

**Germany now has a new industrial group:
Evonik Industries has arrived**

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- Dr. Werner Müller, CEO of Evonik Industries AG: “We are a new force to be reckoned.”
- Christening of the industrial group is the last step before entering the capital market
- Evonik’s chief competencies are creativity, specialization, self-renewal and reliability; “deep purple” is the new corporate color
- Half-year figures confirm impressive track record
- Evonik is targeting the market of the future: energy efficiency

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Essen, Germany. Germany now has a new industrial group: Evonik Industries has arrived. At the company headquarters in Essen, Dr. Werner Müller, CEO of the entity previously operating under the name of RAG Beteiligungs-AG, today presented the new brand with which Evonik plans to enter the capital market in the first half of 2008. “Evonik is Germany’s creative industrial group for chemicals, energy and real estate. Our goal is to become one of the most creative industrial groups in the world,” stated Dr. Müller as he introduced the new group brand. “Our portfolio, which consists of the Chemicals, Energy, and Real Estate business areas, unites a strong substance with attractive growth potential,” continued Dr. Müller. The industrial group has been christened Evonik Industries, representing the highlight of the company’s strategic realignment. This is also the last step prior to entering the capital market. In the future, German coal mining operations will be known under the name of RAG, and will not be connected with Evonik, the new industrial group. “Evonik is now entering a new era in group development. We are well positioned, and are looking forward to joining the capital market,” said Dr. Müller.

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Dr. Werner Müller, Chairman
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Evonik Industries has achieved an impressive track record during the four years of group restructuring. The company significantly increased operating performance in this period. Sales rose 3 percent to €7.565 billion in the first six months (H1 2006: €7.328 billion). EBIT (earnings before interest and taxes) rose 26 percent to €788 million (H1 2006: €625 million). Evonik has divested its portfolio of some 480 companies with sales of over €8 billion and 35,000 employees. During this time, the acquisition of Degussa was completed, and the shareholder squeeze-out was accomplished in just over three months, a record time for Germany. Group structures were also adjusted in a very short period of time to meet the requirements for operating as a modern, high-performance company. "We are now in a better position to develop our growth opportunities as a new force, right on time for the christening of Evonik," commented Dr. Müller.

Evonik Industries will expand its leading positions in attractive, high-growth markets. The company will benefit in particular from the world's No. 1 economic megatrend – improving and increasing global energy efficiency. "We are focusing here strongly on profitable growth, and plan to conquer the markets of the future with new, intelligent, leading products," according to Dr. Müller. Evonik already offers customers all over the world products, services, and problem solutions that help lower the consumption of natural resources and reduce CO2 emissions, thus using energy more efficiently. This includes production of key raw materials for the solar energy industry; technology for fuel-saving tires; modern, lightweight, and energy-saving materials for the transportation sector, for instance; coal-conserving power plants and renewable energies; and energy-saving solutions for housing construction. "Many of the growth sprinters in our portfolio, with which we are already generating approximately €3 billion in sales and very attractive margins, service 'green' markets," commented Dr. Müller.

Active portfolio management

The company will continue to grow profitably, supported by the key competencies of Evonik Industries. In addition to reliability and a capacity for self-renewal, these features include in particular creativity and specialization. "We are setting international benchmarks with our products and services and are competent leaders in quality and technology," stated Dr. Müller. Evonik implements active portfolio

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management to invest in promising businesses. “We use uniform group benchmarks to ensure an optimum allocation of capital,” added Dr. Müller. He explained that these benchmarks include uniform minimum returns before taxes that are applicable to the entire group: 16 percent in the Chemicals business area, 10.5 percent in Energy, and 6.3 percent in Real Estate.

Innovative power as pace setter for profitable growth

Evonik Industries plans to increase its innovative power in order to expand the company’s technological lead in its respective areas of business. Today, the Chemicals business area already generates 20 percent of its revenues from products that are less than five years old. Evonik has more than 20,000 patents and over 35 research locations worldwide. The model of strategic research, which is characterized by customer proximity, cooperation, and short development cycles, is an important pace setter when it comes to tapping new markets. Evonik will accelerate growth by developing its global presence in growth markets, particularly in Asia, Eastern Europe, and Latin America, and consistently reinforcing marketing and sales.

Creative advertising campaign to introduce new brand

The new brand of Evonik Industries, which along with the name and trademark also includes the new corporate color, „deep purple,“ will be launched during the coming weeks and months within the framework of a creative advertising campaign. “We intend to let our success be measured by the satisfaction of our employees and customers as well as our performance on the capital markets,” stated Dr. Müller. He added that Evonik intends to create confidence by means of strong performance and good earnings to gain esteem as a prime investment. Previous corporate brands such as Degussa, Steag, and RAG Immobilien will no longer exist. The Chemicals, Energy, and Real Estate business areas now operate under the company name of Evonik.

Information for editors:

The new brand mark and photos will be available on the internet at 12:00 noon: www.evonik.de

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Company information

Evonik Industries is the creative industrial group from Germany which operates in three business areas: Chemicals, Energy and Real Estate. Evonik is a global leader in specialty chemicals, an expert in power generation from hard coal and renewable energies, and one of the largest private residential real estate companies in Germany. Our strengths are creativity, specialization, continuous self-renewal, and reliability. Evonik is active in over 100 countries around the world. In its fiscal year 2006 more than 43,000 employees generated sales of about Euro 14.8 billion and an operating profit (EBIT) of over Euro 1.2 billion.

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