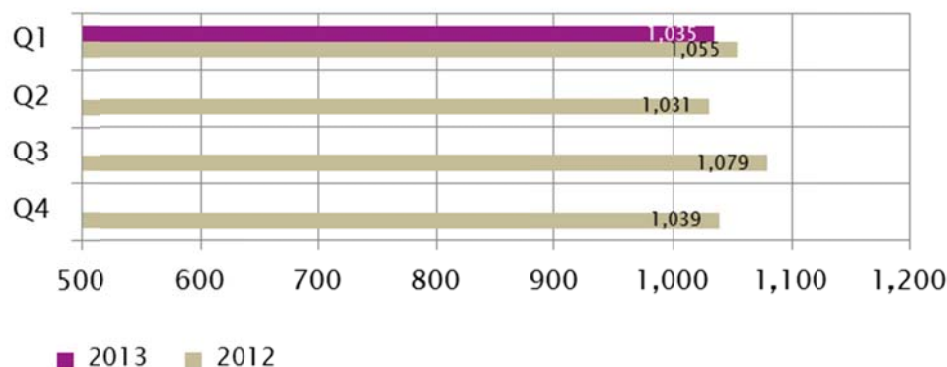
Key data for the Consumer, Health & Nutrition segment

in € million	1st quarter	
	2013	2012
External sales	1,035	1,055
Adjusted EBITDA	274	287
Adjusted EBITDA margin in %	26.5%	27.2%
Adjusted EBIT	240	254
EBIT	240	253
Capital expenditures	60	45
Employees as of March 31	6,878	6,604

Prior-year figures restated.

Sales in the **Consumer, Health & Nutrition** segment decreased by 2 percent to €1,035 million. This was mainly attributable to an organic sales reduction, caused by lower selling prices, while volumes increased slightly. The operating results fell short of the previous year's very high levels, mainly due to declining prices: Adjusted EBITDA slipped 5 percent to €274 million while adjusted EBIT fell 6 percent to €240 million. There was a slight decline in the adjusted EBITDA margin from 27.2 percent to 26.5 percent.

Sales for the Consumer, Health & Nutrition segment

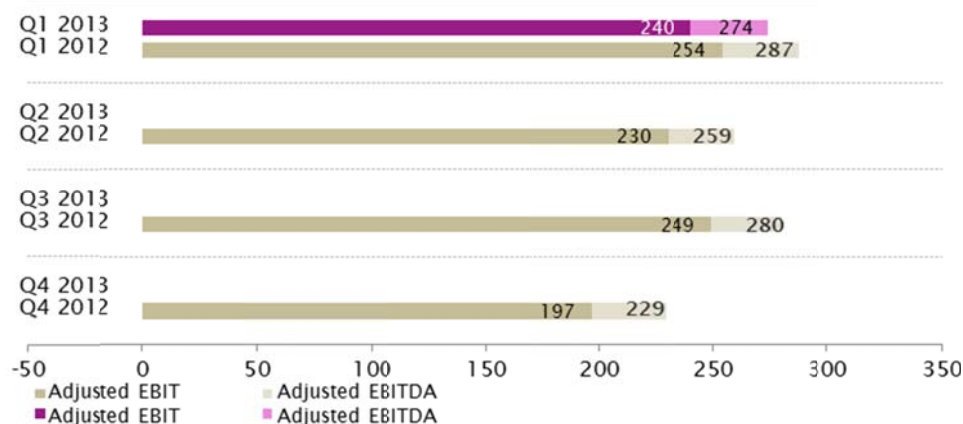


In € million.

The **Consumer Specialties** Business Unit grew sales 8 percent to €553 million in the first quarter of 2013. While the development of household and personal care products was relatively flat, particularly strong demand was registered for superabsorbents for babies' diapers and hygiene products. The operating results also rose.

Sales in the **Health & Nutrition** Business Unit contracted by 11 percent to €482 million. Demand for amino acids, which are important components in animal nutrition, was lower than in the exceptionally good prior-year quarter, especially in the Asia-Pacific region. Selling prices were also below the very good level seen in the first quarter of 2012, but almost unchanged compared with the fourth quarter of 2012. Business with healthcare products also remained below the high level posted in the first quarter of 2012. The operating results in the Health & Nutrition Business Unit were below the excellent level seen in the prior-year quarter.

Operating results for the Consumer, Health & Nutrition segment



In € million; prior-year figures restated.

Resource Efficiency segment

The **Resource Efficiency** segment provides environment-friendly and energy-efficient system solutions. This segment comprises the Inorganic Materials and Coatings & Additives Business Units.

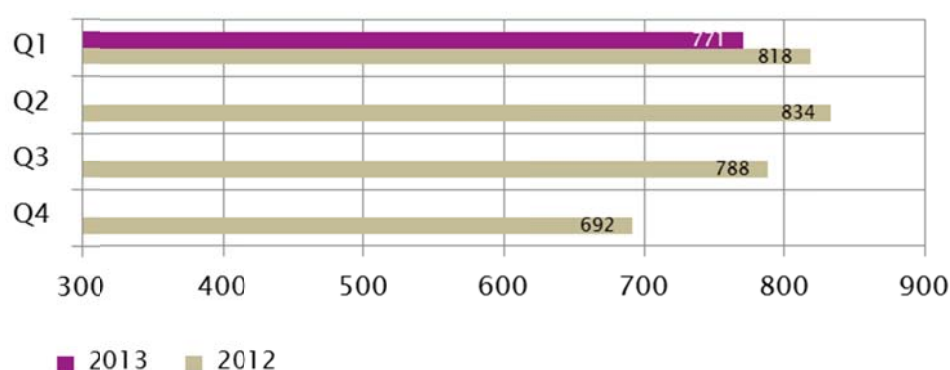
Key data for the Resource Efficiency segment

in € million	1st quarter	
	2013	2012
External sales	771	818
Adjusted EBITDA	172	168
Adjusted EBITDA margin in %	22.3%	20.5%
Adjusted EBIT	143	131
EBIT	138	60
Capital expenditures	37	28
Employees as of March 31	5,806	6,029

Prior-year figures restated.

