

Evonik. Power to create.

Bank of America Merrill Lynch Chemicals Field Trip

Parsippany, 16 June 2014



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Evonik. Power to create.

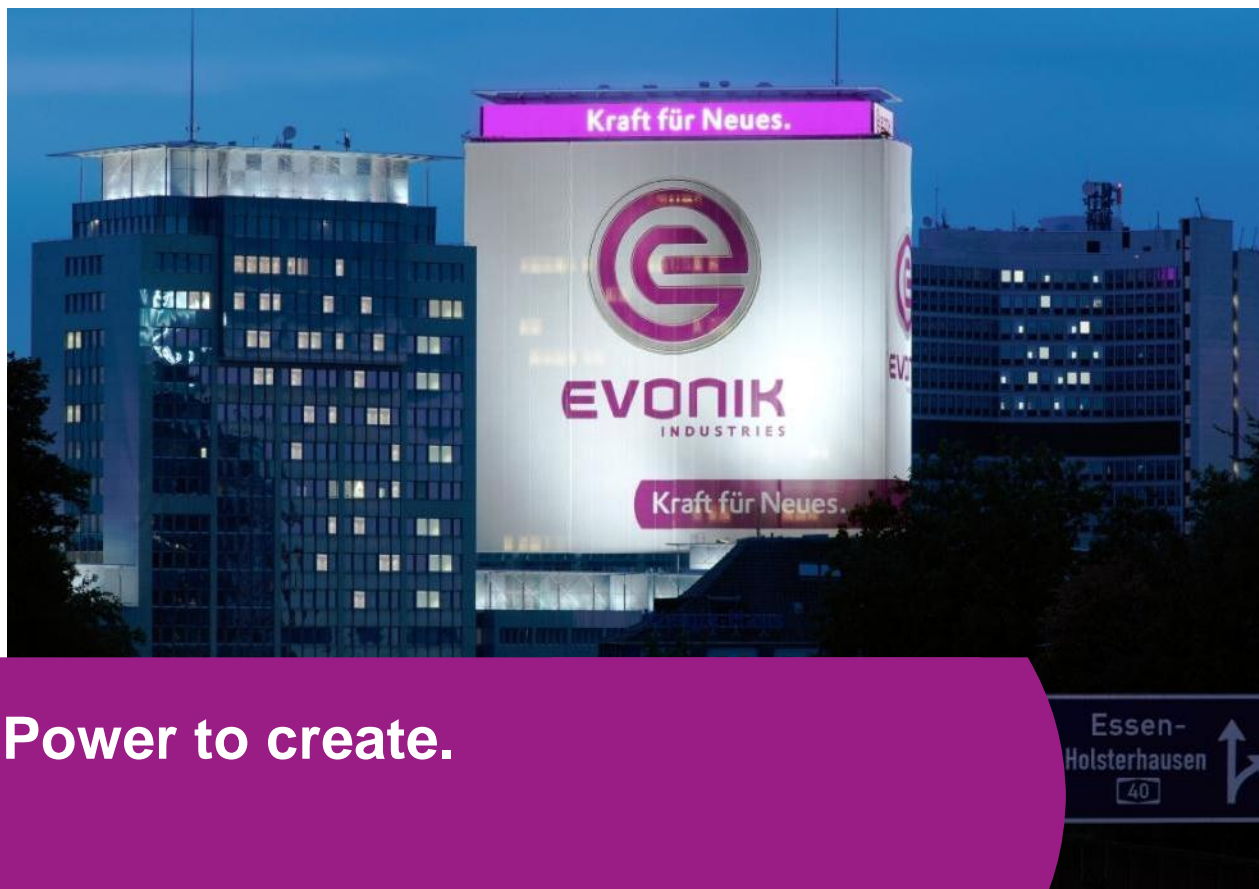
Company Overview

Kai Kirchhoff, Investor Relations Manager
Parsippany, 16 June 2014



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Evonik at a glance



Power to create.

Sales 2013

€13 billion

adj. EBITDA 2013

€2 billion

Sales from leading
market positions

80%

Innovation driven by

~ 500

R&D projects

One of the world leaders in specialty chemicals



Sales: €12.708 bn

Adj. EBITDA: €2,019 m

Margin: 15.9%

ROCE: 14.5%



Consumer, Health & Nutrition

Products for applications in the consumer goods, animal nutrition and healthcare sectors.

.....

Sales	€4,171 m
Adj. EBITDA	€922 m
Margin	22.1%



Resource Efficiency

Environment-friendly and energy-efficient system solutions.

.....

Sales	€3,084 m
Adj. EBITDA	€655 m
Margin	21.2%



Specialty Materials

Polymer materials and intermediates mainly for the rubber and plastics industries.

.....

Sales	€4,490 m
Adj. EBITDA	€552 m
Margin	12.3%

Services

Sales	€786 m
Adj. EBITDA	€181 m

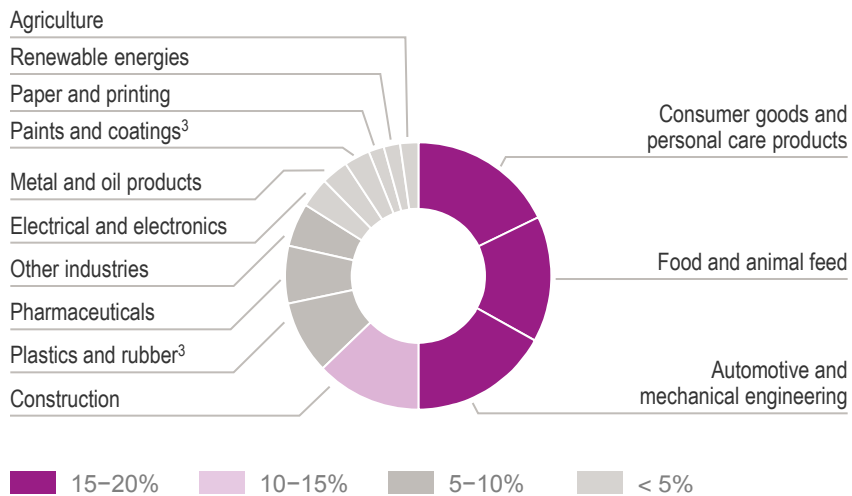
Corporate/ Other

Sales	€177 m
Adj. EBITDA	- €291 m

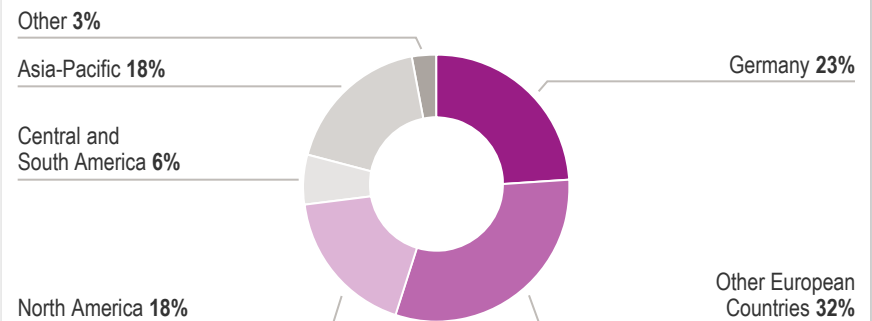
All data as of fiscal year 2013 (restated due to IFRS 11 changes)

Balanced and diversified portfolio

End market split¹



Sales by region²



High degree of stability due to well diversified portfolio across various end markets and regions

¹ Based on Specialty Chemicals segments' 2013 sales

² Consolidated Group sales 2013 (restated for IFRS 11 changes), continued operations

³ Where not directly assigned to other end-consumer industries

Investment highlights

Our businesses are aligned towards:



Allocation of resources according to global megatrends and high growth opportunities



Strengthening of leading market positions by development of tailor-made and innovative solutions together with clients

Strategic and financial discipline:



Proven track record in portfolio optimization



Solid balance sheet and disciplined use of funds

Clear Commitment:



to deliver sustainable growth



to increase profitability

Value generation
for our shareholders



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Evonik in North America & opportunities from shale gas

