Evonik.
Power to create.

Q2 2013
Earnings Conference Call

Klaus Engel, Chief Executive Officer
Wolfgang Colberg, Chief Financial Officer

August 1st, 2013

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Highlights Q2 2013
Real Estate transaction closed; most businesses resilient in difficult environment

Achievements

- Closing of Real Estate divestment on July 17th reducing Evonik's indebtedness by ~€3.1 bn (vs. year-end 2012); remaining Evonik stake 10.9%
- Large parts of portfolio with resilient performance in Q2; 3 of 6 Business Units with broadly stable or higher earnings yoy

> - Successful transformation into pure play specialty chemicals company
> - Large parts of portfolio showing resilience

Challenges

- Economic environment more challenging than expected
- Adj. EBITDA down 23% yoy mainly due to lower pricing in Methionine and Butadiene as well as temporary effects (e.g. maintenance shutdowns)
- Outlook FY 2013 adjusted: Sales ~€13 bn, adj. EBITDA ~€2.0 bn

> - Lower prices against strong prior year comparables
> - Temporary effects

Focus on efficiency

- Driving forward On Track 2.0 efficiency program
- Additional short-term savings measures initiated
- Leveraging existing flexibility in realization of capex program

> - On Track 2.0 program complemented by additional measures
> - Flexibility in capex program

Prior year figures restated for IAS 19 and Real Estate (disc. op.)

Real Estate divestment
Step plan executed with closing on July 17th, effective in financial statements in Q3

Three major divestment steps

1 Adjust-ment of capital structure

Evonik ← Special dividend €650 m ← Vivawest (Wohnen, wo das Herz schlägt.)

2 Combi-nation of Vivawest and THS

Evonik 73.2% → Combined entity (of Vivawest and THS)
IG BCE (Industriegewerkschaft Bergbau, Chemie, Energie) VTG 26.8% → Combined entity (of Vivawest and THS)

Combined entity
(of Vivawest and THS)

3 Disposal of majority

- RAG Stiftung 30%
- IG BCE VTG 26.8%
- Evonik CTA (pension funding) 25%
- Evonik 10.9%
- RAG 7.3%

→ **Combined entity**
(of Vivawest and THS)

Impact and timing

- **Q2:** Evonik received first installment of special dividend from Vivawest (€100 m); Evonik granted €204 m as loan under market conditions (latest to be repaid 2015)
- **Q3:** Evonik receives another €346 m in cash
- **July 5th:** Combination of Vivawest and THS; fair market value of combined entity of €3,030 m
- **Q1**: Re-classification of €491 m net financial debt and €106 m pension obligations as discontinued operations
- **Q3:** Cash inflows of €909 m from RAG-Stiftung (30% stake) and €220 m from RAG AG (7.3% stake)
- **Q3:** CTA funding of €758 m (25% stake)

Total effect on indebtedness: ~-€3.1 bn (vs. year-end 2012)[1]

[1] Thereof ~-€2.9 bn in 2013; -€204 m loan to Vivawest latest to be repaid 2015

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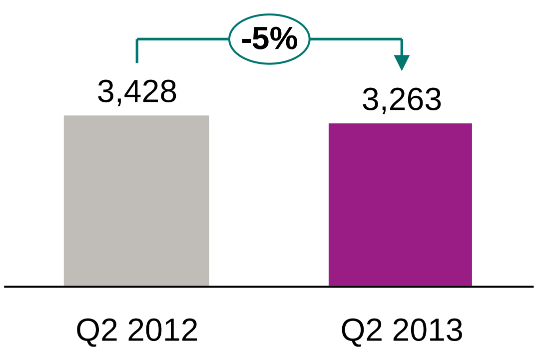
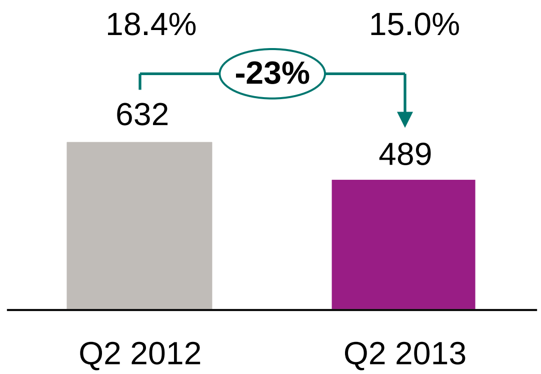
Financials highlights Q2 2013

Difficult market environment and maintenance shutdowns affecting Q2 results

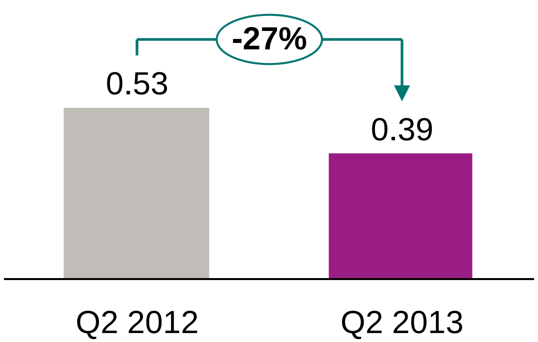
Sales (in € m)



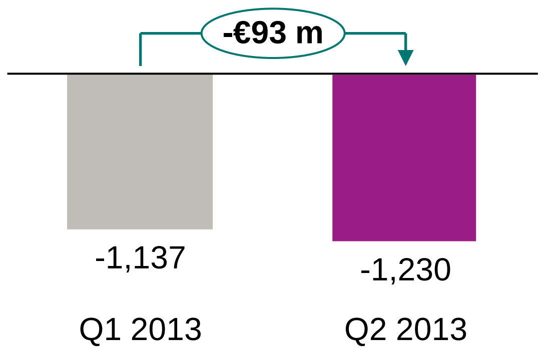
Adj. EBITDA (in € m) / margin



Adj. EPS (in €)