In the **Resource Efficiency** segment sales dropped 6 percent to €771 million. The main factor in this was the divestment of the colorants business at the end of April 2012. Lower volumes resulted in a slight organic sales drop. The operating results increased, mainly due to lower fixed costs following restructuring of the photovoltaic business in the fourth quarter of 2012. This principally involved the shutdown of one production plant and the sale of another. Adjusted EBITDA increased 2 percent to €172 million, while adjusted EBIT advanced 9 percent to €143 million. The adjusted EBITDA margin was 22.3 percent, up from 20.5 percent in the first quarter of 2012.

Sales for the Resource Efficiency segment



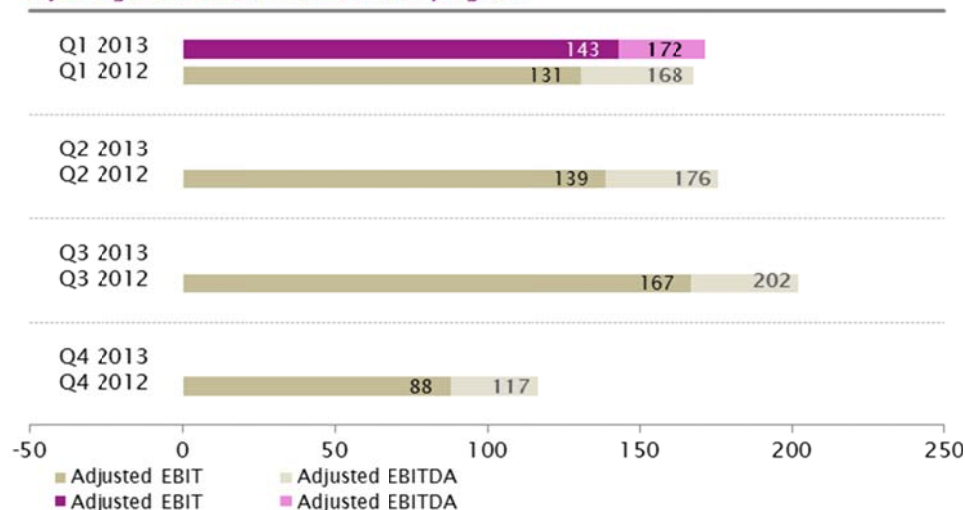
In € million.

In the **Inorganic Materials** Business Unit sales amounted to €361 million, almost level with the previous year. Business with specialty oxides did particularly well. These products are used, for example, in the electronics industry and cosmetics, and as carriers for catalysts. The operating results increased due to the reduction in fixed costs outlined above.

In the **Coatings & Additives** Business Unit sales dropped 10 percent to €410 million. The chief reasons for this were that the prior-year figures still included the colorants business, plus a decline in sales volumes. Demand from the construction and coatings sectors in particular was lower than a year earlier, while oil

additives posted a stable trend. The operating results were also below previous year's good level, which still contained earnings from the colorants business.

Operating results for the Resource Efficiency segment



In € million; prior-year figures restated.

Specialty Materials segment

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

Key data for the Specialty Materials segment

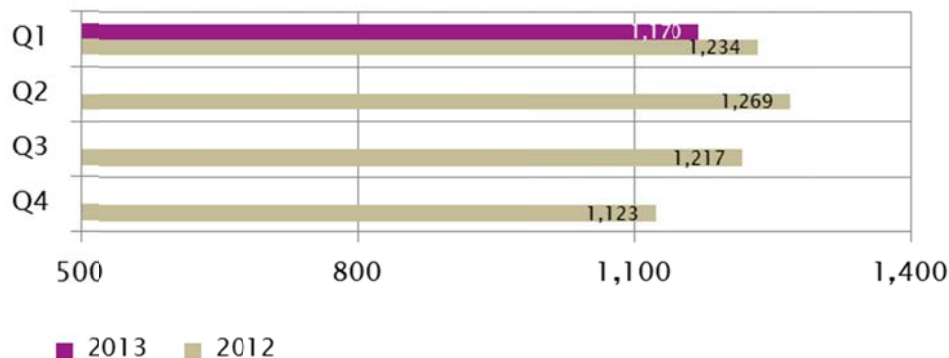
in € million	1st quarter	
	2013	2012
External sales	1,170	1,234
Adjusted EBITDA	182	215
Adjusted EBITDA margin in %	15.6%	17.4%
Adjusted EBIT	145	178
EBIT	140	175
Capital expenditures	50	54
Employees as of March 31	6,229	6,710

Prior-year figures restated.

The **Specialty Materials** segment's sales dropped 5 percent to €1,170 million. This was attributable in almost equal amounts to the divestment of the cyanuric chloride business in China in December 2012 and an organic sales reduction, mainly due to lower selling prices. The drop in volumes resulting from the production stoppage following the fire at the CDT plant in late March 2012 was offset by higher demand for other products. However, selling prices were below the previous year's very high levels, especially for C4 products. The operating results fell short of the very good results for the first quarter of 2012 due to lower selling prices and, in some cases, higher raw material costs. By contrast, the earnings reduction caused by the production shortfall following the fire was offset to a large extent by insurance. Adjusted EBITDA decreased by 15 percent

to €182 million, while adjusted EBIT fell 19 percent to €145 million. The adjusted EBITDA margin thus dropped from 17.4 percent in the first quarter of 2012 to 15.6 percent in the first quarter of 2013.