John Rolando, President, North America Region
Parsippany, 16 June 2014



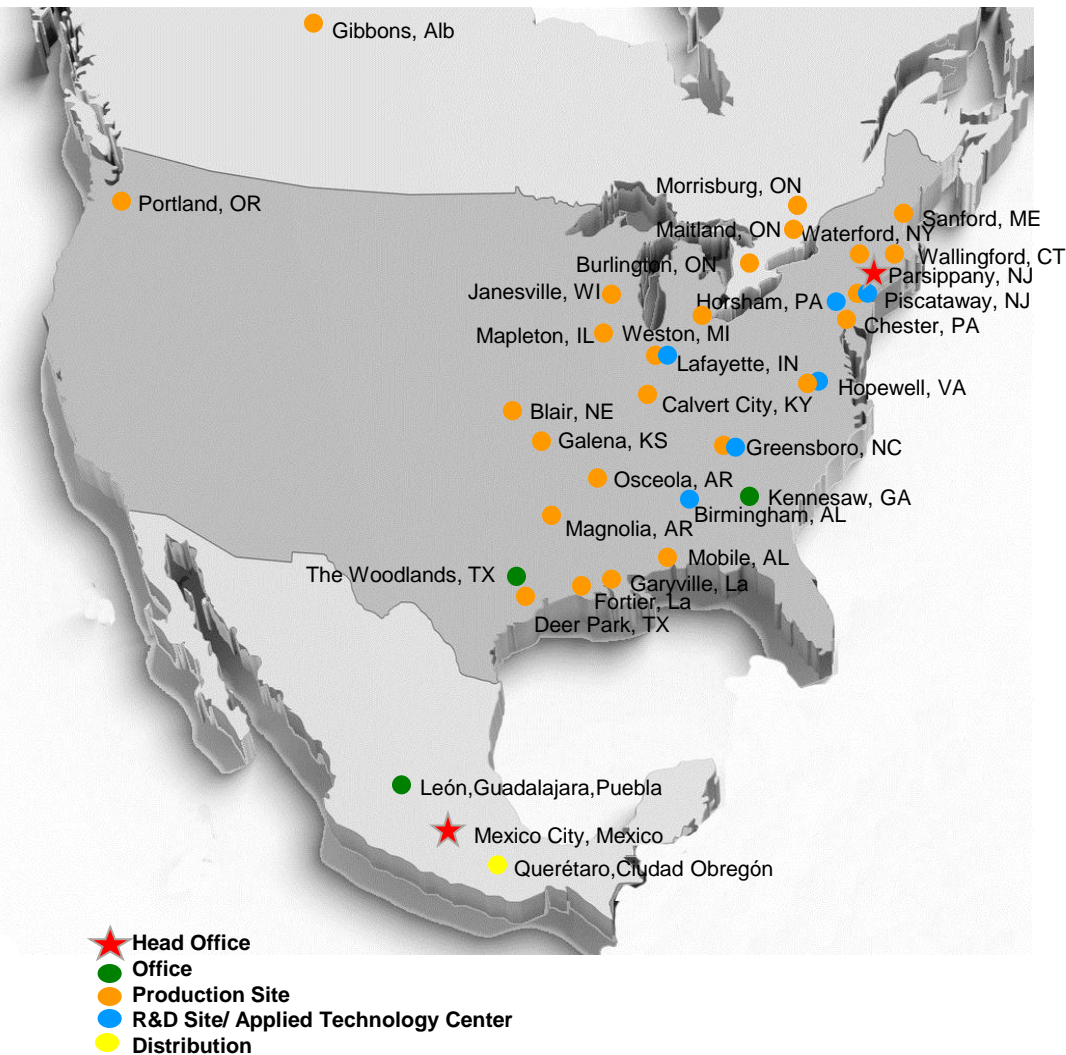
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2	Opportunities from shale gas for Evonik

Evonik in North America



Overview

All 6 Business Units present in Region

3,900 employees

25 production sites

6 R&D / Applied Technology Centers

Sales in 2013: ~18% of Group

Evonik North America

Main production sites



Primary Product Lines

Mobile, Ala.: Methionine; fumed silica; high performance polymers; HO₂; catalysts

Greensboro, N.C., & Garyville, La.: Superabsorbers for diapers, personal hygiene

Hopewell, Va., & Mapleton, Il.: Personal care, household care

Lafayette, In.: Active pharmaceutical ingredients

Chester, Pa.: Precipitated silica

Sanford, Me.: Acrylic polymers

Blair, Neb: L-lysine feed additive

Evonik North America

R&D / applied technology centers



Primary Focus Areas

Piscataway: Silanes, fumed silica, acrylic monomers and pharmaceutical polymers

Birmingham: Pharmaceutical polymers and medical device applications

Lafayette: Active pharmaceutical ingredients

Hopewell: Personal care, household care

Greensboro: Superabsorbers

Horsham: Oil additives

Evonik North America

Parsippany administrative center



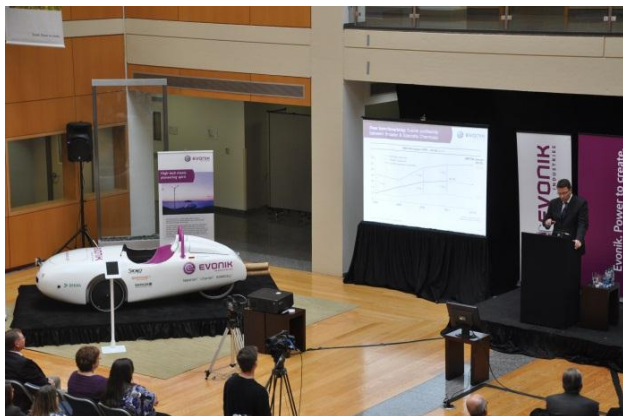
Administrative Center for North America

~375 employees

Region President, CFO and General Counsel

Business Units: Advanced Intermediates;
Inorganic Materials; Performance Polymers

Service Units: Finance; Tax; Audit;
Compliance; Human Resources; Product
Regulatory; Communications; Marketing and
Sales Excellence; Energy Management;
Procurement and Logistics



Safety

- Protect our employees, contractors, communities and assets
- Be a steward of the environment
- Foster a workplace for employee wellness

People

- Recruit and retain the best talent for Evonik's future
- Develop strong regional leadership
- Drive a performance culture and diversity awareness

Growth

- Cultivate a growth-oriented mindset
- Continuously develop highly profitable areas of application
- Balance growth with cost leadership
- Invest in innovation initiatives for future markets

Evonik North America

Recent Region highlights



Evonik announces new Richmond Business & Innovation Center



Silbond acquisition



Share.2014 Rollout



BASF invests at Mobile site

News Release

BASF
The Chemical Company

BASF to build new chelating agent plant for more sustainable detergents and cleaners

- Facility for Trilon[®] M to start up in 2015
- Investment responds to growing worldwide demand for phosphate alternatives

January 28, 2014
P101/14e

Business media:
Thomas Nonnast
Phone: +49 30 206 2950-34
thomas.nonnast@basf.com

Trade media:
Ulrike Brandt

\$10,000 Tippecanoe Schools donation following tornado



Birmingham Medical Device Project House



Evonik North America

Growing the Mobile site



Positioning the Mobile site as attractive location for third parties (3 on site today)

Vision similar to Evonik Antwerp, Shanghai

Alabama offers a favorable business environment


Strategic location for water, rail, air and vehicular transit


Evonik core chemistries, services and utilities


Expert, dedicated workforce of 750 focused on safety and customers





Mexico - One of the world's largest economies with a strong macro-economic environment


 11th largest economy in the world*,
“One of the Big Six by 2025” **


 GDP growth estimated at 4% is
above the global average.

 12 Free Trade Agreements with a
total of 44 nations

 World's largest producer/exporter
of Silver, 4,500 MT, 9th for Gold.

 115 million people. Half of the
population is 26 years old or less.

 115,000 engineers graduate yearly
+ 200 R&D centers

 \$ 32.5 B in foreign direct investment
in 2013, \$ 23 B average since 2010

 Strong industries, e.g.:

- 2nd in Latin America in:
 - Pharmaceuticals
 - Personal/Home Care
 - Food/Beverage
- 4th largest exporter in automotive worldwide

**Evonik focus areas include coatings,
personal care and wire & cable**

* as measured by PPP
**sources: L.F. Aguilar and Accenture,
International Business Times



Mexico - structural reforms approved in 2013 assure sustainable growth



- **Energy Reform** – partial privatization of state owned companies, CFE on electricity and PEMEX for oil & gas.
- **Labor Reform** – designed to create additional jobs with more flexible laws
- **Tax Reform** – to increase the tax paying base from 16% (average of OECD countries at about 40%), universal pension and unemployment
- **Education Reform** – improve public education system and stop teachers union from blocking progress
- **Telecommunications Reform** – opening to enhance content plurality and to encourage universal coverage
- **Economic Competition Reform** – favoring competition, eliminating monopoly and duopoly situations
- These reforms expected to yield 0.5 to 1.5% of additional GDP increase, according to economic media
- **Evonik sales in Mexico have potential to grow by 2x GDP through 2017**

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Evonik in North America

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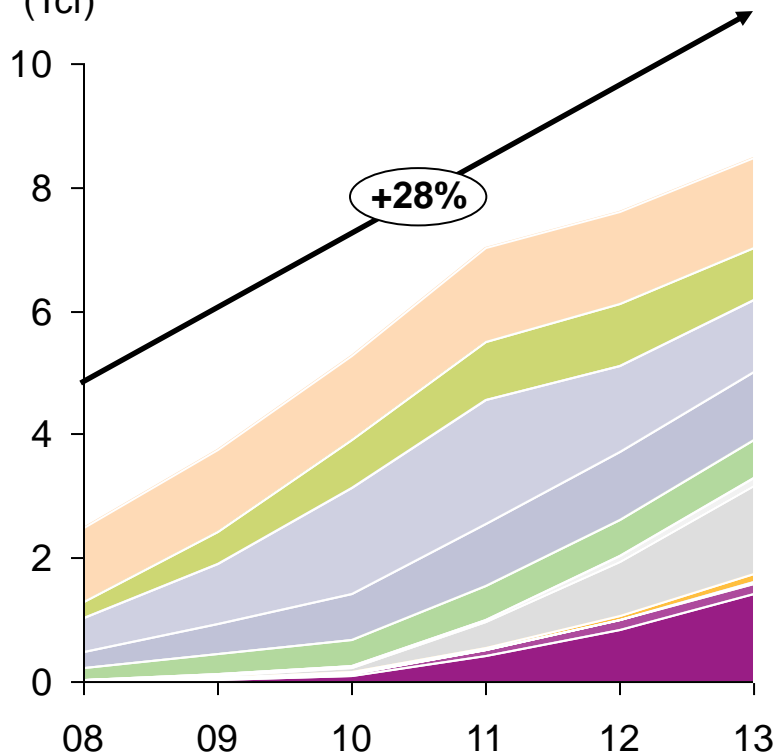
Opportunities from shale gas for Evonik

