

Press release

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Rhein-Ruhr consortium of municipal utilities becomes new majority owner of Evonik Steag GmbH

- Evonik Industries AG has sold 51 percent of shares in Evonik Steag GmbH to a consortium of municipal utilities
- Sale of remaining 49 percent agreed for the mid-term
- Klaus Engel, Chairman of Evonik's Executive Board: "We are systematically driving forward our focus on specialty chemicals."
- Dr. Hermann Janning, spokesman for the Rhein-Ruhr consortium: "Leading Steag into the future."

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

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

Evonik Industries AG and the Rhein-Ruhr consortium of municipal utilities today closed the purchase agreement for 51 percent of the shares in Evonik Steag GmbH signed in December 2010. Evonik's energy business thus now has a new majority owner. After deducting liabilities, the consortium paid a preliminary purchase price of €651 million for the 51 percent stake in Evonik Steag GmbH. The final purchase price will be determined on the basis of the audited financial statements of the Evonik Steag Group.

In December 2010, Evonik also entered into a contract to sell its remaining stake in Evonik Steag GmbH to the consortium in five years at the latest. At the same time, the consortium has a contractually agreed option to acquire the remaining 49 percent of shares from January 1, 2014. A range was set for the purchase price in the agreement, and will probably be around €600 million.

Commenting on today's closing, Klaus Engel, Chairman of the Executive Board of Evonik Industries AG's, said: "We are delighted to have found a competent and reliable new majority owner that wants to take over the whole of Steag in the medium term, to maintain its entirety and aims to sustainably strengthen its competitive position. This step systematically drives forward our focus on specialty chemicals." The proceeds of the transaction will be used for value-enhancing expansion of the chemicals business and to improve the financial profile of Evonik. The chemicals business already accounts for around 80 percent of Evonik's total sales and earnings (EBITDA).

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

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

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

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

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

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

Speaking on behalf of the Rhein–Ruhr consortium, Dr. Hermann Janning, Chairman of the Board of Management of Stadtwerke Duisburg AG, the consortium leader, outlined the next steps: "Our commitment will now focus on ongoing development of the company, for example, with a view to the potential offered by the markets served by the municipal utilities in Germany. The objective is to strengthen Steag's stability in a volatile and competitive market environment. We will be supporting the management's established growth path in a bid to establish Steag as a major player in the energy supply sector. Driving forward the ecological expansion and restructuring the portfolio of power plants, which currently has a strong bias to hard coal, is another priority." Hermann Janning also stressed the role of the workforce: "We have had talks with many Steag employees since signing the agreement last December. Our impression is that we are starting out with a team of motivated and skilled employees who are prepared to support the opportunities offered by an owner dedicated to the energy business and to lead Steag into the future. We are looking forward to that."

About Evonik Steag GmbH

Evonik Steag GmbH bundles Evonik's power and heat generation businesses and its power plant related activities. Its core competencies include planning, financing, building and operating efficient fossil-fuelled power plants. As a grid-independent operator, Evonik Steag GmbH has nine hard-coal power plants at eight sites in Germany, and two refinery power plants, with total installed capacity of 8.2 Gigawatt. Outside Germany, the company operates three hard-coal power plants – in Turkey, the Philippines and Colombia – with total installed capacity of 1.7 Gigawatt. In the future-oriented renewable energies segment, the company is one of the German leaders in the generation of power and heat from mine gas, biomass and geothermal energy. Its global engineering services also deepen Steag's local insights into the energy market, enabling it to develop new business ideas for power plant projects. The Evonik Steag Group had 4,820 employees in 2009 and reported sales of €2.615 billion and EBITDA of €502 million.

About the Rhein–Ruhr consortium of municipal utilities

The Rhein–Ruhr consortium comprises the following municipal utility companies: Dortmunder Energie- und Wasserversorgung GmbH (DEW21), Dortmunder Stadtwerke AG (DSW21), Energieversorgung Oberhausen AG (evo), Stadtwerke Bochum GmbH, Stadtwerke Essen AG, Stadtwerke Dinslaken GmbH and Stadtwerke Duisburg AG. As local energy service providers, these companies are partners for the supply of electricity, gas, water and district heating to private households and commercial clients

in the Ruhr region, which is Germany's largest conurbation. In 2009 the companies in the consortium sold around 7,100 Gigawatt hours of electricity and 3,000 Gigawatt hours of district heating. Together, they had around 6,900 employees and sales of approximately €2.9 billion.

Company information

Evonik Industries is the creative industrial group from Germany. In our core business of specialty chemicals, we are a global leader. In addition, Evonik is an expert in power generation from hard coal and renewable energies, and one of the largest private residential real estate companies in Germany. Our company's performance is shaped by creativity, specialization, continuous self-renewal, and reliability.

Evonik is active in over 100 countries around the world. In its fiscal year 2009 about 39,000 employees generated sales of about €13.1 billion and an operating profit (EBITDA) of about €2.0 billion.

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