Sales for the Specialty Materials segment

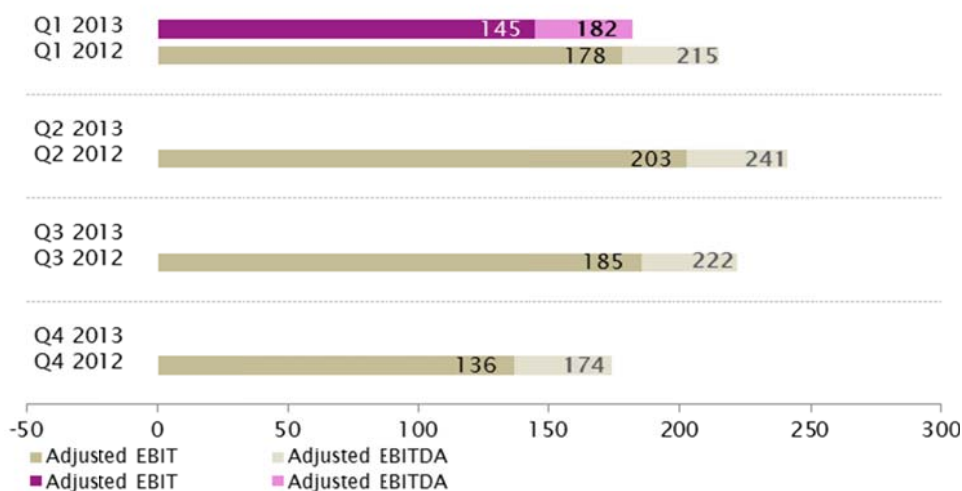


In € million.

The **Performance Polymers** Business Unit took the rebuilt CDT plant back into service at the end of 2012 and production at this facility and upstream polyamide 12 plants was ramped up at the beginning of 2013. In the first quarter of 2012 these plants operated at high capacity until the fire at the end of March. Demand for methacrylates was also lower so overall Performance Polymers' volume sales were considerably lower than a year earlier. Sales fell 7 percent to €443 million and the operating results were also below the previous year's level.

The 4 percent decrease in sales in the **Advanced Intermediates** Business Unit to €727 million was mainly caused by the divestment of cyanuric chloride activities in China. Price declines for C₄ products were offset by good demand for, among other things, plasticizer alcohols, butene-1 and hydrogen peroxide. The operating results were below the previous year's very good figures.

Operating results for the Specialty Materials segment



In € million; prior-year figures restated.

Services segment

This segment principally comprises Site Services and Evonik Business Services. It mainly provides services for the specialty chemicals segments and the Corporate Center.

This segment's sales totaled €647 million. Internal sales accounted for €411 million of the total. External sales declined by 8 percent to €236 million as a customer shut down a production facility at the site in Marl (Germany). The operating results were on a par with the previous year. Adjusted EBITDA rose slightly to €54 million while adjusted EBIT was unchanged at €32 million.

Real Estate segment

The Real Estate segment focuses on letting homes to private households in the federal state of North Rhine-Westphalia. A step plan for divestment of the majority of the real estate activities was adopted in March 2013 and this segment was reclassified to discontinued operations.

Sales in the Real Estate segment advanced 10 percent to €54 million thanks mainly to higher revenues from real estate services and property sales. The operating results benefited from the book gains resulting from the sale of commercial property. Adjusted EBITDA increased by 2 percent to €42 million, while adjusted EBIT was unchanged year-on-year at €30 million.

2. Earnings, financial and asset position

2.1 Earnings position

Sales dropped 4 percent to €3,263 million. The cost of sales only fell by 2 percent to €2,316 million as some raw material prices increased. The **gross profit on sales** decreased by 10 percent to €947 million. Selling and administrative expenses rose by 3 percent to €471 million, and research and development expenses also increased by 3 percent, to €95 million.

Other operating income totaling €289 million includes income from the measurement of derivatives and from currency translation of monetary assets and liabilities. The year-on-year increase of €15 million in other operating income was due to the reversal of provisions and to higher insurance refunds, while income from the measurement of derivatives was lower. The other operating expenses of €274 million include expenses from the measurement of derivatives and currency translation of monetary assets and liabilities. The decrease of €75 million was mainly due to the fact that the prior-year figures included impairment losses on assets.

Income before the financial result and income taxes, continuing operations declined by 7 percent to €396 million.

The **financial result** improved by €21 million to minus €47 million, principally due to lower interest expense and an increase in other financial income. Income before income taxes, continuing operations declined 3 percent to €349 million. Income taxes dropped to €83 million as a result of tax income relating to prior periods. Income after taxes from continuing operations increased by 8 percent overall to €266 million.

The Income after taxes of €20 million from the discontinued operations related almost entirely to the Real Estate segment. **Income after taxes** improved 8 percent to €286 million. Non-controlling interests in after-tax income amounted to minus €3 million, as in the first quarter of 2012. Overall, the net income of the Evonik Group improved 7 percent to €289 million.

2.2 Financial and asset position

As of March 31, 2013, financial debt was €2,258 million, a drop of €576 million from year-end 2012, mainly because of the reclassification of the Real Estate segment to discontinued operations. Financial assets declined by €550 million to €1,121 million, essentially as a result of the dividend of €429 million paid on March 12, 2013. Overall, **net financial debt** was €1,137 million at the end of March, slightly lower than at year-end 2012.