Shale impact on natural gas market

US natural gas price decreased whereas in other regions prices went up

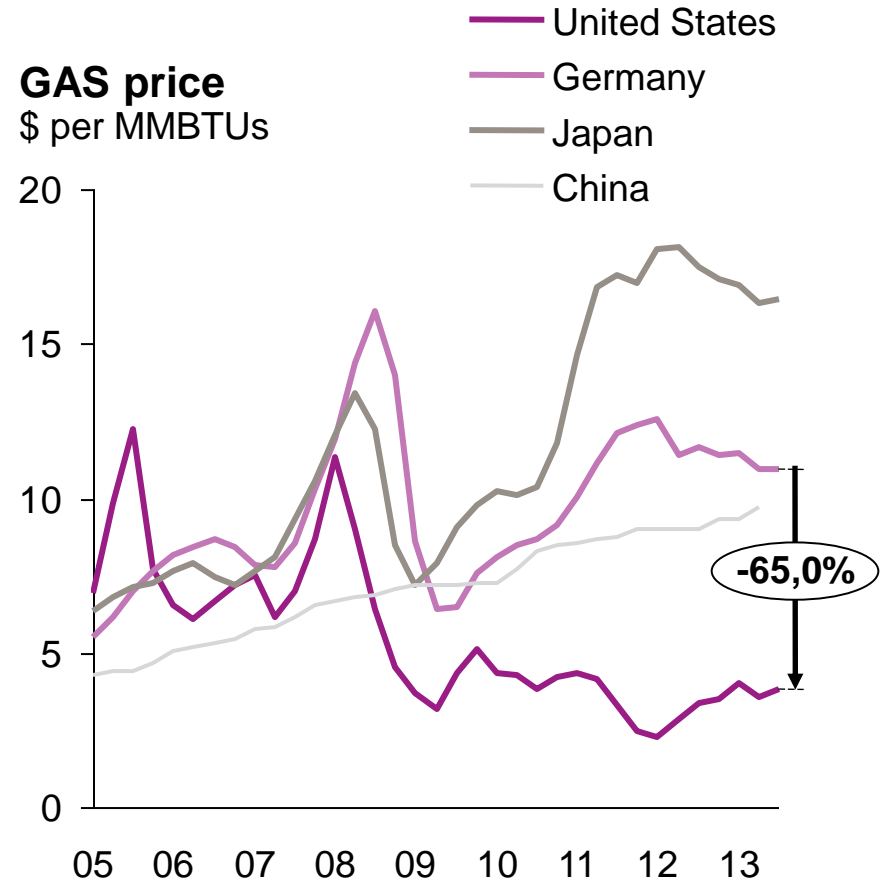
U.S. Shale Gas Production

(Tcf)



GAS price

\$ per MMBTUs

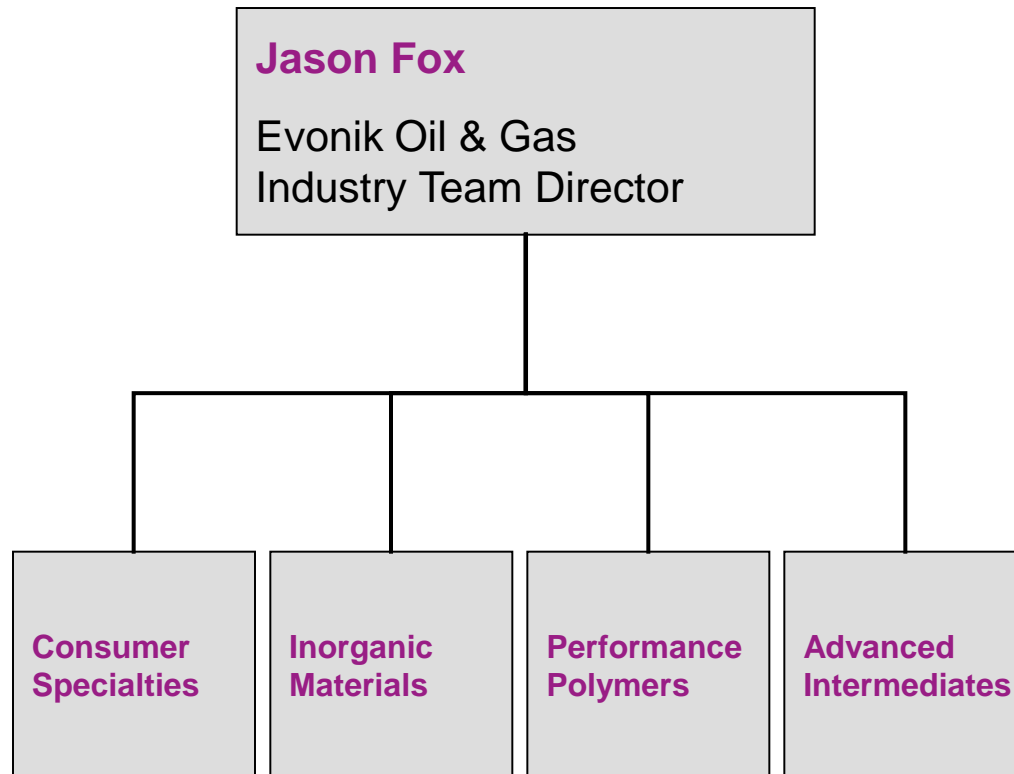


Source: BP Energy Outlook, EIA

Barnett Marcellus Permian Niobrara
 Fayetteville Woodford Mississippi Lime Eagle Ford
 Haynesville Bakken Utica Other Shale

Overview of the Oil & Gas Group

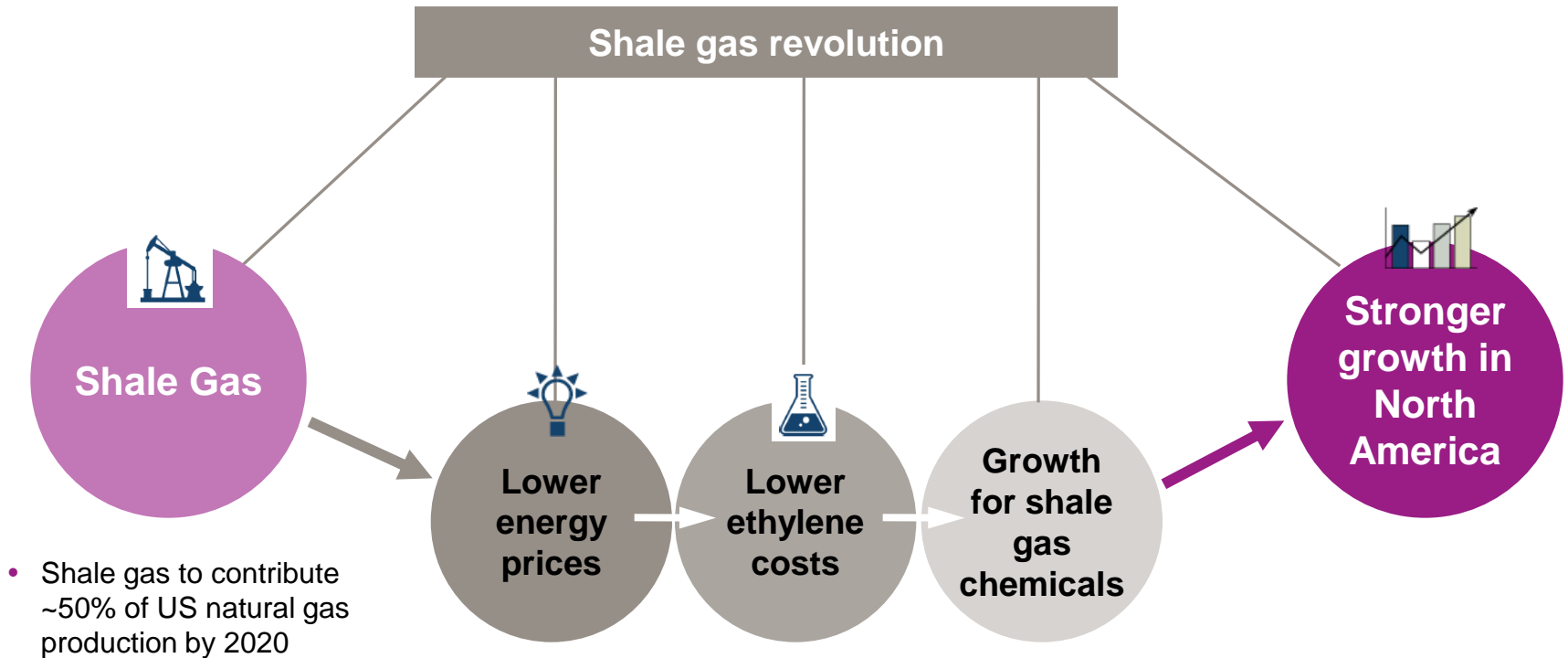
Established to leverage potential from shale gas



