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| Evonik Industries AGRellinghauser Straße 1-1145128 EssenGermanyPhone +49 201 177-01Telefax +49 201 177-3475www.evonik.de**Supervisory Board**Dr. Werner Müller, ChairmanExecutive BoardDr. Klaus Engel, ChairmanChristian KullmannThomas WesselPatrik WohlhauserUte WolfRegistered office EssenRegistered courtEssen local courtCommercial registry B 19474VAT ID no. DE 811160003 |

Key Financial Data:

January 1 to December 31, 2014 / Outlook for 2015

**Successful in difficult conditions**

**Turnaround in Q4 2014**

* **Earnings for 2014 within target range**
* **Klaus Engel, Chairman of the Executive Board: "We have demonstrated a good deal of Power to create"**
* **Shareholders to receive stable dividend of €1.00**
* **Optimistic for 2015 following a good start: operating result expected to be slightly higher than in 2014**

**Essen.** In 2014 Evonik performed well in difficult market conditions and achieved its forecast targets. "We invested in demonstrating a good deal of "Power to create”, said **Klaus Engel, Chairman of the Executive Board of Evonik Industries AG** at today's financial press conference in Essen (Germany). “We did our homework and are now poised for a new phase of profitable growth." He reported that over the past year Evonik has invested worldwide in new production capacities, innovations and its employees, further optimized its administrative and cost structure, and solidified its sound financial profile. "Our new Group structure allows far more differentiated management of the various business and more targeted development," he explained.

Looking ahead to fiscal 2015, Engel said that on the basis that had been created Evonik expected to report a slight increase in sales and the operating result in 2015. Given the strong start to the year he is optimistic that Evonik will achieve its targets.

**Key figures for 2014**

* The Evonik Group grew sales 2 percent to €12.9 billion
(2013: €12.7 billion).
* High volumes (+3 percent) and slightly lower selling prices (-1 percent), giving organic growth of 2 percent.
* Adjusted EBITDA was €1.9 billion (2013: €2.0 billion) and therefore within the forecast range.
* The adjusted EBITDA margin remained solid at 14.5 percent
(2013: 15.7 percent).
* Net income was €568 million (2013: €2,054 million, boosted by the proceeds from the sale of the real estate business). Adjusted net income was €740 million (2013: €806 million).
* Adjusted earnings per share were €1.59 (2013: €1.73).

Above all, Evonik's earnings gained momentum during the year with adjusted EBITDA rising in each of the first three quarters, according to
**Ute Wolf, Chief Financial Officer of Evonik Industries AG**. "The fourth quarter brought a turnaround: although adjusted EBITDA was lower than in the third quarter for seasonal reasons, it was up year-on-year for the first time in three years," she reported.

At the Annual Shareholders' Meeting on May 19, 2015, the Supervisory Board and Executive Board will propose payment of an unchanged dividend of €1.00 per share. Based on the present share price, that gives an attractive dividend yield of 3.3 percent.

**Sound balance sheet and solid financial profile form the basis for growth**

Evonik intends to continue its growth strategy with discipline, based on its strong balance sheet and solid financial profile. "We will mobilize the company's resources and funds for further growth," said Engel. He also said that innovations are the driving force of Evonik's growth strategy. The aim is to strengthen Evonik's leading market positions and to benefit from megatrends such as health, nutrition, resource efficiency and globalization. "Our goal is to address the ongoing change in our sector and play a part in shaping it from a position of strength," said Engel. In 2014, Evonik invested €1.1 billion in new production facilities, including around €420 million at its German sites. The biggest single investment in the company's history was the methionine complex in Singapore, which came on stream last year.

**Optimistic outlook for 2015**

Overall, Evonik expects to report slightly higher sales for fiscal 2015 (2014: €12.9 billion). Adjusted EBITDA should also be slightly higher than in the previous year (2014: €1,867 million).

Exchange rates could affect the development of sales and earnings. If the average euro/US dollar exchange rate remains unchanged from the start of the year, there will be additional upside potential for sales and adjusted EBITDA over the full year.