Net financial debt

in € million	March 31, 2013	Dec. 31, 2012
Non-current financial liabilities	-906	-1,397
Current financial liabilities	-1,352	-1,437
Financial debt ¹⁾	-2,258	-2,834
Cash and cash equivalents	563	741
Current securities	556	928
Other financial assets	2	2
Financial assets ¹⁾	1,121	1,671
Net financial debt as stated on the balance sheet	-1,137	-1,163
Net financial debt, discontinued operations	-491	-
Net financial debt (total)	-1,628	-

1) Excluding derivatives.

In February 2013, Evonik launched a debt issuance program on the Luxembourg stock exchange with a total volume of up to €3 billion. On April 8, 2013 we used this to issue a €500 million bond, which has greatly improved our maturity profile. The bond matures in seven years. The issue price was 99.185 percent and it has a coupon of 1.875 percent. Standard & Poor's has given the bond a BBB+ rating with a stable outlook, while Moody's rating is Baa2 with a positive outlook. Together with available liquidity, the proceeds from the issue will be used, among other things, to redeem the €1.1 billion Evonik-Degussa bond, which matures in December 2013.

Cash flow statement (excerpt)

in € million	1st quarter	
	2013	2012
Cash flow from operating activities, continuing operations	192	364
Cash flow from operating activities, discontinued operations	21	19
Cash flow from operating activities	213	383
Cash flow from investing activities, continuing operations	147	-233
Cash flow from investing activities, discontinued operations	8	5
Cash flow from investing activities	155	-228
Cash flow from financing activities, continuing operations	-503	15
Cash flow from financing activities, discontinued operations	-	30
Cash flow from financing activities	-503	45
Change in cash and cash equivalents	-135	200

Prior-year figures restated.

The **cash flow from operating activities in the continuing operations** declined by €172 million to €192 million in the first quarter of 2013. The main reasons for this were lower earnings before depreciation, amortization, the financial result and income taxes and the increase in net working capital, partly in connection with upcoming overhauls of production plants. The cash flow from discontinued operations increased slightly to €21 million. Overall, the cash flow from operating activities declined by €170 million year-on-year to €213 million. Investing activities by the continuing operations led to a cash inflow of €147 million, with cash outflows for capital expenditures offset by inflows from the sale of current securities. In the first quarter of 2012, cash outflows for capital expenditures and securities resulted in a total outflow of €233 million. Together with the cash inflow from the discontinued operations, the cash flow from investing activities comprised an inflow of €155 million in the first quarter of 2013, compared with an outflow of €228 million in the first quarter of 2012. The cash outflow for financing activities totaling €503 million mainly comprised the dividend payment for fiscal 2012. In the first quarter of 2012, the cash flow from financing activities comprised an inflow of €45 million; the dividend for 2011 was only paid in the second quarter of 2012.

Capital expenditures increased 14 percent to €183 million, in line with our ambitious investment program. 33 percent of capital expenditures were allocated to the Consumer, Health & Nutrition segment, 27 percent to the Specialty Materials segment and 20 percent to the Resource Efficiency segment. In Essen (Germany), the Consumer Specialties Business Unit started production of the TEGOPAC® brand of silane-modified polymers for the sealants and adhesives industry. A new innovation center for future-oriented cosmetics products was also completed in Essen. Following the rapid reconstruction of the CDT plant, the Performance Polymers restarted production at the beginning of this year.

As a consequence of the retrospective application of IAS 19², 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 €17.0 billion as of March 31, 2013, slightly lower than at year-end 2012. The €2.1 billion drop in non-current assets to €9.3 billion was mainly due to the reclassification of the Real Estate segment's non-current assets to assets held for sale. The €2.0 billion increase in current assets to €7.7 billion was principally driven by the substantial rise in assets held for sale. Equity increased by €0.1 billion to €5.4 billion. The equity ratio improved from 31.9 percent to 31.5 percent.

3. Research & development

As a specialty chemicals company, Evonik continued its intensive research and development (R&D) activities in the first quarter of 2013. **R&D expenses** increased slightly year-on-year to €95 million.

A two kilometer **natural gas pipeline** made of VESTAMID® NRG was installed at the Indubrasil industrial facility in Campo Grande (Brazil). This was the result of an R&D project covering aspects such as material development, permitting, testing and work on standards committees. This pilot pipeline made of polyamide 12 (PA12) from the Specialty Materials segment serves customer of the MSGÁS utility company, with which we have signed a cooperation agreement. It is the first PA12 gas pipeline in South America in the >10 bar pressure range.

The CALOSTAT® **high-performance thermal insulation** developed by the Resource Efficiency segment was awarded the "Praxis Altbau" prize for product innovations for the refurbishment of old buildings. CALOSTAT® mainly consists of silicon dioxide and is non-combustible and recyclable. The main applications are interior insulation and refurbishment of facades.

² See Note 3.

In mid-March 2013, more than 80 scholarship students were given an insight into day-to-day work at a global specialty chemicals company at Evonik's campus in Essen. In the 2012/2013 academic year, Evonik is providing a total of 180 scholarships for students at 13 German universities. Through the Evonik Foundation we have supported students and doctoral candidates with their research for many years.

To expand our presence on the Asian electronics market and open up new opportunities for Evonik in collaboration with customers, a year ago we opened the offices and laboratories of our **Light & Electronics** Advanced Project House in Hsinchu (Taiwan). Research at this project house, which is located in the direct vicinity of major electronics companies, focuses on aspects such as large-format lighting and display components, materials for organic light-emitting diodes (OLEDs) and coatings solutions for electronics. In the past twelve months, several cooperations have started and the first patent application has been filed.

