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Good morning, ladies and gentlemen,

May I, too, welcome you most warmly to our press conference. I will be presenting our key financial data for 2009.

“Evonik showed its strength in the crisis”: That is the clear message conveyed by our financial statements for 2009. We have aggressively navigated in the face of the global economic slump. Measures to secure earnings and liquidity were introduced swiftly and implemented with great discipline.

- Despite a substantial drop in sales overall in 2009, the measures enabled us to make up for most of the massive earnings shortfall registered in the first half of the year.
- Savings of over €500 million were well above our short-term target of €300 million.
- The cash flow increased strongly, enabling us to significantly reduce net financial debt.
- Other action included the placement of Evonik’s first corporate bond, putting our financing on a broader basis.

A good trend in the fourth quarter of 2009

Before I comment on our full-year performance, I would like to give you some details on the fourth quarter. The upturn in demand registered in the previous months continued in the final quarter. Sales rose to €3.486 billion, up 5 percent compared with the third quarter. However, sales were 8 percent lower than in the fourth quarter of the previous year, principally due to lower coal prices in the Energy Business Area. Sales advanced 1 percent in the Chemicals Business Area. The operating result benefited from an upturn in demand in the Chemicals Business Area and, above all, our successful cost savings. EBITDA was €557 million, 59 percent above the prior year figure of €351 million, which had been badly affected by the economic crisis. The increase was driven mainly by the Chemicals Business Area, but also by the Energy Business Area. The Group’s EBITDA margin therefore rose to 16.0 percent, up from 9.2 percent in the fourth quarter of 2008.

When calculating income before income taxes from EBITDA, the non-operating result has to be taken into account. This is the net result of non-operating income and expense items which are by nature one-off or rare. In the fourth quarter of 2009, we made a non-operating loss of €161 million. This mainly comprised expenses for the “On Track” efficiency drive and impairment losses on assets. In Q4 2008 the non-operating loss of €328 million mainly comprised impairment losses on assets caused by the economic crisis.

Net interest expense declined by €12 million to €121 million, principally because of the reduction in debt. Overall, net income was €29 million in the fourth quarter of 2009, compared with negative net income of €311 million in the fourth quarter of 2008.

Earnings virtually unchanged in 2009

Now I would like to turn to our full-year results for fiscal 2009: Following a sharp drop in volumes in the first six months, demand picked up slightly in the second half of the year. Overall though, volume and price effects pushed **sales** down 18 percent to €13.076 billion Thanks chiefly to our successful cost-cutting and efficiency enhancement measures, we were able to stabilize **EBITDA** at €2.025 billion, a decline of just 6 percent year-on-year, having registered a year-on-year drop of 34 percent at the end of the first six months.

The Evonik Group made a non-operating loss of €299 million in 2009. This figure contains non-operating expenses totaling €334 million, mainly for the On Track efficiency enhancement drive, restructuring, impairment write-downs on assets and a one-off contribution to the German pension insurance association. By contrast, we booked non-operating income of €35 million from the reversal of provisions that were no longer required.

Net interest expense declined by €47 million, principally as a result of lower debt. Income before income taxes was €412 million, down 17 percent from the prior-year figure of €496 million. However, the prior-year figure included income before income taxes totaling €134 million from discontinued activities, especially the divestment of Rütgers Chemicals. After adjustment for this amount, in 2009 income before income taxes was 14 percent higher than in 2008.

Net income came to €240 million, down 15 percent year-on-year.

Our liquidity focus had a successful impact on the cash flow from operating activities, which was a strong €2.1 billion higher than in the previous year. This cash inflow meant we were easily able to fund future-oriented capital expenditures, as well as debt repayments and the dividend.

Cost savings well above target

The exceptionally sharp drop in demand in the first quarter of 2009 called for rapid and concerted action throughout the Group. Our initial priority was to take steps that would immediately safeguard earnings and liquidity. A Group-wide Task Force defined and introduced nearly a thousand separate measures. All our employees made a huge contribution to this. Thanks to excellent teamwork, we achieved cost cuts of over €500 million instead of the €300 million originally defined. In addition, wide-ranging measures were implemented to reduce net working capital and make capital spending more efficient.

In parallel with the relatively short-term focus of the Task Force, we embarked on the “On Track” program in the second quarter. This Group-wide program is designed to secure

Evonik's long-term competitiveness by cutting our cost base by €500 million p.a. from 2012. All measures should be effective by 2012.

We achieved about a quarter of this target in 2009 and a large number of projects planned for 2010 will make another major contribution. A special method was introduced to ensure systematic identification and implementation of cost-saving potential throughout the Group. All areas of Evonik, from the Corporate Center to Services, are implementing appropriate projects. We are very confident that we will achieve our sustainable savings goals.

Capital expenditures: focus on strategic projects

Now a few words about capital expenditures: These totaled €849 million, with the year-on-year decrease of 27 percent being due to the economic crisis. However, we continued our strategic growth and major projects as planned. Alongside the Walsum 10 power plant in Duisburg (Germany) and MATCH, our new chemicals production complex in Shanghai (China), highlights here include significant investments in integrated silicon production facilities in Italy and Japan, and a new 2PH plant in our Chemical Park in Marl (Germany). In all, capital expenditures exceeded depreciation in 2009.

The regional investment split shows that Germany—our home base—is still at the heart of Evonik: 67 percent of capital expenditures, a total of €568 million, went to Germany, even in this crisis-ridden year.

Another focus of investment, accounting for 18 percent of the total, was the growing Asian region, where we have been systematically stepping up our presence for some time. In 2009 Evonik had around 5,500 employees in Asia and generated sales of €2.452 billion in this region.

Improved financial structure

A glance at our financing structure shows that we were able to improve it despite the crisis in 2009. Capital employed was reduced from €20.1 billion to €18.9 billion, mainly due to systematic working capital management. You can see this from current assets. On the liabilities side, both current and non-current liabilities have declined. The equity ratio improved from 25.6 percent to 27.6 percent.

Substantial reduction in debt

Net financial debt has developed very favorably: The approximately €1.2 billion reduction was due to stable EBITDA, accompanied by a reduction in net working capital. Naturally the lower working capital was partly due to the drop in business volume and the decline in raw material prices. However, a large part came from process improvements and new controlling systems. Insofar, these effects are sustainable.

Corporate financing secured on a long-term basis

Evonik coped well in 2009. Through our new strategic focus, we also paved the way for future growth to create value. That has boosted our confidence, even though the market environment will remain challenging in 2010.

Consequently, we will be resolutely continuing to drive forward our cost-cutting and efficiency enhancement programs. Our goal is to reinforce our long-term competitiveness and lay the foundations for further steps on the capital markets.

Evonik has achieved a number of goals in this respect in past months. We have a broadly based financing structure comprising bonds, long-term project and mortgage financing and a revolving credit facility. A key step in the diversification of this financing structure was the €750 million debut bond issued by Evonik Industries AG in October 2009, which has a maturity of five years.

Overall, we have placed our financing on a broader basis and increased the maturity profile. No major redemptions are due before 2013 and we have a comfortable supply of liquidity.
In all, we have made good progress towards the capital market. The confidence of private and institutional investors in Germany and abroad has encouraged us to continue along this route.

Consequently, we extended our external reporting in the third quarter of 2009 and are seeking a rating by well-known rating agencies this year. Our clear mid-term goal is an investment-grade rating for Evonik Industries AG. In order to achieve this, we aim to steadily improve our financial indicators. Ladies and gentlemen, our sights are still firmly set on the capital markets.

Thank you for your attention.