- Grow Evonik's business in the oil & gas market to achieve business & targets
- Improve internal competence in the oil & gas markets
- Core team consisting of Evonik Business Units & Business Lines
- Resources based in Houston and elsewhere
- Global Executive Steering Committee provides oversight

Effect on North American economies

Shale gas triggering stronger growth



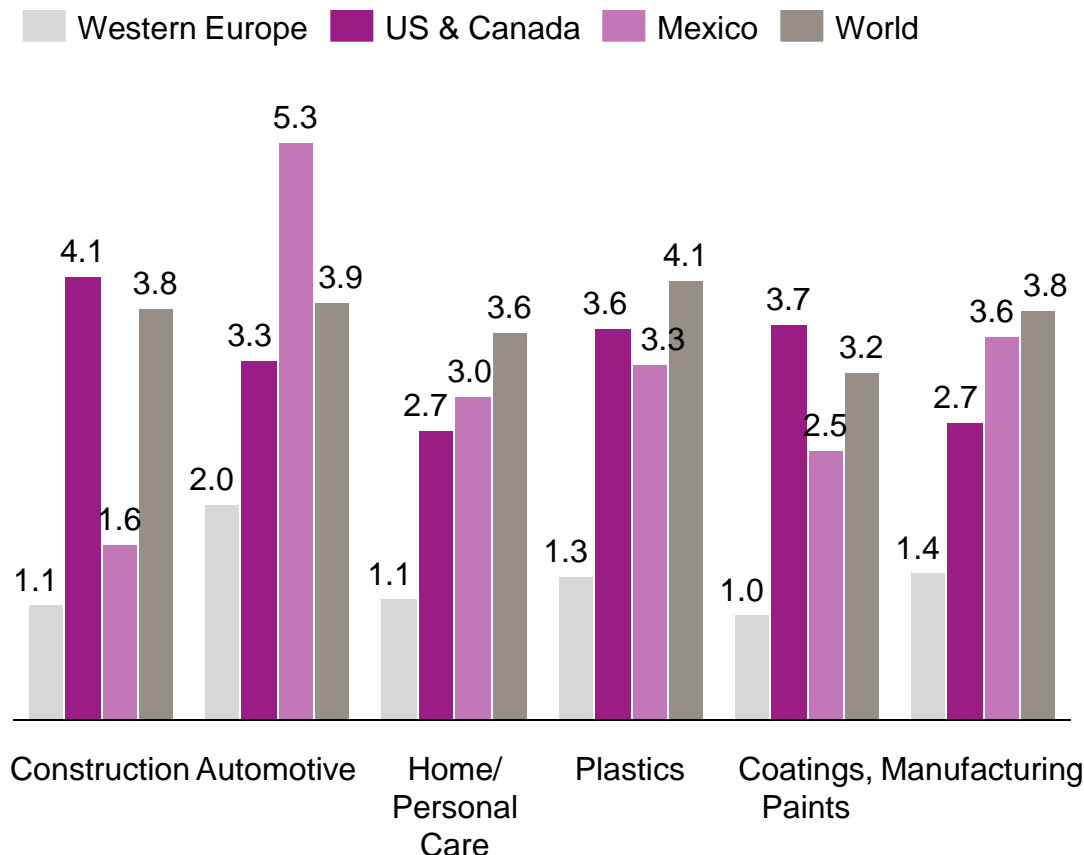
- Sustainable reduction in natural Gas prices to ~\$3 per MBTU
- Low cost ethane enabling ethylene production at \$500 to \$520 per ton, now competitive with the Middle East
- Expected growth rates for hydrofracking and water treatment chemicals between 10 and 25% CAGR by 2020

Opportunities for Evonik: Downstream markets

Strong end market growth in North America



Selected Evonik end market growth



- Residential and commercial construction, as well as automotive manufacturing, will rebound from historical lows set during the latest recession.
- The drive to reduce energy consumption will help support the growth of high performance, lightweight plastics as replacements for metals and other materials.
- An aging population and improved health & nutrition awareness will continue to drive demand in such industries as pharma and personal care.

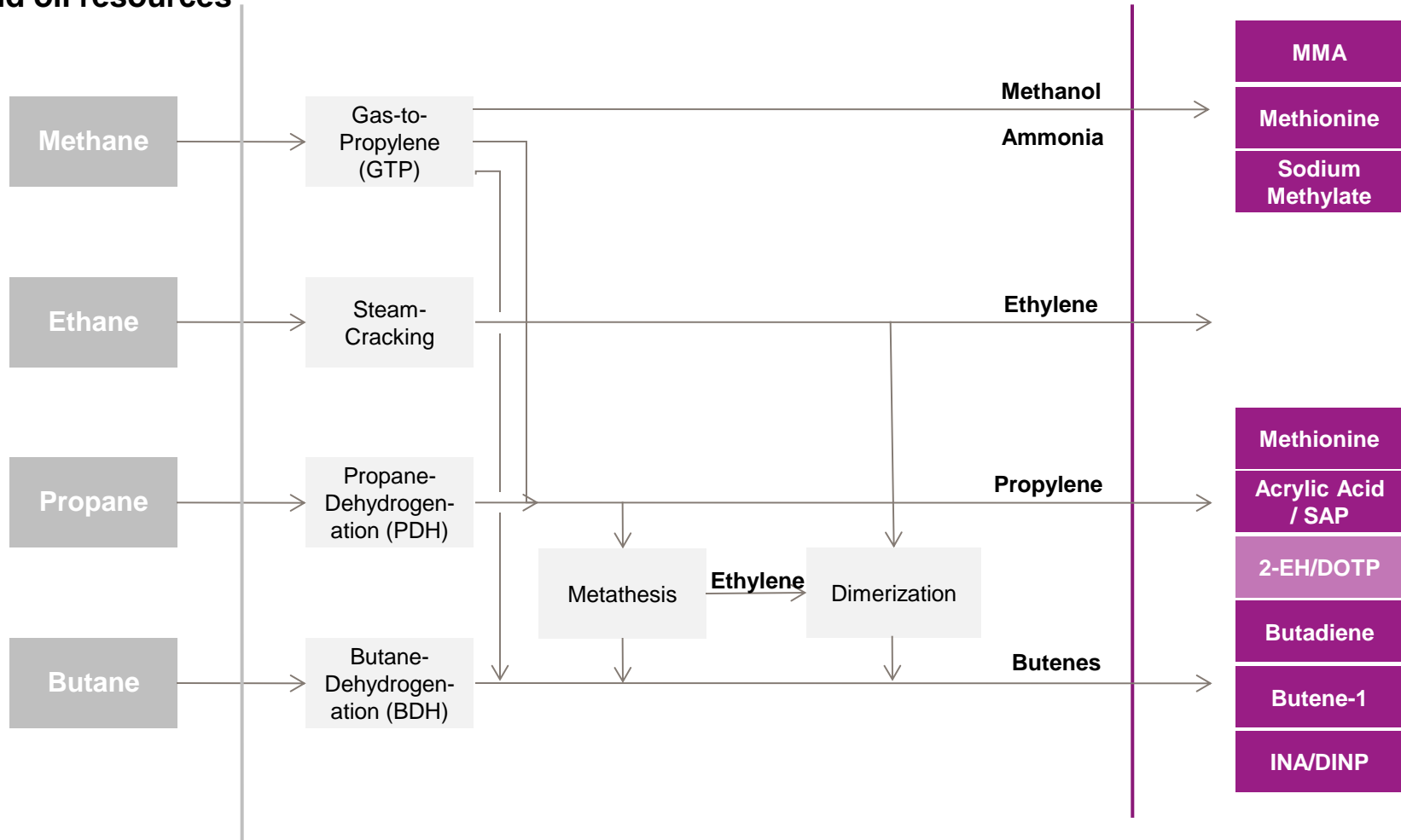
Opportunities for Evonik: Favorable feedstock