4. Employees

As of March 31, 2013 the Evonik Group had 33,455 employees, 32,814 of whom were employed in the continuing operations. The slight increase of 133 employees in the continuing operations since year-end 2012 is principally due to the increase in headcount in connection with growth-driven investments.

Employees by segment

	March 31, 2013	Dec. 31, 2012
Consumer, Health & Nutrition	6,878	6,821
Resource Efficiency	5,806	5,755
Specialty Materials	6,229	6,134
Services	11,825	11,900
Other operations	2,076	2,071
Continuing operations	32,814	32,681
Discontinued operations (Real Estate)	641	617
Evonik	33,455	33,298

5. Events after the reporting date

On April 8, 2013 Evonik issued a €500 million bond under the debt issuance program launched in February 2013. The bond has a maturity of seven years and a coupon of 1.875 percent. The issue price was 99.185 percent.

Trading in shares in Evonik Industries AG commenced on the stock exchanges in Frankfurt am Main and Luxembourg on April 25, 2013.

6. Expected development

As an international Group with a diversified portfolio, Evonik is exposed to a wide range of **opportunities** and **risks**. These are described in detail in the report on expected development and the risk report in the Group management report for 2012. There have not been any fundamental changes since then, so the statements are still applicable. Given the measures planned and implemented, no risks have been identified that—either individually or in conjunction with other risks—could jeopardize the continued existence of Evonik.

Global economic conditions will remain very challenging, especially in the coming months, but we expect the global economy to pick up perceptibly in the second half of the year. Consequently, we assume that our forecast for the global economic environment from year-end 2012 remains applicable for 2013. Nevertheless, there is still considerable uncertainty, especially in connection with the sovereign debt crisis in Europe and the economic development of China. This could impair economic development.

In view of the reclassification of the Real Estate segment to discontinued operations in March 2013 and the planned deconsolidation of these operations in the course of 2013, the following comments only refer to the continuing operations. The corresponding figures for 2012 have been restated.

Despite the moderate start to 2013, given the anticipated upturn in the second half of the year, we are confirming our **outlook** for 2013. Assuming that the economic forecast for the year as a whole proves correct, we still expect to report a successful business performance in 2013. We assume that the new production capacities and higher selling prices in key product areas will have a positive impact. Overall, we anticipate higher sales in 2013, while the operating results should be in line with the very good level achieved in 2012.

Consolidated interim financial statements as of March 31, 2013

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Income statement

Evonik Group

in € million	1st quarter	
	2013	2012
Sales	3,263	3,407
Cost of sales	-2,316	-2,354
Gross profit on sales	947	1,053
Selling expenses	-314	-302
Research and development expenses	-95	-92
General administration expenses	-157	-156
Other operating income	289	274
Other operating expenses	-274	-349
Income before financial result and income taxes, continuing operations	396	428
Interest income	10	7
Interest expense	-76	-87
Result from investments recognized at equity	13	12
Other financial income	6	-
Financial result	-47	-68
Income before income taxes, continuing operations	349	360
Income taxes	-83	-114
Income after taxes, continuing operations	266	246
Income after taxes, discontinued operations	20	20
Income after taxes	286	266
thereof attributable to		
Non-controlling interests	-3	-3
Shareholders of Evonik Industries AG (net income)	289	269
Earnings per share in € (basic and diluted)	+0.62	+0.58

Prior-year figures restated.

Statement of comprehensive income

Evonik Group

in € million	1st quarter	
	2013	2012
Income after taxes	286	266
Comprehensive income that will be reclassified subsequently to profit or loss	34	-28
Unrealized gains/losses on available-for-sale securities	-7	4
Unrealized gains/losses on hedging instruments	-15	36
Currency translation adjustment	50	-57
Deferred taxes	6	-11
Comprehensive income that will not be reclassified subsequently to profit or loss	5	-486
Actuarial gains and losses relating to pension plans and other post-employment benefits	8	-692
Deferred taxes	-3	206
Other comprehensive income after taxes	39	-514
Total comprehensive income	325	-248
thereof attributable to		
Non-controlling interests	-3	-4
Shareholders of Evonik Industries AG	328	-244

Prior-year figures restated.

Balance sheet

Evonik Group

in € million	March 31, 2013	Dec. 31, 2012
Intangible assets	3,144	3,190
Property, plant and equipment	4,559	4,497
Investment property	7	1,550
Investments recognized at equity	617	1,122
Financial assets	162	197
Deferred tax assets	771	842
Other income tax assets	21	21
Other receivables	30	35
Non-current assets	9,311	11,454
Inventories	1,811	1,718
Other income tax assets	95	79
Trade accounts receivable	1,873	1,687
Other receivables	390	367
Financial assets	656	1,086
Cash and cash equivalents	563	741
	5,388	5,678
Assets held for sale	2,313	34
Current assets	7,701	5,712
Total assets	17,012	17,166
Issued capital	466	466
Reserves	4,791	4,892
Equity attributable to shareholders of Evonik Industries AG	5,257	5,358
Equity attributable to non-controlling interests	106	111
Equity	5,363	5,469
Provisions for pensions and other post-employment benefits	4,279	4,380
Other provisions	711	799
Deferred tax liabilities	401	413
Other income tax liabilities	122	115
Financial liabilities	909	1,464
Other payables	95	309
Non-current liabilities	6,517	7,480
Other provisions	1,127	1,130
Other income tax liabilities	171	223
Financial liabilities	1,471	1,483
Trade accounts payable	1,068	1,096
Other payables	300	272
	4,137	4,204
Liabilities associated with assets held for sale	995	13
Current liabilities	5,132	4,217
Total equity and liabilities	17,012	17,166

Prior-year figures restated.