Net financial debt (in € m)



- Sales of €3,263 m organically slightly below prior year (-3%)
- Volumes expanded in 5 of 6 Business Units, but lower prices mainly in Methionine and Butadiene
- Adjusted EBITDA declining by €143 m to €489 m, thereof >€100 m attributable to Methionine and Performance Intermediates (partly temporary effects)
- Net financial debt almost unchanged at €1.2 bn

Income statement (1/2)
Higher volumes offset by lower prices, esp. in some important businesses

in € million	Q2 2012	Q2 2013	∆ in %
Sales	**3,428**	**3,263**	**-5**
Income before financial result and income taxes	450	261	
Results from investments recognized at equity	11	13	
Other financial income	0	4	
EBIT	**461**	**278**	**-40**
Adjustments	25	64	
Adj. EBIT	**486**	**342**	**-30**
Depreciation and amortization	146	147	
Adj. EBITDA	**632**	**489**	**-23**
Adjusted EBITDA margin	**18.4%**	**15.0%**	**-3.4pp**

- **Sales -5%, thereof:**
  - Volumes: +2%; stronger volume growth than in Q1 2013 (+/-0%) despite maintenance shutdowns
  - Prices: -5%; mainly in Methionine and Butadiene
  - FX: -1%; Other (incl. M&A): -1%
- **Adjustments:**
  - 2013: income, expenses and impairments from permanent plant shutdowns in Resource Efficiency and Specialty Materials; put-call arrangement STEAG
  - 2012: mainly put-call arrangement STEAG

Continuing operations
Prior year figures restated for IAS 19 and Real Estate (disc. op.)

Income statement (2/2)
Net interest expense further decreased

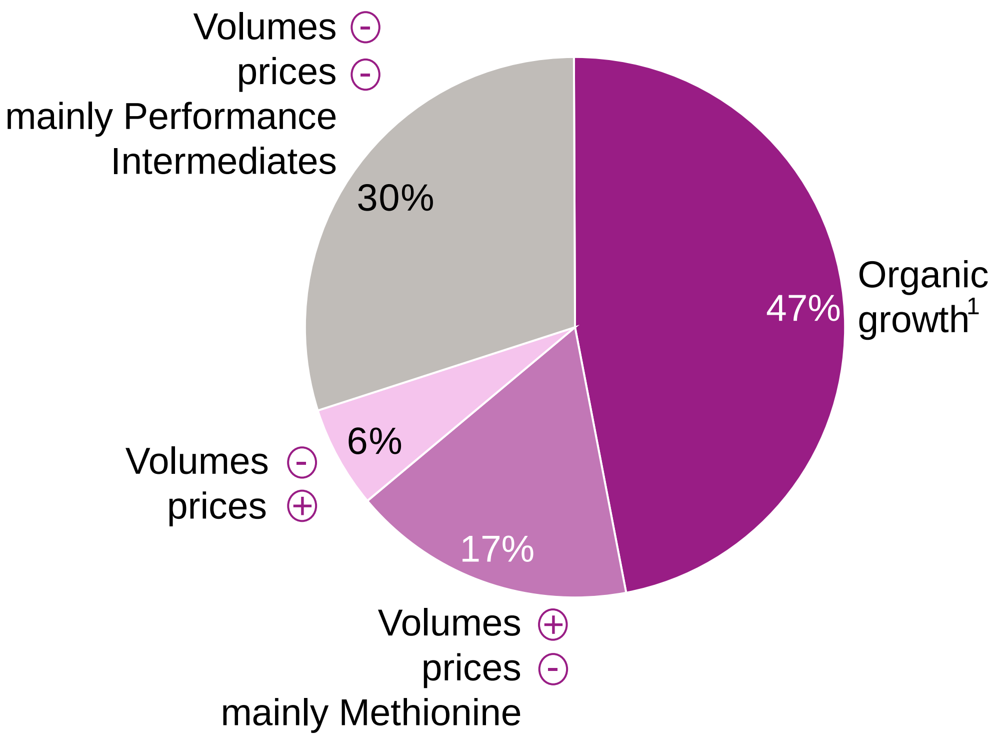
in € million	Q2 2012	Q2 2013	∆ in %
Adj. EBIT	**486**	**342**	**-30**
Net interest expense	-77	-68	
Adj. income before income taxes	409	274	
Adj. income tax	-166	-96	
Adj. income after taxes	243	178	
Non-controlling interests (adj.)	6	5	
Adj. net income	**249**	**183**	**-27**
Adj. earnings per share	**0.53**	**0.39**	**-27**

- **Net interest expense:**
  - Decrease driven by higher interest income from contributions made to the CTA in 2012 and lower interest expense for long-term provisions
- **Adjusted tax rate:**
  - 2013: adjusted tax rate of 35%; H1 rate of 28% in line with guidance (after low Q1 tax rate)

Continuing operations
Prior year figures restated for IAS 19 and Real Estate (disc. op.)

