

**Evonik group expects record earning for Chemicals in 2010  
€1 billion sales target achieved by October in the Greater China  
region**

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- ♦ Strong performance of the Group continued with new historical earnings record for Chemicals
- ♦ Greater China region achieved 2010 sales target of € 1 billion already by October
- ♦ Investment for further growth under way

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Recently, Evonik Industries AG published its key financial figures for the first nine months of 2010. The Group's sales climbed 24 percent to €11,887 million in the first nine months of 2010, with EBITDA (earnings before interest, taxes, depreciation and amortization) surged 55 percent to €2,276 million. EBIT (earnings before interest and taxes) increased 93 percent to €1,689 million. All three business areas, especially Chemicals, contributed to this rise.

The Chemicals Business Area developed extremely well in the first nine months. Sales grew 31 percent to €9,593 million thanks to increased volume sales and higher selling prices. EBITDA increased by €707 million to €1,874 million. EBIT grew €710 million to €1,400 million, driven mainly by higher volumes, improved capacity utilization and better margins.

Evonik expects the business trend to remain positive in the fourth quarter, with the sales growth to be more than 20 percent.

In the Greater China region, Evonik achieved its 2010 sales target of €1 billion already by the end of October. Regional sales of the first ten months reached €1,03 billion, almost 50% increase compared to that of 2009. "I highly appreciate this outstanding accomplishment by all the employees in the Greater China region. China is an important driver of our Group's growth strategy, and we look forward to continuing support our regional business," said Dr. Klaus Engel, Chairman of the Executive Board of Evonik.

"The result not only reflects the strong technology and market position of Evonik, but also underlines the success of our strategic investments, improvement of our marketing & sales capabilities, local products

innovation and our strong organization in the region,” commented Dr. Dahai Yu, President of the Evonik Greater China region.

### **A holistic approach to achieve €2 billion sales by 2015 in Greater China region**

It is estimated that the Chinese chemical market will contribute to about 20% of the global chemicals market mid-term. Evonik is committed to join this high growth market and aims to realize €2 billion sales in the Greater China region by 2015.

In order to do so, Evonik launched the "Greater China Growth Path" initiative in the fall of 2008, a strategic development plan with comprehensive measures for regional business development. Based on this initiative, Evonik has launched a number of the cross-unit projects for some key industries such as automotive, construction, electronics and lighting etc. Among all the projects, the automotive industry project team is now preparing a project together with Chinese Automotive OEMs to foster Light Weight Design (LWD) development in the region.

### **Investment for further growth under way**

The solid performance was also contributed by the increasing local production bases. Evonik commissioned a new manufacturing plant for precious-metal-powder catalysts in Shanghai (China) in June, 2010. Furthermore, Evonik held the signing ceremony in September for its North China multi-user-site (Northern MUSC) in Liaoyang. This is the second multi-user-site of Evonik in China, with the first one established in the Shanghai Chemical Industry Park (SCIP) in 2004.

At the same time, several strategic investment projects are under way in the Greater China region to ensure that the growth trajectory continues in the long term. Besides the investment into production facilities, Evonik also plans to set up an Advanced Project House for Electronics and Lightings in Taiwan in 2011. This is the ninth project house of Evonik and the first project house to be established outside Germany. The new investment in Taiwan will strengthen Evonik's long-term commitment in the region, and drive forward Evonik's ambitious growth target by boosting innovation in the region.

### **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.

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