Impact on wide range of products

Unconventional gas and oil resources

Technology

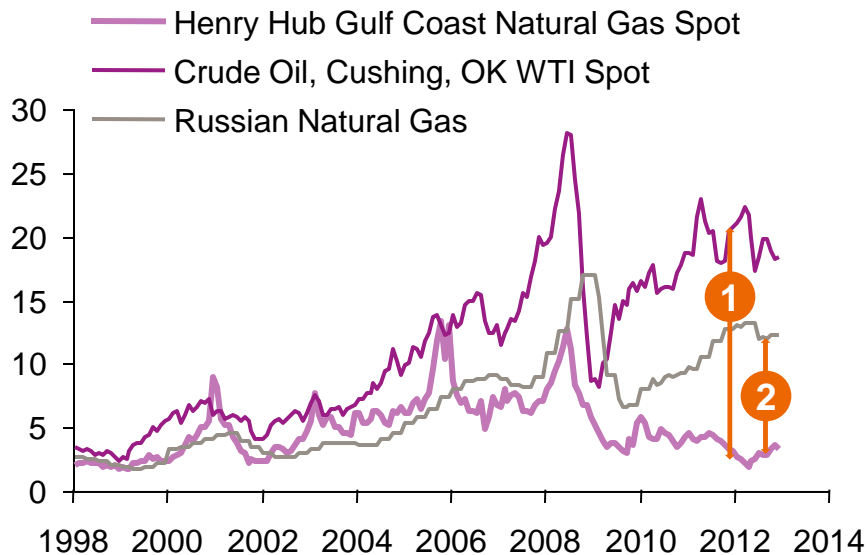
Products



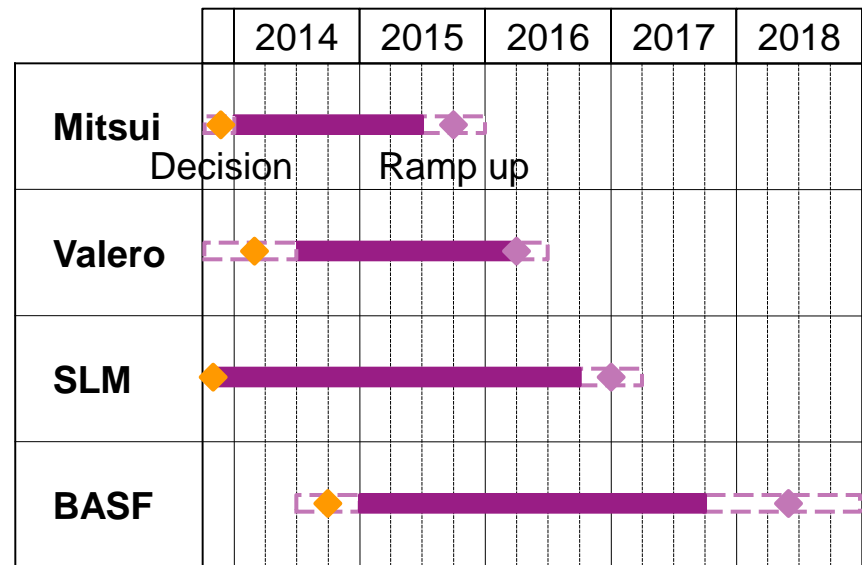
Opportunities for Evonik: Favorable feedstock

Wave of new methanol investments

Development of oil, gas and coal prices¹



Selection of planned investments



- 1 U.S. gas price has decoupled from traditional link to oil price development
- 2 At the same time U.S. gas price has also decoupled from gas prices in other regions

- Natural gas is a key feedstock for methanol
- Cheap shale gas triggers multiple new investments and a return of local methanol production to the U.S.

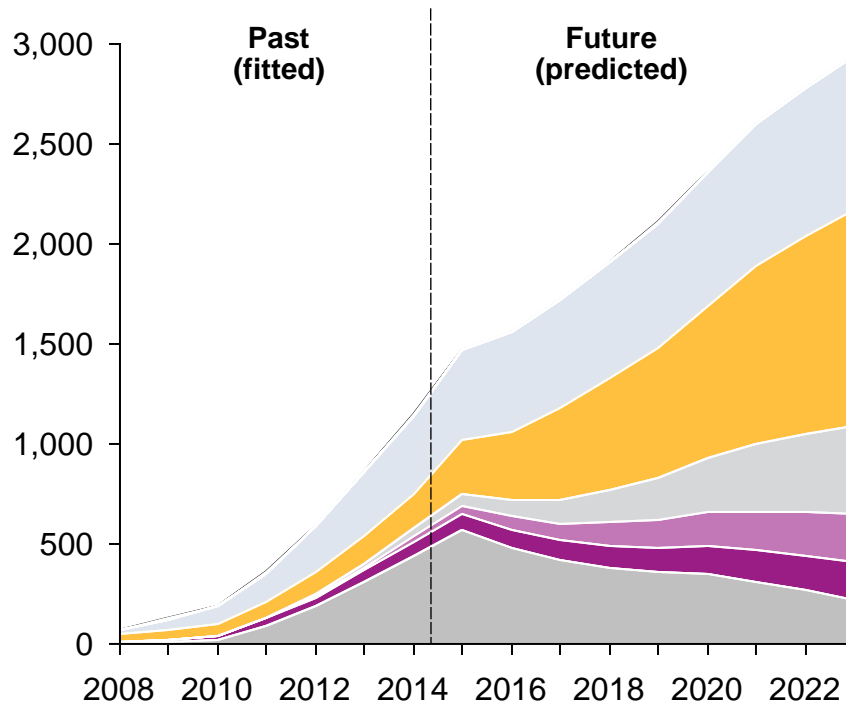
Source: IndexMundi, U.S. Energy Information Administration (EIA), Evonik procurement
¹ Prices are free-on-board (FOB) in USD per MMBtu (British thermal unit; 1 MMBtu ~ 293,071 kWh)

Opportunities for Evonik: Oilfield chemicals

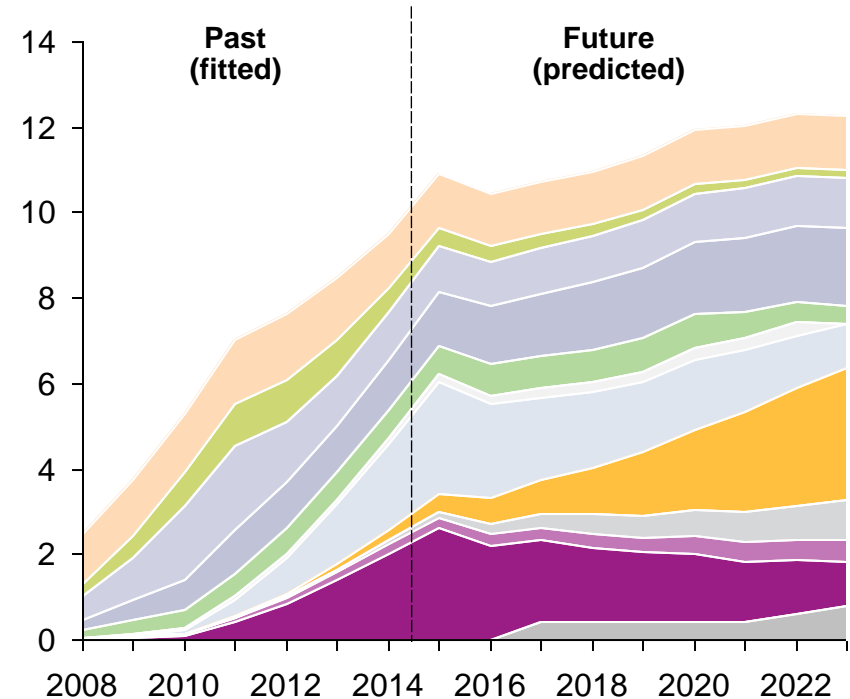
Shale production rapidly expanding



Shale oil production (MMbbl)



Shale gas production (Tcf)