Volume and price analysis H1 2013
>60% of portfolio with volume expansion

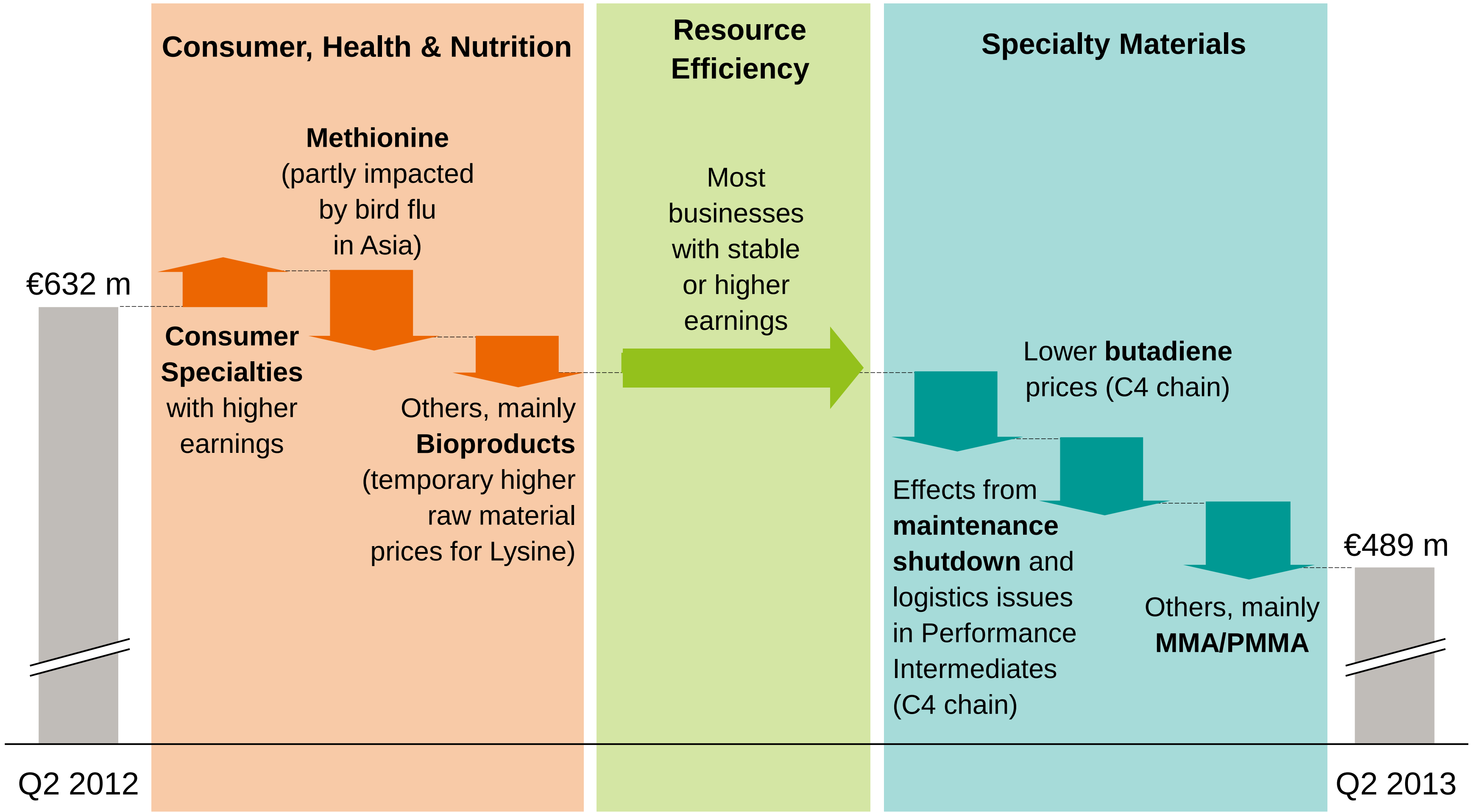
Volume and price development H1 2013 (% of sales)



- 47% of portfolio (as % of sales) with organic growth in H1 2013, e.g. Baby Care, Silica, Oil Additives and Active Oxygens
- >60% of portfolio with growing volumes
- Some important businesses impacted by extraordinary effects, e.g.:
  - Lower Methionine prices partly due to bird flu in Asia
  - Lower volumes in Performance Intermediates due to planned maintenance shutdown

[1] Organic growth defined as ΔVolume + Δ Price > 0

EBITDA development Q2 2013
Earnings partly impacted by temporary effects; broadly stable or higher earnings in 3 of 6 Business Units



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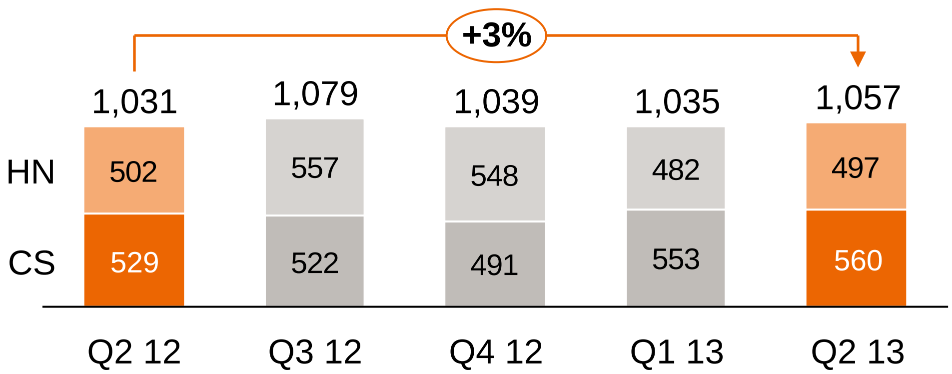
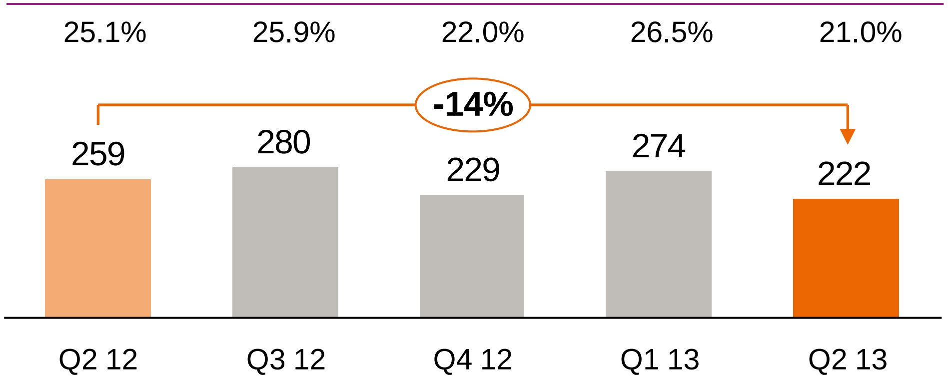
Consumer, Health & Nutrition
Consumer Specialties with continued strong performance