Statement of changes in equity

Evonik Group

in € million	Issued capital	Reserves			Attributable to shareholders of Evonik Industries AG	Attributable to non-controlling interests	Total equity
		Capital reserve	Accumulated income	Accumulated other comprehensive income			
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	-	-	-	-	-	2	2
Dividend distribution	-	-	-425	-	-425	-5	-430
Income after taxes	-	-	269	-	269	-3	266
Other comprehensive income after taxes	-	-	-486	-27	-513	-1	-514
Total comprehensive income	-	-	-217	-27	-244	-4	-248
Other changes	-	-	-	-	-	-2	-2
As of March 31, 2012	466	1,165	3,273	-245	4,659	84	4,743
As of January 1, 2013	466	1,165	3,940	-213	5,358	111	5,469
Dividend distribution	-	-	-429	-	-429	-	-429
Changes in ownership interests in subsidiaries without loss of control	-	-	-	-	-	-2	-2
Income after taxes	-	-	289	-	289	-3	286
Other comprehensive income after taxes	-	-	5	34	39	-	39
Total comprehensive income	-	-	294	34	328	-3	325
Other changes	-	-	1	-1	-	-	-
As of March 31, 2013	466	1,165	3,806	-180	5,257	106	5,363

Prior-year figures restated.

Cash flow statement

Evonik Group

in € million	1st quarter	
	2013	2012
Income before financial result and income taxes, continuing operations	396	428
Depreciation, amortization, impairment losses/reversal of impairment losses on non-current assets	144	217
Gains/losses on the disposal of non-current assets	1	-6
Change in inventories	-126	-47
Change in trade accounts receivable	-194	-183
Change in trade accounts payable and current advance payments received from customers	8	4
Change in provisions for pensions and other post-employment benefits	-33	-37
Change in other provisions	-18	63
Change in miscellaneous assets/liabilities	70	-12
Cash outflows for interest	-16	-14
Cash inflows from interest	5	9
Cash inflows from dividends	36	21
Cash inflows/outflows for income taxes	-81	-79
Cash flow from operating activities, continuing operations	192	364
Cash flow from operating activities, discontinued operations	21	19
Cash flow from operating activities	213	383
Cash outflows for investments in intangible assets, property, plant and equipment, investment property	-219	-166
Cash outflows for investments in shareholdings	-2	-1
Cash inflows from divestments of intangible assets, property, plant and equipment, investment property	13	9
Cash inflows/outflows from divestment of shareholdings	-7	-8
Cash inflows/outflows relating to securities, deposits and loans	362	-67
Cash flow from investing activities, continuing operations	147	-233
Cash flow from investing activities, discontinued operations	8	5
Cash flow from investing activities	155	-228
Cash inflows/outflows relating to capital contributions	-	2
Cash outflows for dividends to shareholders of Evonik Industries AG	-429	-
Cash outflows for dividends to non-controlling interests	-	-2
Cash inflows/outflows from changes in ownership interests in subsidiaries without loss of control	-2	-
Cash inflows from the addition of financial liabilities	48	82
Cash outflows for repayment of financial liabilities	-120	-67
Cash flow from financing activities, continuing operations	-503	15
Cash flow from financing activities, discontinued operations	-	30
Cash flow from financing activities	-503	45
Change in cash and cash equivalents	-135	200
Cash and cash equivalents as of January 1	741	1,411
Change in cash and cash equivalents	-135	200
Changes in exchange rates and other changes in cash and cash equivalents	7	-1
Cash and cash equivalents as of March 31	613	1,610
Cash and cash equivalents included in assets held for sale	-50	-3
Cash and cash equivalents as on the balance sheet as of March 31	563	1,607

Prior-year figures restated.

Notes

1. Segment report

By operating segments—1st quarter

in € million	Reporting segments							
	Consumer, Health & Nutrition		Resource Efficiency		Specialty Materials		Services	
	2013	2012	2013	2012	2013	2012	2013	2012
External sales	1,035	1,055	771	818	1,170	1,234	236	256
Internal sales	16	21	15	14	32	30	411	450
Total sales	1,051	1,076	786	832	1,202	1,264	647	706
Adjusted EBITDA	274	287	172	168	182	215	54	53
Adjusted EBITDA margin in %	26.5	27.2	22.3	20.5	15.6	17.4	22.9	20.7
Adjusted EBIT	240	254	143	131	145	178	32	32
EBIT	240	253	138	60	140	175	28	28
Capital expenditures	60	45	37	28	50	54	21	15
Financial investments	1	-	-	-	2	-	-	-
Employees as of December 31	6,878	6,604	5,806	6,029	6,229	6,710	11,825	11,490

Prior-year figures restated.

By regions—1st quarter

in € million	Germany		Other European countries		North America	
	2013	2012	2013	2012	2013	2012
External sales	777	829	1,071	1,056	576	628
Goodwill as of March 31 ¹⁾	1,557	1,556	541	541	286	274
Other intangible assets, property, plant and equipment, investment property as of March 31 ¹⁾	2,909	2,754	476	525	669	587
Capital expenditures	65	89	18	14	24	28
Employees as of March 31	21,396	20,812	2,735	2,840	3,783	3,936

Prior-year figures restated.

¹⁾Non-current assets according to IFRS 8.33 b.