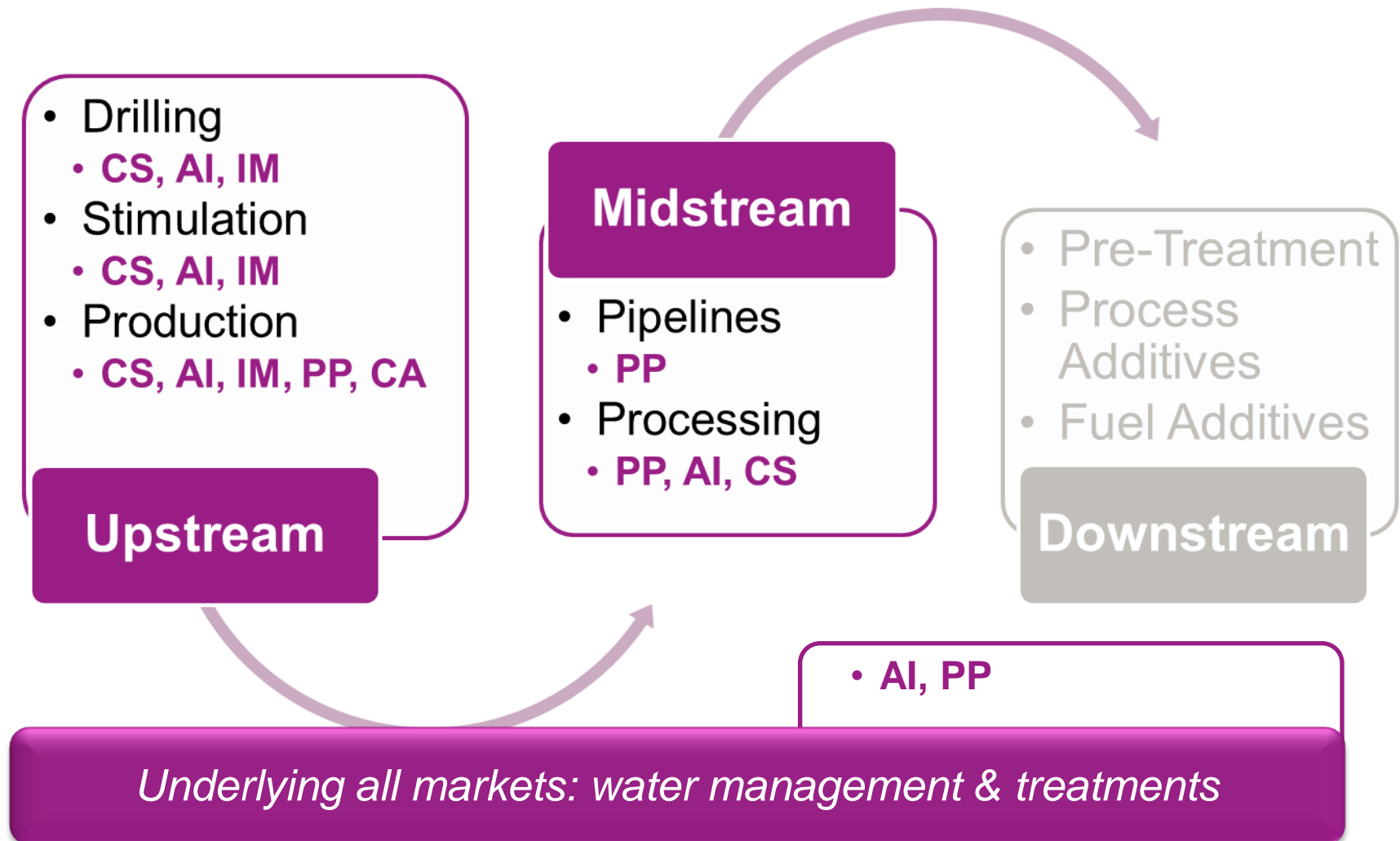


Barnett
 Haynesville
 Woodford
 Permian
 Utica
 Eagle Ford

Fayetteville
 Marcellus
 Bakken
 Mississippi Lime
 Niobrara
 Other Shale

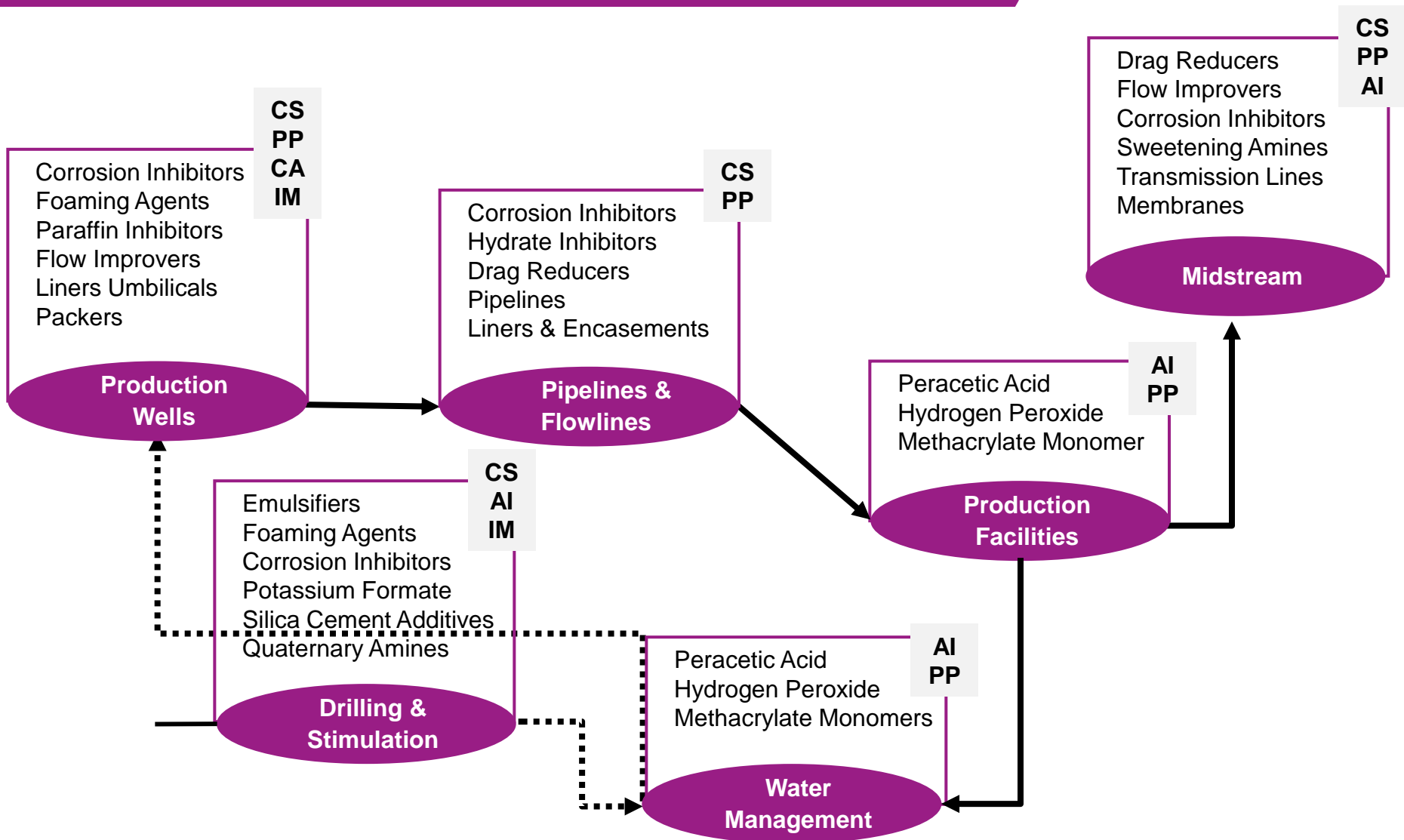
Opportunities for Evonik: Oilfield chemicals

New applications across the Evonik portfolio



Opportunities for Evonik: Oilfield chemicals

Applications along the value chain



Summary

Opportunities from shale gas for Evonik



1 Downstream markets

Increased growth rates in important Evonik end markets (e.g. construction and automotive)

2 Favorable feedstock

Selective raw material advantages (e.g. methanol)

3 Oilfield chemicals

Growth opportunities in development of new applications



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Silica Business of Evonik

**Geoff Varga, Senior Vice President and General Manager,
Inorganic Materials**
Parsippany, 16 June 2014



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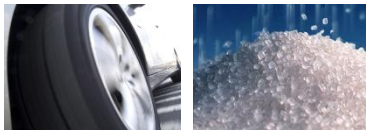



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1	At a glance: silica business in the Resource Efficiency segment
2	Silica business in North America

Resource Efficiency segment overview

Leading market positions across the portfolio

Key Business Lines	Silica	Catalysts	Crosslinkers	Oil Additives
				
Example products and applications	Precipitated silica for “Green Tires”	Catalysts for fine chemicals and polyolefins	Crosslinker for composites, elastomers and non-solvent coatings	Lubricant additives (viscosity modifiers) for hydraulic systems
Evonik product position ¹	#1 in precipitated silica #1 in fumed silica	# 1 for precious metal powder catalysts #2 for activated base metal catalysts	#1 in isophorone chemicals	#1 in oil additives
% of sales from leading market positions ²	100%	75%	80%	100%

¹ Company estimates, based on multiple research reports

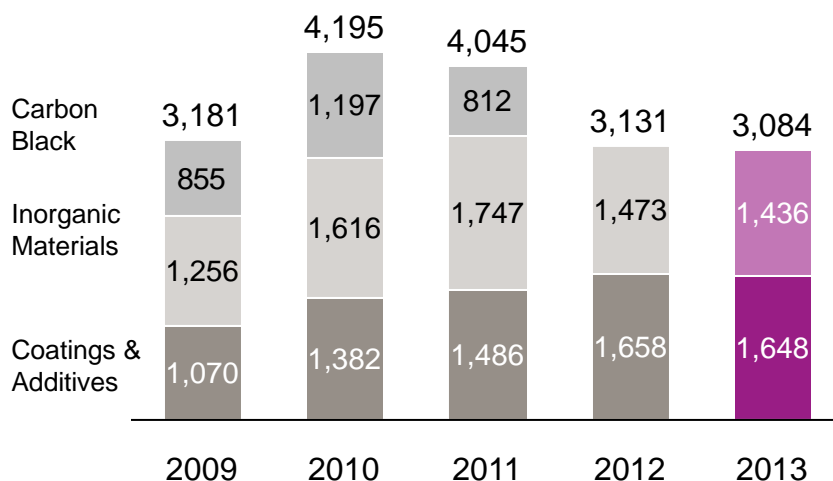
² Defined as top 1-3 positions; as per company estimates, based on multiple research reports

Resource Efficiency segment overview

Profitability continuously improved

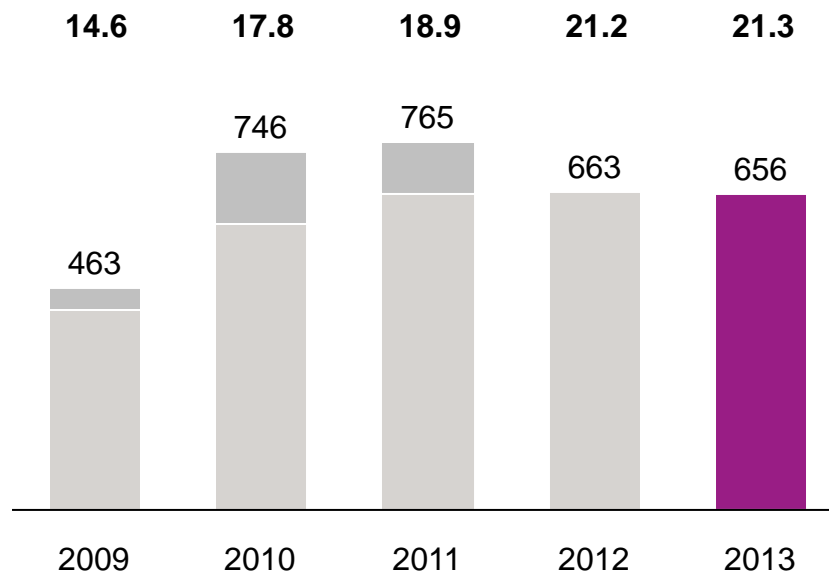


Sales (€ m)