Sales (in € m)



Volume +8%	Price -5%	FX +/-0%	Other +/-0%

Adj. EBITDA (in € m) **/ Adj. EBITDA margin** (in %)

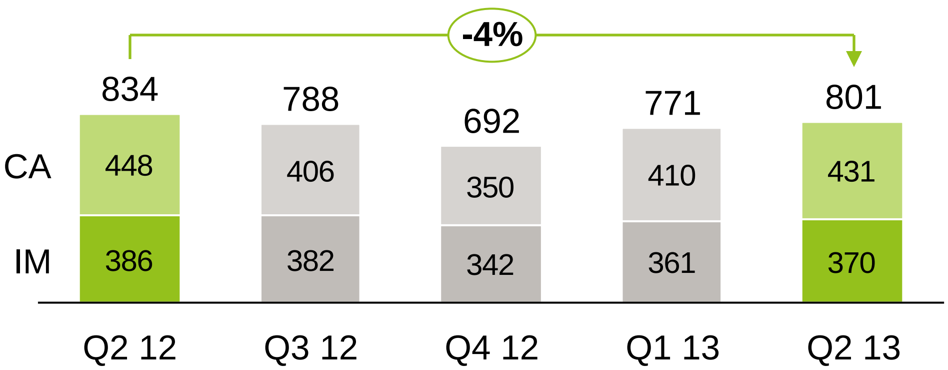


Prior year figures restated for IAS 19

- Overall good demand across the segment resulting in higher volumes, but lower prices in Health & Nutrition
- Positive development in Consumer Specialties throughout all businesses, margin stable
- Baby Care with continued strong performance, benefitting from additional volume demand in the market and pass-on of higher raw material prices with a time lag
- Sales in Health & Nutrition stable mainly as better volumes compensated for lower prices; volume recovery in Methionine towards the end of the quarter (bird flu effects in China easing out)
- Earnings in Health & Nutrition impacted by lower prices for amino acids and high raw material prices for Lysine as a result of the draught in the US in 2012

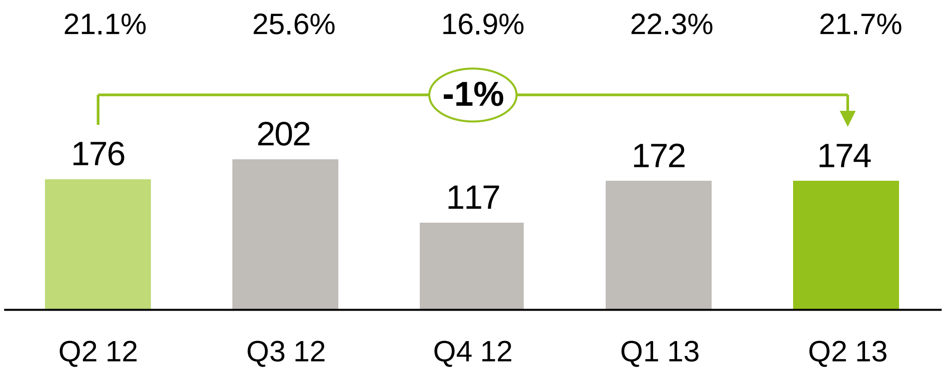
Resource Efficiency
Higher earnings in Coatings & Additives

Sales (in € m)



Volume +1%	Price -1%	FX -2%	Other -2%

Adj. EBITDA (in € m) **/ Adj. EBITDA margin** (in %)

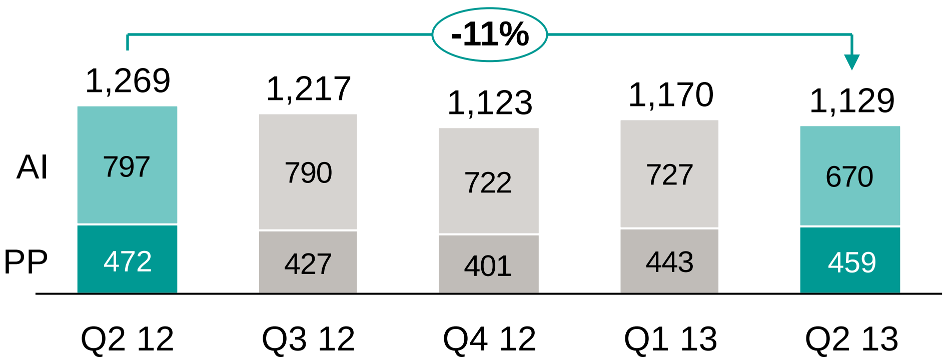


Prior year figures restated for IAS 19

- Sales decrease mainly explained by divestment of Colorants business (April 2012) and missing sales with PV customers after restructuring in 2012; business organically stable
- Margin improvement from portfolio management and strong underlying development of most businesses
- Inorganic Materials with good performance and increasing volumes
- Silica with continued resilient performance despite partly difficult end markets (e.g. tire industry, silicones)
- Earnings improvement in Coatings & Additives driven by good business development of Coatings & Adhesive Resins (reactive sealants, road marking) and Oil Additives

