

A solid performance in Q2 2014— Slight operating improvement compared with first quarter

Key data on H1 2014:

- Slight organic sales growth to €6.4 billion
- Adjusted EBITDA at a solid level but below the good prior-year figure
- Adjusted EBITDA margin 14.5 percent
- Adjusted net income dropped 28 percent to €361 million
- Outlook for 2014 confirmed and specified

Essen. "Strong demand for our products was registered worldwide in the second quarter of 2014 in a slightly positive economic environment. Our business developed solidly overall," said Klaus Engel, Chairman of the Executive Board of Evonik Industries AG, today, when the Group presented its key financial data for the second quarter and first half of 2014. "Overall, the clear downward price trend for some important products observed in previous quarters slowed perceptibly. The earnings performance of all our segments improved slightly compared with the first quarter."

Overall, the Group achieved organic sales growth in the first six months of 2014. The operating results were solid, although they were below the good prior-year level due to the erosion of selling prices for some important products.

Evonik is confirming and specifying its outlook for 2014 as a whole.

The company still anticipates that sales will rise slightly (2013: €12.7 billion) and that adjusted EBITDA will be between €1.8 billion and €2.1 billion (2013: €2.0 billion).

Business performance in H1 2014

The overall global economic development was slightly weaker than expected in the first half of 2014. Although the sustained upward trend in global growth continued, no additional momentum was generated in the second quarter.

In the first six months of 2014, Group sales posted organic growth of 2 percent. This was driven by higher volumes (5 percentage points), while selling prices were lower (-3 percentage points). Taking into account currency effects (-2 percentage points), sales amounted to €6,448 million, up from the prior-period figure of €6,421 million.

August 5, 2014

Scarlett Shi
Communications
Tel +86 21 6119-1200
Fax +86 21 6119-1116
scarlett.shi@evonik.com

Evonik Industries AG
Rellinghauser Strasse 1-11
45128 Essen
Germany
Phone +49 201 177-01
Fax +49 201 177-3475
www.evonik.com

Supervisory Board
Dr. Werner Müller, Chairman
Executive Board
Dr. Klaus Engel, Chairman
Christian Kullmann
Thomas Wessel
Patrik Wohlhauser
Ute Wolf

Registered office Essen
Registered court
Essen local court
Commercial registry B 19474
VAT ID no. DE 811160003

Adjusted EBITDA fell 16 percent to €936 million (H1 2013: €1,115 million), mainly due to erosion of selling prices for some important products. The adjusted EBITDA margin therefore declined from 17.4 percent to 14.5 percent.

To extend its leading market positions, Evonik started up new production capacity in Asia. More than €100 million has been invested in an integrated production complex for isophorone and isophorone diamine in Shanghai (China). Isophorone chemicals increase the service life of, for example, heavy-duty surfaces, and also facilitate environment-friendly coating technologies. In Rayong (Thailand), an extended production plant for precipitated silica was brought into service. Growth in South-East Asia is driven principally by fuel-saving tires and life-science applications. A new hydrogen peroxide plant with production capacity of 230,000 metric tons p.a. has been completed in Jilin (China). The product will be supplied to a neighboring Chinese partner, which will use it to produce propylene oxide at a newly erected plant based on an innovative process developed by Evonik and ThyssenKrupp Uhde.

Outlook for 2014

Looking at the global economic background, even though the development in the first six months was somewhat weaker than had been anticipated, Evonik still expects to see a slight upturn in global growth in 2014 as a whole. That said, the stepwise recovery in the global economy is affected by increasing structural challenges in the emerging markets and the uncertainty arising from ongoing political disputes and military conflicts. Despite the expected upturn in demand, the decline in producer prices observed in 2013 will not be reversed in all end-customer industries in 2014.

Overall, Evonik is confirming and specifying its outlook for 2014.

The company still anticipates that sales will rise slightly (2013: €12.7 billion) and that adjusted EBITDA will be between €1.8 billion and €2.1 billion (2013: €2.0 billion).

The positive volume trend should continue, driven by the completion of the first growth investments. On the price front, the company expects the stabilization that has been evident so far to continue. In some businesses, a slightly positive price trend is visible. However, so far this

does not apply to the Specialty Materials segment, where price trends have remained below the original expectations. If this should continue for the remainder of this year, Evonik currently assumes that adjusted EBITDA will probably be in the lower rather than the upper part of the €1.8 billion to €2.1 billion range.

Further relief on the cost front should come from the On Track 2.0 efficiency enhancement program. In addition, the company expects to see the first positive effects of the Administration Excellence program, which was launched in fall 2013 to optimize administrative structures. Downside factors could result from ramp-up expenses for growth investments, negative currency effects, and the rising price of crude oil.

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 2013 more than 33,500 employees generated sales of around €12.7 billion and an operating profit (adjusted EBITDA) of about €2.0 billion.

Evonik Industries has been producing specialty chemical products in the Greater China region (Mainland China, Hong Kong and Taiwan) since the late 1970's; with wide-ranging trading relations already in place prior to this in the region. Evonik regards Greater China as one of the driving forces of the global economy and we consequently endeavour to grow our business in the region. The company now has around 3,200 employees in the Greater China region, the regional sales reached over €1 billion in 2013.

Disclaimer

In so far as forecasts or expectations are expressed in this press release or where our statements concern the future, these forecasts, expectations or statements may involve known or unknown risks and uncertainties. Actual results or developments may vary, depending on changes in the operating environment. Neither Evonik Industries AG nor its group companies assume an obligation to update the forecasts, expectations or statements contained in this release.