Adj. EBITDA and margin (%)¹

Carbon Black



- Adjusted for divested colorants business and ended photovoltaic activities the segment posted an organic sales growth
- Expected future growth GDP+

- Independence from raw material price volatility
- Adjusted EBIT rose 3 percent due to lower depreciations

¹ Adjusted EBITDA 2012 restated for IAS 19 effects

Business spotlight: Silica

Superior particle design competence



Reinforcement, e.g. in tire & mechanical rubber good



Free flow and rheology control, e.g. in food & beverages, pharmaceutical and personal care applications



Matting agents



Defoaming, e.g. in food & beverages



Abrasion, e.g. in chemical mechanical planarization of semiconductors (CMP)

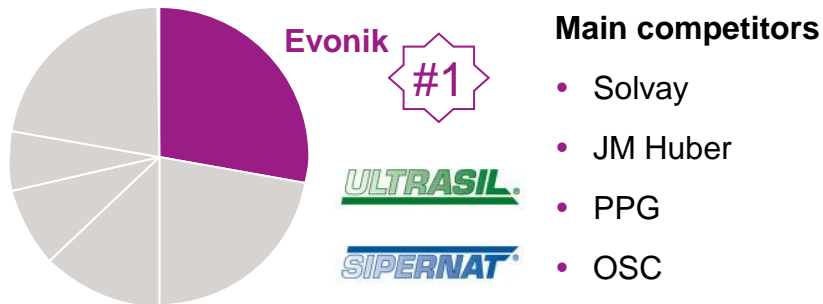


Business spotlight: Silica

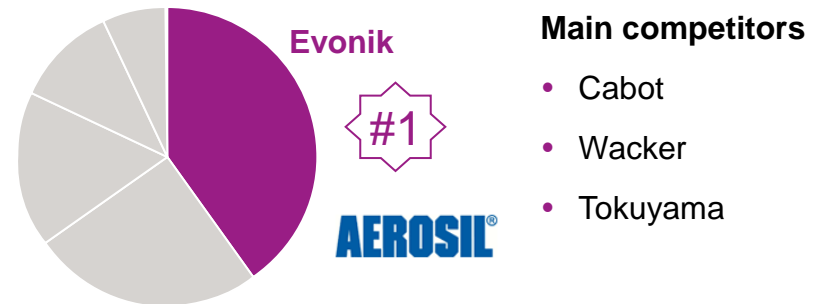
Leading market positions with brands in growth markets



Precipitated Silica



Fumed Silica



- Close customer relationships, esp. with tire manufacturers
- Broad range of end markets with strong established brands
- Ongoing global expansion program

- Strong process technology
- Growing range of applications
- Strong established brands

Business spotlight: Silica

Diverse end market split in strongly growing markets



Expected Market Growth 2012-2020

Global light vehicle tires ~ 4%¹
Low rolling resistance tires ~ 19%¹



Lead acid batteries ~ 5%²
(automotive, e-bike, UPS)



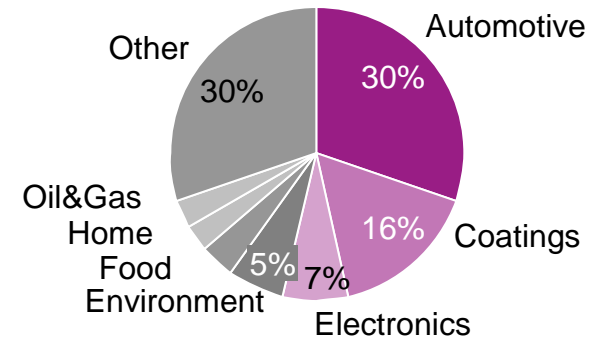
Coating; Paints & Coatings ~ 5%¹



Plastics & Rubber ~ 5%¹



Sales split by end market (2013)



¹ 2012-2020E; as per Frost & Sullivan (2013)

² 2012-2020E; as per company estimate

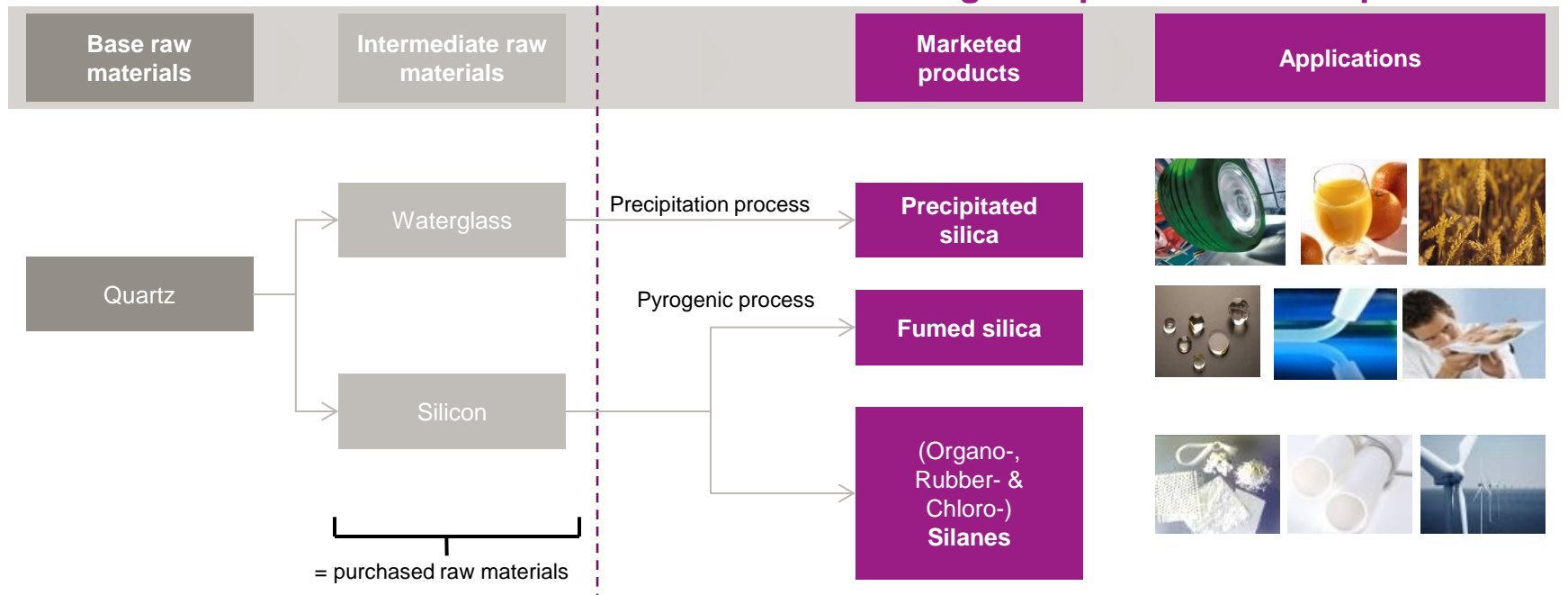
Business spotlight: Silica

Integrated production platform for silica and silanes

Key advantages

- Superior process technology due to integrated silica-silane production platform
- Global footprint close to key customers
- Strong R&D and application technology driving innovation

Evonik integrated production set up



Business spotlight: Silica

Precipitated silica – A green tire growth story

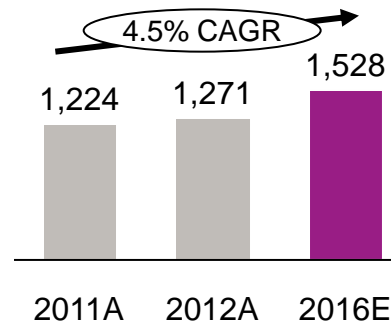


Green tire uses more silica

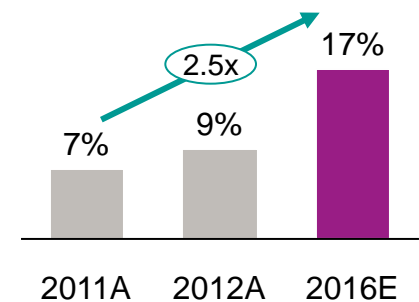
- Major components of green tires: rubber, carbon black and silica-silane reinforcing system
- Low rolling resistance tires contain more silica than carbon black in the tread compound
- Delivering high value added for tire manufacturers with small total cost share
- Additional demand driver: tire labeling requirements
- Close relationships with major global tire manufacturers

Strong demand trend

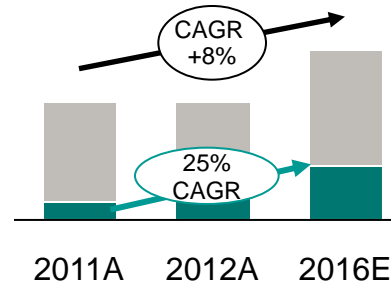
Tire sales
(m units sold)²



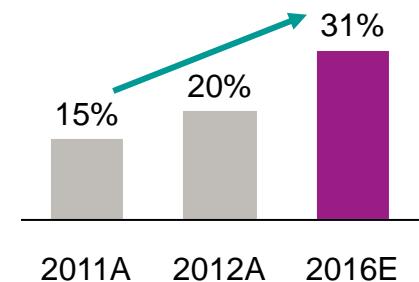
Share of green tire²



Total silica volume used in tire industry³



Share of silica in the tire industry for green tires¹



¹ Company estimate

² As per Frost and Sullivan (03/2013) and company estimates

³ Green tire related silica volume as per Frost and Sullivan (2013). Other silica volume as per company estimate.