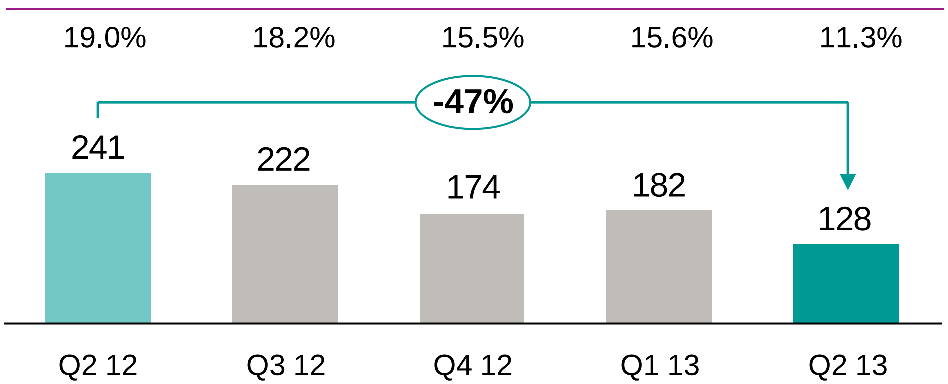
Specialty Materials
Butadiene price weakness and maintenance shutdown in C4 chain

Sales (in € m)



Volume -3%	Price -8%	FX +/-0%	Other +/-0%

Adj. EBITDA (in € m) **/ Adj. EBITDA margin** (in %)

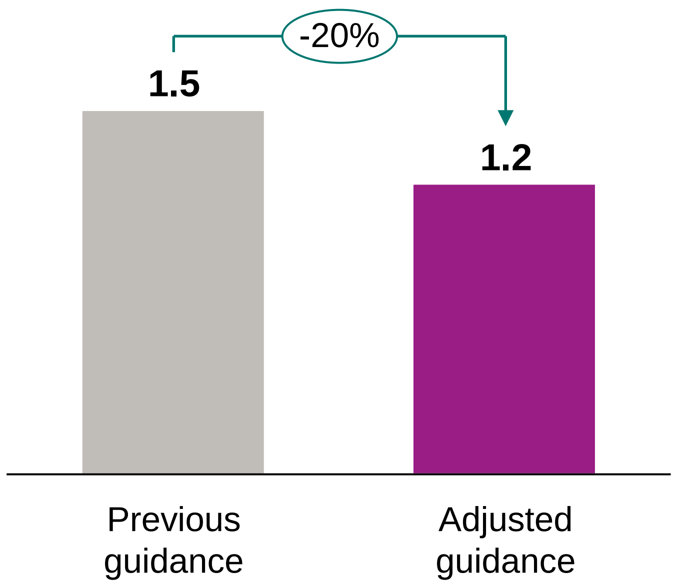


Prior year figures restated for IAS 19

- Specialty Materials' sales impacted by lower Butadiene prices and scheduled maintenance shutdown in Advanced Intermediates
- Maintenance shutdown in C4 chain and logistical issues (e.g. flooding) affecting earnings in Advanced Intermediates; total effect ~€30 m
- Notably lower prices for Butadiene as a result of weak tire markets, remaining below very high levels of prior year's quarter
- MMA and PMMA facing softer demand, esp. in Asia and Southern Europe, markets more favorable in US and rest of Europe

Capex guidance FY 2013
Capex budget reduced to €1.2 bn

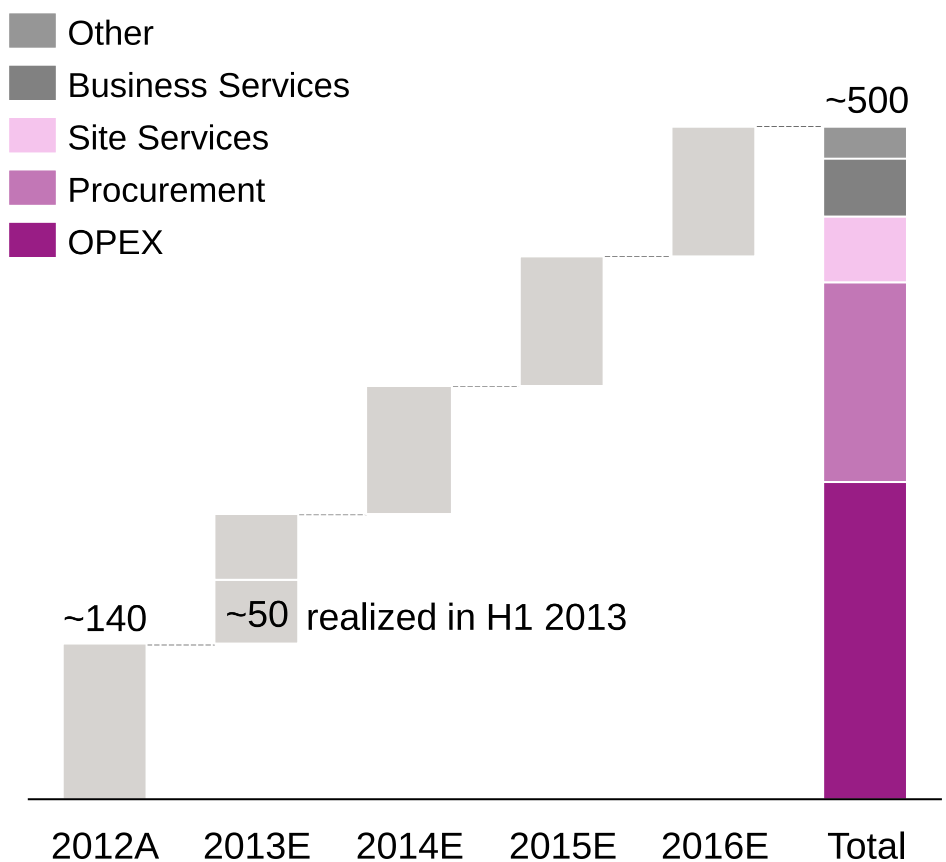
Capex FY 2013 (in € bn)



- Leveraging existing flexibility in timing and execution of capex program and adapting to market situation
- Review and potential re-scheduling of not yet approved projects with regards to timing of market entry
- No significant impact on schedules and intended start-up dates for major projects that are already in execution