Real Estate (discontinued operations)		Total reporting segments		Corporate, other operations, consolidation, less discontinued operations		Total Group (continuing operations)	
2013	2012	2013	2012	2013	2012	2013	2012
54	49	3,266	3,412	-3	-5	3,263	3,407
-	-	474	515	-474	-515	-	-
54	49	3,740	3,927	-477	-520	3,263	3,407
42	41	724	764	-135	-108	589	656
77.8	83.7	22.2	22.4	-	-	18.1	19.3
30	30	590	625	-145	-116	445	509
30	29	576	545	-161	-105	415	440
6	4	174	146	9	15	183	161
-	-	3	-	-	1	3	1
641	579	31,379	31,412	1,435	1,325	32,814	32,737

Central and South America		Asia-Pacific		Middle East, Africa		Total Group (continuing operations)	
2013	2012	2013	2012	2013	2012	2013	2012
204	207	556	614	79	73	3,263	3,407
27	26	262	270	1	1	2,674	2,668
45	45	926	806	11	8	5,036	4,725
11	2	64	28	1	-	183	161
447	424	4,342	4,631	111	94	32,814	32,737

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.

At the start of 2013, the previous sole owners of Evonik Industries AG—RAG—Stiftung and Gabriel Acquisitions GmbH (Gabriel Acquisitions), Gadebusch (Germany)—sold some of their shares to German and foreign institutional investors through private placements.

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 March 31, 2013, have been prepared in accordance with the provisions of IAS 34 Interim Financial Reporting, and in application of Section 315 a Paragraph 3 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 March 31, 2013 are presented in euros. The reporting period is January 1 to March 31, 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 reporting 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 Evonik's 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 if 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. Another impact comes from net interest cost/income, which replaces interest cost 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 pension obligations. Top-up and termination benefits under the German phased early retirement model and 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 Evonik's consolidated financial statements.

The following tables summarize the effects of the amended financial reporting standard on the comparative data as of December 31, 2012, the opening balance sheet as of January 1, 2012 and the prior-year period.

Balance sheet Evonik Group (excerpt)

in € million	Dec. 31, 2012			Jan. 1, 2012		
	Before restatement	Impact of change	Restated amount	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

In the first quarter of 2012 the effects of the amended standard on income before financial result and income taxes, continuing operations essentially canceled each other out. They comprised income of €6 million, mainly from the abolition of amortization of actuarial gains and losses, which was countered by the newly required recognition of expenses for top-up payments under the German phased early retirement program amounting to €6 million. The introduction of net interest cost 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 first quarter of 2012.

Statement of comprehensive income Evonik Group (excerpt)

in € million	January 1, 2012 to March 31, 2012		
	Before restatement	Impact of change	Restated amount
Comprehensive income that will be reclassified subsequently to profit or loss	-30	2	-28
Currency translation adjustment	-59	2	-57
Comprehensive income that will not be reclassified subsequently to profit or loss	-	-486	-486
Actuarial gains and losses relating to pension plans and other post-employment benefits	-	-692	-692
Deferred taxes	-	206	206
Other comprehensive income after taxes	-30	-484	-514
Total comprehensive income	236	-484	-248
thereof attributable to shareholders of Evonik Industries AG	240	-484	-244

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 first quarter of 2013, while the financial result declined by about €10 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 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, interim amounts must be shown for items depending on whether these items might subsequently be reclassified to profit or loss. 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.

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 view. Cash and cash equivalents as of March 31, 2012 were reduced by €282 million, cash outflows for securities, deposits and loans within the cash flow for investing activities increased by €82 million, the change in cash and cash equivalents dropped by this amount and cash and cash equivalents were €200 million lower as of January 1, 2012.

Evonik is publishing an interim management report for the Group for the first time in this reporting period. This has resulted in changes to the structure of notes to the consolidated financial statements compared with the prior-year quarter.

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	1	-	1
Intragroup mergers	-1	-2	-3
Other companies deconsolidated	-1	-4	-5
As of March 31, 2013	66	101	167
Investments recognized at equity			
As of December 31, 2012	11	8	19
Divestments	-1	-	-1
Classified as held for sale pursuant to IFRS 5	-3	-	-3
As of March 31, 2013	7	8	15
	73	109	182

4.2 Acquisitions and divestments

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

4.3 Assets held for sale and discontinued operations

In accordance with its focus on specialty chemicals, Evonik intends to withdraw from the real estate activities bundled in the Real Estate segment (Real Estate group of companies headed by Vivawest GmbH). In February 2013 the Executive Board of Evonik Industries AG adopted a phased plan for this, which was approved by the Supervisory Board of Evonik Industries AG on March 11, 2013.

Evonik intends to divest the majority of the shares in Vivawest GmbH in 2013 and will thus no longer control this company.

Until then, the assets and liabilities of the Real Estate segment will be classified as held for sale. 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. The cash flows also have to be stated separately. The prior-period figures in the income statement have to be restated.

The Real Estate segment's activities earmarked for divestment in 2013 meet the criteria for classification as discontinued operations.

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

in € million	Operating income after taxes		Divestment gains/losses after taxes		Income after taxes, discontinued operations	
	1st quarter		1st quarter		1st quarter	
	2013	2012	2013	2012	2013	2012
Real Estate segment	20	19	-	-	20	19
Other discontinued operations	-	-	-	1	-	1
	20	19	-	1	20	20

The following income and expense items relate to the operating income of the Real Estate segment:

Income statement

in € million	1st quarter	
	2013	2012
Income	64	56
Expenses	-42	-36
Operating earnings before income taxes, discontinued operations	22	20
Income taxes	-2	-1
Operating earnings after taxes, discontinued operations	20	19

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

Balance sheet

in € million	March 31, 2013	Dec. 31, 2012
Intangible assets	40	-
Property, plant and equipment	26	6
Investment property	1,534	-
Investments recognized at equity	489	-
Financial assets	38	-
Deferred tax assets	33	3
Other income tax assets	17	-
Inventories	59	7
Trade accounts receivable	24	16
Other receivables	2	2
Cash and cash equivalents	51	-
Assets held for sale	2,313	34
Provisions for pensions and other post-employment benefits	106	-
Other provisions	68	1
Deferred tax liabilities	4	1
Other income tax liabilities	22	-
Financial liabilities	555	8
Trade accounts payable	7	3
Other payables	233	-
Liabilities associated with assets held for sale	995	13

5. Notes to the income statement

The other operating income of €289 million mainly comprised income from the measurement of derivatives, currency translation of monetary assets and liabilities, the reversal of provisions, and insurance refunds. The other operating expenses of €274 million related, among other things, to the measurement of derivatives and to currency translation of monetary assets and liabilities. In the previous year, operating expenses also included impairment losses.