Business spotlight: Silica

Precipitated silica – Global reach



Global production setup

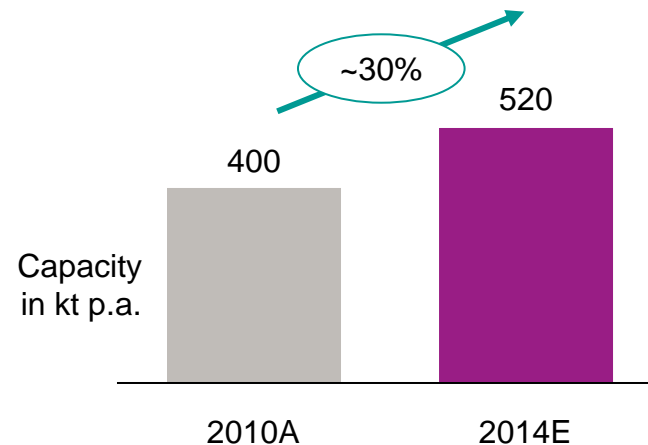


● Evonik precipitated silica plants

- Global production and distribution network support high customer intimacy
- Long-term partnerships with key customers

ULTRASIL **SIPERNAT** **ACEMATT** **SIDENT**

Planned capacity expansions



- Intention to increase global capacity by ~30% by 2014 across all major regions and close to growth markets
- Capacity expansions already partly implemented (Germany, China, Spain, Taiwan, Turkey)
- Silica master plan supports #1 position globally

Business spotlight: Silica

Master plan capacity expansions

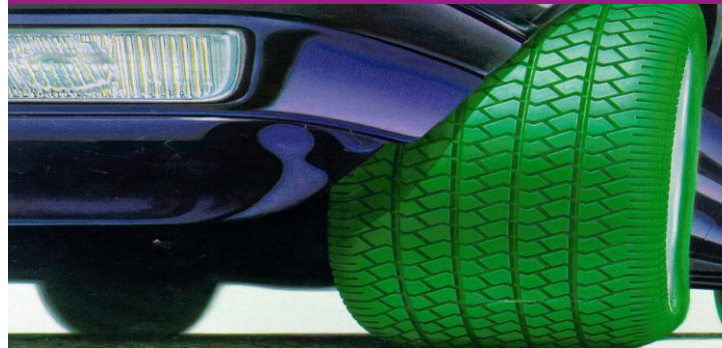
Global expansion of silica production

- Worldwide expansion of capacities for precipitated silica of about 30 percent planned for the period between 2010 and 2014 and already partly implemented
- Total Investment: one hundred million euro range
- Increased growth expected worldwide through the trend in fuel-efficient low-rolling-resistance

Expansion of US production

- Strategic rationale: Further strengthening position of Evonik in the US market
- Investment: Lower double-digit million Euros range in new facility in Chester, Pennsylvania, USA
- Capacity expansion: +20 kt p.a.

Silica – Green tires



Expansion Asia

- Strategic rationale: Satisfy demand in China and Southeast Asia driven by trend toward fuel-saving tires and life science applications
- Investment: Lower double-digit million euro range
- Completion: 2013 (China) and 2014 (Thailand)

New Silica plant in Brazil

- Investment: Middle double-digit million-euro range
- Status: Ongoing basic engineering
- Completion: Scheduled for 2016

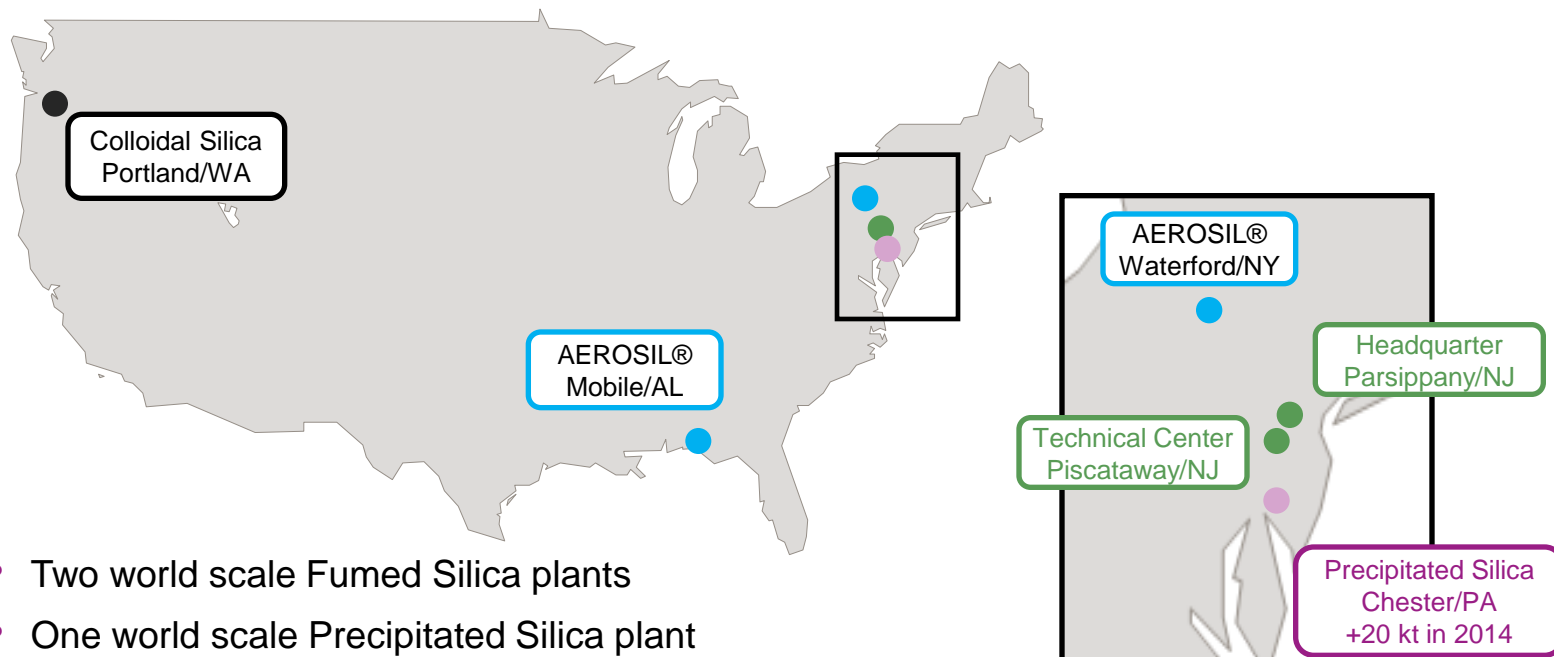
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2	Silica business in North America

Business Line Silica

Strong presence in North America



- Two world scale Fumed Silica plants
- One world scale Precipitated Silica plant
Expansion +20 kt start-up scheduled for Q3 2014
- Recent entrance into colloidal silica production
- Local technical customer support and R&D
- Marketing experts
- Technically skilled sales force, with expertise in various markets
- Excellent distribution network and supply chain

Expansion of Precipitated Silica capacities



- Additional 20,000 MT capacity for SIPERNAT® and ULTRASIL® precipitated silica coming on-stream in Q3 2014 at our Site in Chester/PA
- Supporting our customers in the tire industry
- Higher Silica content in green tires drives growth beyond market growth of the tire industry
- Higher capacity supports sustainable demand growth from consumer and agricultural industries

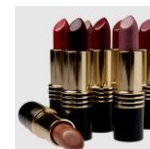


Business Line Silica

Strong presence in consumer, agricultural and technical applications



Industry	Functionality
Agriculture and Feed	<ul style="list-style-type: none">• Free flow in solid and• Anti-settling in liquid agrochemical formulations.• Carrier of liquid ingredients (Vitamins, ...)
Food and Health care	<ul style="list-style-type: none">• Enabling efficient processed food manufacturing (free flow + anti-caking)• Bioavailability improvement for new drugs• Tableting Aid
Personal and Home care	<ul style="list-style-type: none">• Free Flow, Carrier, Thickening, Stabilization, Rheology (Viscosity Increase), UV Filter
Coatings	<ul style="list-style-type: none">• Matting Agents, Free Flow, Stabilization, Rheology (Viscosity Increase)
Silicones and Adhesives	<ul style="list-style-type: none">• Crosslinking• Stabilization, Rheology (Viscosity Increase)



Strong demand trend

- Despite no US tire labeling, a strong conversion trend to green tire prevails
 - OEM: CAFE requirements driven
 - Replacement following OEM
- Major investment of tire production in the US
 - Existing local producers expand
 - Michelin, Bridgestone, Continental, Cooper and Toyo have completed major capital investments in the past 3 years
 - New entrants, Hankook, Yokohama, and Kumho have announced initial development plans
- High strategic priority: enable our business partners to grow through expansion of US precipitated silica capacity

Impact of the Oil & Gas industry development on Silica business

- Strengthening of US-sites competitiveness in global network based on more attractive energy cost development
- Increasing demand in materials for enabling oil-drilling, fracking, supply chain: Coatings, Drilling fluids, Piping, Cementing
- New concept development together with strategic partners in the Oil & Gas industry
- Creation of the Evonik Oil and Gas Group in Houston, TX to bring solutions faster to the market





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