Strengthened focus on efficiency
Driving forward On Track 2.0; realization of additional short-term savings

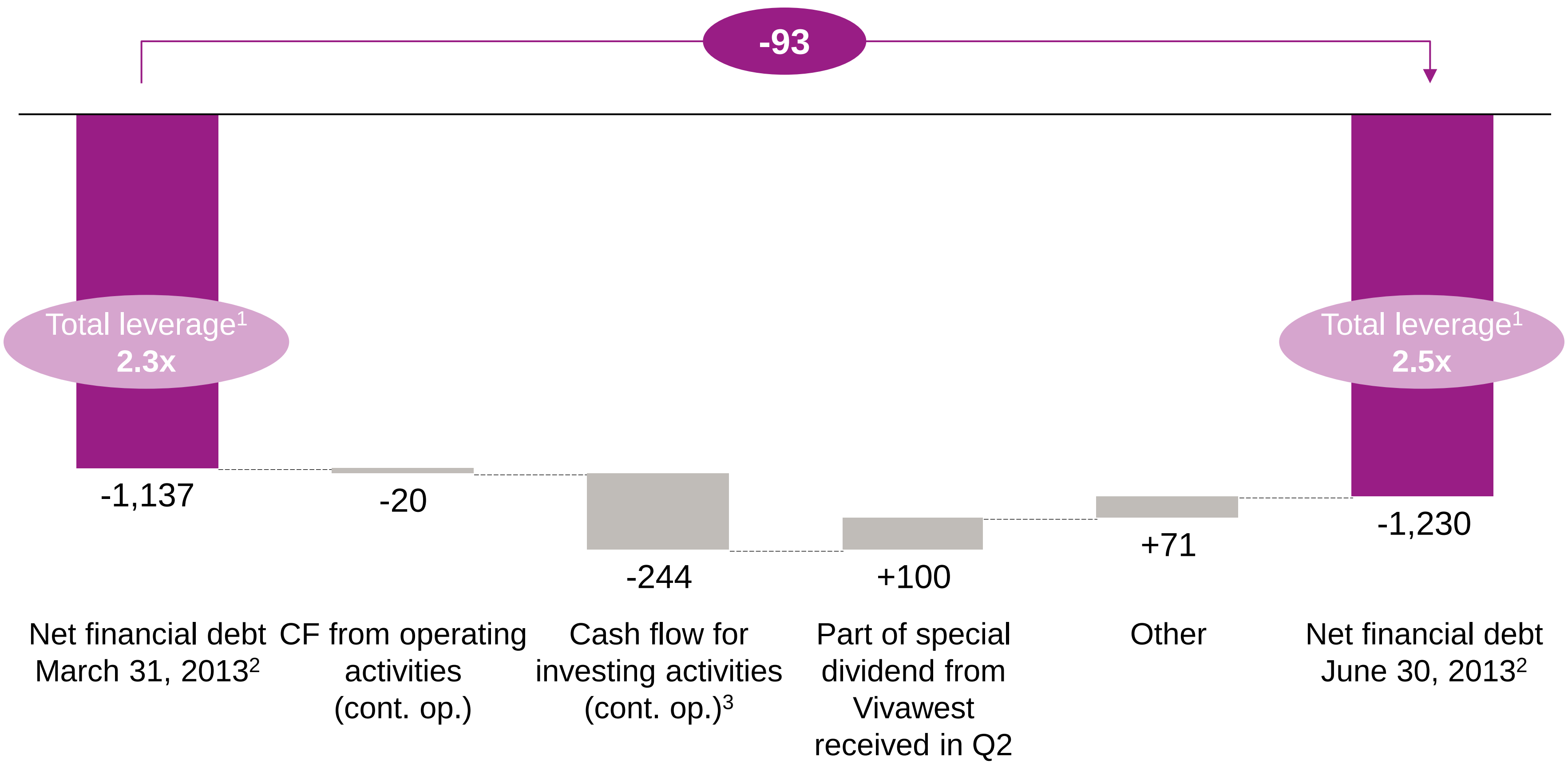
Expected savings (in € m)



- Continued successful execution of On Track 2.0 for continuous efficiency improvement
- ~€140 m achieved in 2012
- In H1 2013 another ~50 m realized
- Additionally: cost management project to realize immediate and Group-wide short-term savings

Net financial debt
Broadly stable in Q2; strong deleveraging expected as a result of Real Estate divestment in Q3

Development of net financial debt (in € m)



[1] Total leverage defined as (Net Financial Debt + Funded Status) / Adjusted EBITDA LTM
[2] Excluding Real Estate NFD (as discontinued operations as of March 11, 2013)
[3] Cash outflow for investment in intangible assets, property, plant and equipment and shareholdings, not including cash in- and outflows related to securities

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Outlook for 2013 (1/2)
Outlook adjusted as notable pick-up in demand and prices in H2 now unlikely

EVONIK INDUSTRIES

Outlook for Evonik in 2013 (continuing operations[1])	
Economic environment	• Global economic conditions to remain challenging • Growth expectations revised downwards, especially for EU and China • H1 weaker than expected, global economic improvement predicted for H2 less pronounced than assumed at start of the year • Development of relevant markets expected to continue at weaker level seen in the first half of the year *(previous expectation: economic upturn in H2)*
Outlook	• Sales: **~€13 bn** (2012: €13.4 bn), slight yoy improvement in volumes in H2 2013; selling prices to stabilize at present level *(previous: higher sales)* • Adj. EBITDA: **~€2.0 bn** (2012: €2.4 bn) *(previous: stable operating earnings)*

[1] Outlook based on continuing operations, i.e. excl. real estate activities in 2012 and 2013

Outlook for 2013 (2/2)
Changed assumptions for adjusted guidance

6 of 24 Business Lines with lower than expected prices and some temporary effects	18 of 24 Business Lines with broadly unchanged expectations

