

Evonik to reduce size of Executive Board and streamline administrative structures

September 23, 2013

- Executive Board to be reduced from six to four members
- By year-end 2016: Group-wide administrative costs to be cut by up to €250 million a year
- No dismissals for operational reasons up to year-end 2018

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Essen. At its meeting today, the Supervisory Board of Evonik Industries AG unanimously passed resolutions relating to the successful focusing of the Group on specialty chemicals and its future growth targets. Over the past five years Evonik has been restructured from an integrated conglomerate to a listed specialty chemicals company. Following the refocusing of the business, the next step is to consolidate management and administrative processes. Within the Executive Board, operational responsibility for the entire specialty chemicals business will therefore be transferred to Patrik Wohlhauser (49) as of January 1, 2014. Dr. Thomas Haeberle (57) and Dr. Dahai Yu (52) will be leaving the company by amicable and mutual agreement effective December 31, 2013.

Dr. Werner Müller, Chairman of the Supervisory Board of Evonik Industries AG, said: "The reorganization of Evonik as a listed specialty chemicals company would not have been possible without the full commitment of Dr. Haeberle and Dr. Yu. They contributed many years' experience of the operational side of Evonik's chemical business to the Executive Board and played a key role in shaping the successful repositioning of the Group. On behalf of the entire Supervisory Board, I would like to take this opportunity to thank Dr. Haeberle and Dr. Yu for their outstanding achievements."

Further, Evonik's Supervisory Board unanimously welcomed the Executive Board's decision to undertake extensive streamlining of Group-wide administrative structures. In many respects, the present administrative functions still reflect the needs of Evonik's former structure as a conglomerate. Moreover, administrative expenses are now approximately 26 percent higher than they were in 2008. Evonik therefore intends to extend the progress made in the operating units through the On Track and On Track 2.0 efficiency enhancement programs to its administrative organization. The goal is to make cost savings of up to €250 million a

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Supervisory Board
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Executive Board
Dr. Klaus Engel, Chairman
Dr. Wolfgang Colberg,
Dr. Thomas Haeberle,
Thomas Wessel, Patrik Wohlhauser,
Dr. Dahai Yu

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year by the end of 2016. Dr. Klaus Engel, Chairman of Evonik's Executive Board, explained: "We want to create an administrative organization that has a common stamp worldwide, without duplication of responsibilities on the one hand and unacceptable additional workloads on the other. To achieve this, we will be reviewing all administrative workflows and systematically identifying scope for improvement. Creating a more efficient Group-wide administrative organization will also make us faster and more agile in the marketplace."

The planned restructuring of the administrative functions will result in savings in material and personnel expenses. The related job cuts will be achieved in a socially compatible manner in close collaboration with representatives of the workforce and the German Mining, Chemical and Energy Industrial Union (IG BCE). The scope and nature of the necessary measures will be examined in the coming months. Existing framework agreements, including the agreement to refrain from dismissals for operational reasons, will be extended for two years to the end of 2018.

Ralf Hermann, Chairman of Evonik's Central Works Council, commented: "We will be keeping a critical eye on the administrative restructuring announced by the company, particularly to ensure that good administration is not misunderstood as meaning minimizing costs and maximizing workloads. Restructuring the administrative organization in collaboration with us will only be possible if good working conditions are provided for our colleagues." Dr. Klaus Engel stressed: "Throughout the process, we will work as in the past: with decency and respect for people, and in close collaboration with representatives of the workforce."

Company information

Evonik, the creative industrial group from Germany, is one of the world leaders in specialty chemicals. Profitable growth and a sustained increase in the value of the company form the heart of Evonik's corporate strategy. Its activities focus on the key megatrends health, nutrition, resource efficiency and globalization. Evonik benefits specifically from its innovative prowess and integrated technology platforms.

Evonik is active in over 100 countries around the world. In fiscal 2012 more than 33,000 employees generated sales of around €13.4 billion and an operating profit (adjusted EBITDA) of about €2.4 billion (excluding Real Estate in both cases).

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