

Evonik and Rhein–Ruhr consortium of municipal utilities sign purchase agreement for a 51 percent stake in Evonik Steag GmbH

December 23, 2010

- ◆ Klaus Engel, Chairman of Evonik’s Executive Board: “This is an important step in our repositioning as a specialty chemicals group.”
- ◆ Dr. Hermann Janning, spokesman for the Rhein–Ruhr consortium: “We intend to develop Steag into Germany’s largest municipal power generation platform.”

Cathy Ho

Communications
Tel +86 21 6119-1296
Fax +86 21 6119-1116
cathy.ho@evonik.com

Shona Liu

Communications
Tel +86 21 6119-1000
Fax +86 21 6119-1605
shona.liu@evonik.com

As part of its strategic refocusing on specialty chemicals, Evonik Industries AG is divesting 51 percent of the shares in Evonik Steag GmbH, which bundles the Group’s energy activities. Evonik and Rhein–Ruhr consortium (comprised of seven municipal utility companies) signed a sale and purchase agreement. The transaction values Steag at an enterprise value of €3.770 billion. The purchase price for the 51 percent equity stake of Evonik Steag GmbH amounts to €649 million. Evonik has also entered into an agreement to sell the remaining 49 percent of shares in Evonik Steag GmbH to the municipal utilities for €594 million after a retention period of up to five years. Both contracts are contingent on the approval of Evonik’s Supervisory Board, which has to be preceded by a resolution by the Board of Trustees of RAG–Stiftung (RAG Foundation). These decisions are expected to be taken in January 2011.

Klaus Engel, Chairman of the Executive Board of Evonik Industries AG, comments: “The signing of the SPA today is a major step in repositioning Evonik as a dedicated specialty chemicals group. We are delighted to have found a strong and competent partner for the future of our energy business.” The proceeds of the transaction will be used for a value-enhancing expansion of the chemicals business and to improve Evonik’s financial profile. Evonik’s chemicals business already accounts for around 80 percent of the Group’s total sales and earnings (EBITDA).

The consortium is planning an ecologically focused expansion and restructuring of Steag’s portfolio of power plants. Dr. Hermann Janning, Chairman of the Board of Management of Stadtwerke Duisburg AG, the consortium leader: “Our aim is to develop Steag into the largest municipal platform for power generation in Germany in both conventional and renewable energies. We will be investing in

environment-friendly gas and steam plants. That will provide a sound basis for securing and expanding Steag's core business in Germany."

About Evonik

Evonik Industries is the creative industrial group from Germany. In our core business of specialty chemicals, we are a global leader. In addition, Evonik is an expert in power generation from hard coal and renewable energies, and one of the largest private residential real estate companies in Germany. Our company's performance is shaped by creativity, specialization, continuous self-renewal, and reliability. Evonik is active in over 100 countries around the world. In its fiscal year 2009 about 39,000 employees generated sales of about €13.1 billion and an operating profit (EBITDA) of about €2.0 billion.

Evonik Industries has been producing specialty chemical products in China since the early 1990's; with wide-ranging trading relations already in place prior to this. The Group now has a total of 20 companies and 16 production sites in the Greater China region. Evonik regards China as one of the driving forces of the global economy, and we consequently intend to increase our business in Greater China to around €2 billion by 2015.

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.