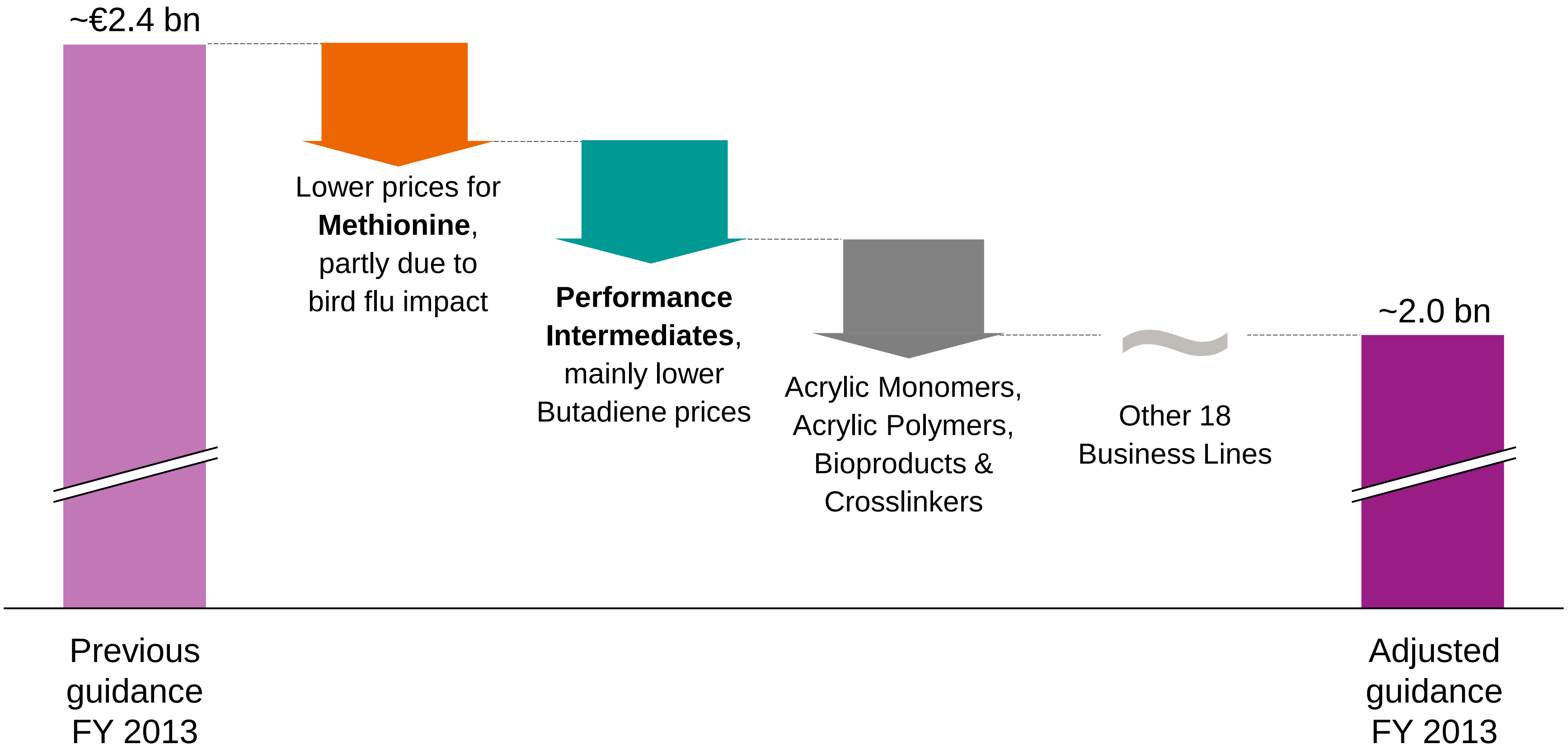


Illustration not drawn to scale

EVONIK
INDUSTRIES

Real Estate divestment (1/2)

Small alterations in transaction structure due to recent changes in German tax law

Intended		Executed
• Vivawest: special dividend of €650 m to Evonik (potentially bridge-financed)	=	• Vivawest: Special dividend of €650 m to Evonik (€446 m in cash, €204 m bridge-financed)
• Combination of Vivawest and THS with Evonik holding ~73% and IG BCE / VTG ~27% in the combined entity	=	• Combination of Vivawest and THS with Evonik holding 73.2% and IG BCE / VTG 26.8% in the combined entity
• Evonik: Sale of ~30% stake in combined company to RAG-Stiftung, ~10% to RAG AG and contribution of ~25% to Evonik CTA; remaining Evonik stake 8.3%	~	• Evonik: Sale of 30% to RAG-Stiftung and contribution of 25% to CTA • Sale of 7.3% to RAG AG • Remaining Evonik stake of 10.9%
• Sale of remaining stake in the medium term to long-term oriented investors	=	• Sale of remaining stake in the medium term to long-term oriented investors
Reduction of indebtedness by €3.2 bn and 8.3% in (combined) Vivawest	~	Reduction of indebtedness by €3.1 bn and 10.9% stake in (combined) Vivawest

Real Estate divestment (2/2)
Reduction of indebtedness by ~€3.1 bn

	Q1 2013	Q2 2013	Q3 2013	2014 / 2015
Net debt reduction	Re-classification of **€491 m** of Real Estate NFD and **€106 m** DBO to discontinued operations (excl. from NFD)		Reduction of pension liabilities by **€758 m** as a result of CTA contribution of 25% of combined Vivawest and THS	
Cash receipts			Receipt of cash payments from sale of 30% of combined Vivawest and THS entity to RAG-Stiftung (**€909 m**) and of 7.3 stake to RAG AG (**€220 m**)	
		Receipt of first installments of special dividend from Vivawest: **€100 m**	Second installments of special dividend (**€346 m**)	Repayment of shareholder loan by Vivawest: **€204 m**