The earnings impact of lower raw materials on individual businesses will vary, but should largely balance out across the portfolio as a whole.

**Evonik Group: Excerpt from the income statement**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **(in € million)** | **Q4 2014** | **Q4 2013** | **Change in %** | **2014** | **2013** | **Change in %** |
| Sales | 3,226 | 3,089 | +4 | 12,917 | 12,708 | +2 |
| Adjusted EBITDA | 442 | 375 | +18 | 1,867 | 1,995 | -6 |
| Adjusted EBIT | 261 | 215 | +21 | 1,238 | 1,404 | -12 |
| Adjustments | -34 | -16 |  | -178 | -340 |  |
| Net interest expense | -18 | -53 |  | -218 | -255 |  |
| Income before income taxes, continuing operations | 209 | 146 | +43 | 842 | 809 | +4 |
| Income taxes | -56 | -41 |  | -252 | -224 |  |
| Income after taxes, continuing operations | 153 | 105 | +46 | 590 | 585 | +1 |
| Income after taxes, discontinued operations | 2 | 50 |  | -9 | 1,428 |  |
| Income after taxes | 155 | 155 | - | 581 | 2,013 | -71 |
| thereof attributable to non-controlling interests | 3 | 60 |  | 13 | -41 |  |
| **= Net income** | **152** | **95** | **+60** | **568** | **2,054** | **-72** |
| **Adjusted net income** | **178** | **113** | **+58** | **740** | **806** |  |

Prior-year figures restated

**Segment performance**

|  |  |  |
| --- | --- | --- |
|  | **Sales** | **Adjusted EBITDA** |
|  | **Q4 2014** | **Q4 2013** | **Change** | **Q4 2014** | **Q4 2013** | **Change** |
|  | **€ million** | **€ million** | **in %** | **€ million** | **€ million** | **in %** |
| Consumer, Health & Nutrition | 1,137 | 1,061 | +7 | 272 | 199 | +37 |
| Resource Efficiency | 774 | 717 | +8 | 150 | 140 | +7 |
| Specialty Materials | 1,059 | 1,059 | - | 92 | 95 | -3 |
| Services | 232 | 229 | +1 | 22 | 26 | -15 |
| Other operations | 24 | 23 |  | -94 | -85 | - |
| **Group** | **3,226** | **3,089** | **+4** | **442** | **375** | **+18** |
|  | **Sales** | **Adjusted EBITDA** |
|  | **2014** | **2013** | **Change** | **2014** | **2013** | **Change** |
|  | **€ million** | **€ million** | **in %** | **€ million** | **€ million** | **in %** |
| Consumer, Health & Nutrition | 4,152 | 4,171 | - | 857 | 922 | -7 |
| Resource Efficiency | 3,222 | 3,084 | +4 | 703 | 655 | +7 |
| Specialty Materials | 4,569 | 4,490 | +2 | 444 | 552 | -20 |
| Services | 895 | 883 | +1 | 180 | 183 | -2 |
| Other operations | 79 | 80 |  | -317 | -317 | - |
| **Group** | **12,917** | **12,708** | **+2** | **1,867** | **1,995** | **-6** |

Prior-year figures restated

**Employees by segment**

|  |  |  |
| --- | --- | --- |
|  | **Dec. 31, 2014** | **Dec. 31, 2013** |
| Consumer, Health & Nutrition | 7,090 | 7,150 |
| Resource Efficiency | 5,804 | 5,854 |
| Specialty Materials | 6,236 | 6,268 |
| Services | 12,710 | 12,192 |
| Other operations | 1,401 | 1,531 |
| **Continuing operations** | **33,241** | **32,995** |
| Discontinued operations  | 171 | 655 |
| **Evonik** | **33,412** | **33,650** |

Prior-year figures restated

**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 2014 more than 33,000 employees generated sales of around €12.9 billion and an operating profit (adjusted EBITDA) of about €1.9 billion.

**Disclaimer**

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