The income rate for the continuing operations was 24 percent, mainly as a result of tax income relating to previous periods.

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 described below (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 focus on specialty chemicals and to align the regional allocation of companies and business operations to its peers, the Executive Board of Evonik Industries AG has decided to divest the real estate operations bundled in the Real Estate segment. The impact on the segment reporting is as follows:

The Real Estate segment, which is classified as held for sale, see Note 4.3, is shown in the segment reporting as a discontinued operation, but is nevertheless still a reporting segment. In order to present the Group's continuing operations, the Real Estate segment is then deducted via "Corporate, other operations, consolidation less discontinued operations".

The 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

in € million	1st quarter	
	2013	2012
Adjusted EBIT, reporting segments	590	625
Adjusted EBIT, other operations	-11	-8
Adjusted EBIT, Corporate Center and corporate activities	-90	-70
Consolidation	-14	-8
less adjusted EBIT of discontinued operations	-30	-30
Adjusted EBIT, Corporate, other operations, consolidation, less discontinued operations	-145	-116
Adjusted EBIT, Group (continuing operations)	445	509
Adjustments	-30	-69
Net interest expense	-66	-80
Income before income taxes, continuing operations	349	360

Prior-year figures restated.

The impact of the retrospective application of IAS 19 (2011) increased the operating results previously reported for the first quarter of 2012, i.e. the adjusted EBIT and adjusted EBITDA of the Group (continuing operations), by €6 million, while adjustments were reduced by €6 million.

7. Other disclosures

7.1 Fair value

The fair value determination is based on the 3-level hierarchy in 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 are measured at fair value on a recurring basis after initial recognition on the balance sheet:

Measurement at fair value pursuant to IFRS 13

in € million	Fair value based on			March 31, 2013
	Level 1	Level 2	Level 3	
Assets measured at fair value	580	46	89	715
Securities and similar claims	580	-	-	580
Receivables from derivatives	-	46	89	135
Liabilities measured at fair value	-	-53	-68	-121
Liabilities from derivatives	-	-53	-68	-121

Level 2 derivatives comprises currency, interest rate and commodity derivatives whose fair value is 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 values shown under Level 3 result from the valuation of the put option and the call option for the remaining 49 percent shareholding in STEAG and, to an insignificant extent, from derivatives embedded in supply contracts. Recognized option pricing models are used to measure these derivatives.

During the reporting period, no derivatives were reclassified to other levels.

Reconciliation from the opening to the closing balances for fair values (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	-8	-2	-10
Other operating income	-	1	1
Other operating expenses	-8	-3	-11
As of March 31, 2013	89	-68	21

As of March 31, 2013, the net value of the put and call options for the remaining 49 percent of the shares in STEAG was €21 million. The key factors influencing the valuation are 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 March 31, 2013, the net value of the options would have been €53 million higher and would have resulted in an additional unrealized gain of the same amount. A 10 percent increase in the fair value of the 49 percent stake in STEAG as of March 31, 2013 would have reduced the net value of the options by €54 million, resulting in a corresponding additional unrealized loss.

The balance sheet as of March 31, 2013 contains assets and liabilities that are measured at fair value on a non-recurring basis totaling €22 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 of the fair value hierarchy. The main input factor for the valuation is 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:

Fair value and carrying amounts of financial assets

March 31, 2013

in € million	Carrying amount	Fair value
Financial assets	818	819
Other investments	16	16
Loans	62	62
Securities and similar claims	580	580
Receivables from finance leases	–	1
Receivables from derivatives	135	135
Other financial assets	25	25
Trade accounts receivable	1,873	1,873
Cash and cash equivalents	563	563

Fair value and carrying amounts of financial liabilities

March 31, 2013

in € million	Carrying amount	Fair value
Financial liabilities	2,380	2,502
Bonds	1,848	1,945
Liabilities to banks	298	321
Loans from non-banks	42	42
Liabilities from finance leases	5	7
Liabilities from derivatives	121	121
Other financial liabilities	66	66
Trade accounts payable	1,068	1,068

7.2 Contingent receivables and liabilities

Further insurance refunds are expected in connection with the incident at a production plant in Marl (Germany). The amount has not yet been finalized.

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

7.3 Related parties

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

Sales revenues of €29 million were recorded with the joint venture Vivawest Wohnen GmbH from leasing the real estate to be managed by this company.

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

7.4 Events after the reporting date

On April 8, 2013 Evonik issued a €500 million bond under the debt issuance program launched in February 2013. The bond has a maturity of seven years and a coupon of 1.875 percent. The issue price was 99.185 percent.

Trading in shares in Evonik Industries AG commenced on the stock exchanges in Frankfurt am Main and Luxembourg on April 25, 2013.

Essen, April 26, 2013
Evonik Industries AG
The Executive Board

Dr. Engel

Dr. Colberg

Dr. Haeberle

Wessel

Wohlhauser

Dr. Yu

Credits

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