Total effect on indebtedness in 2013: -€2.93 bn (vs. year-end 2012) **+** -€204 m in 2014 or 2015

Special dividend of €650 m received already in Q2 in full as internal cash pool transfer; Evonik then granted a loan of €567 m to Vivawest of which parts (€363 m) have been sold to investors; the loan receivables are coming in two installments in Q2 (€100 m) and in Q3 (€263 m plus €83 m from Vivawest directly, not part of the loan)

Cash flow statement

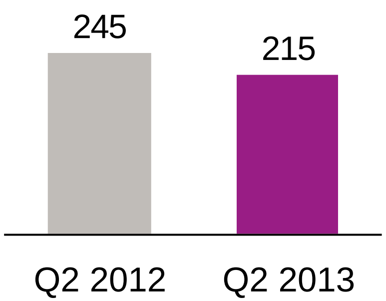
in € million	Q2 2012	Q2 2013
Income before financial result and income taxes	450	261
Depreciation and amortization	149	182
Δ Net working capital	-188	-45
Outflows from income taxes	-113	-119
Other	-324	-299
Cash flow from operating activities	**-26**	**-20**
Cash flow from investing activities, thereof:	**-414**	**-334**
Cash outflows for investment in intangible assets, pp&e and shareholdings	-237	-244
Cash inflows/outflows relating to securities, deposits and loans	-248	-90
Cash flow from financing activities, thereof:	**-397**	**504**
Dividend payments	-425	-

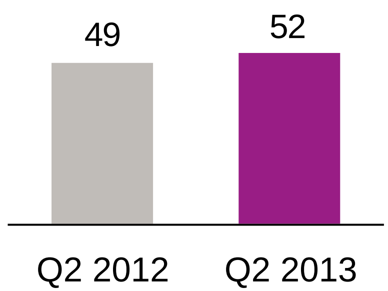
Continuing operations
Prior year figures restated for IAS 19 and Real Estate (disc. op.)

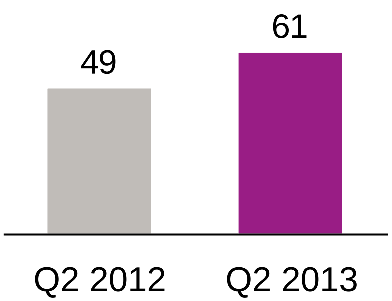
- Operating cash flow:
  - Significantly reduced cash outflow for NWC due to reduction of inventories during scheduled maintenance shutdowns
  - “Other” contains mainly changes in other provisions (personnel-related, variable remuneration)
- Financing cash flow:
  - Dividend already paid in Q1 2013 (2012: paid in Q2)
  - Cash inflow from new €500 m bond issue in April

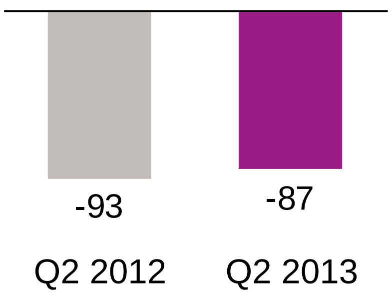
Services and Corporate / Other

Services		Corporate / Other / Consolidation	
(External) Sales (€ m)	Adjusted EBITDA (€ m)	Sales (€ m)	Adjusted EBITDA (€ m)









- External sales declined by 12%, mainly due to permanent plant shut down of an external customer of Site Services at the chemical site in Marl (Germany)
- EBITDA increased as a result of postponed maintenance and strict cost management

- Adj. EBITDA: positive effects from sale of securities

Prior year figures restated for IAS 19

Key KPIs chemicals segments

in € million	Consumer, Health & Nutrition Q2 2012	Consumer, Health & Nutrition **Q2 2013**	Resource Efficiency Q2 2012	Resource Efficiency **Q2 2013**	Specialty Materials Q2 2012	Specialty Materials **Q2 2013**
Sales	1,031	1,057	834	801	1,269	1,129
Volume / Price	+0 / +0	+8 / -5	-2 / +2	+1 / -1	-1 / -1	-3 / -8
Adj. EBITDA	259	222	176	174	241	128
Adj. EBITDA margin	25.1	21.0	21.1	21.7	19.0	11.3
Adj. EBIT	230	188	139	145	203	90
Capex[1]	69	84	36	50	67	75

[1] Not including financial investments
Prior year figures restated for IAS 19 and Real Estate (disc. op.)

Upcoming IR events

Conference participations

- August 27th, 2013: Commerzbank Sector Conference Week, Frankfurt
- September 16th, 2013: UBS Best of Germany, New York
- September 25th, 2013: Berenberg and Goldman Sachs German Conference, Munich
- September 30th, 2013: Berenberg Chemicals Sector Conference, London

Roadshows

- September 6th, 2013: London
- September 12th/13th, 2013: New York / Boston
- September 19th/20th, 2013: Kopenhagen / Stockholm

Next reporting dates

- Q3 reporting: November 4th, 2013
- Q4 / FY reporting: March 7th, 2014

Capital market day

- Evonik Capital Market Day: September 3rd, Essen

Please find an updated schedule on our IR website ("Events & Presentations")

Evonik Investor Relations Team

Tim Lange
Head of Investor Relations

+49 201 177 3150
tim.lange@evonik.com

Petra Boden
Team Assistant

+49 201 177 3146
petra.boden@evonik.com

Hannelore Gantzer
Investor Relations Manager

+49 201 177 3678
hannelore.gantzer@evonik.com

Christoph Rump
Investor Relations Manager

+49 201 177 3149
christoph.rump@evonik.com

Xin Ming Yu
Junior IR Manager

+49 201 177 3153
xinming.yu@evonik.com

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