

Prospectus dated 5 October 2009



Evonik Industries AG

(a stock corporation (*Aktiengesellschaft*) under the laws of the Federal Republic of Germany ("**Germany**"))

Issue of

EUR [●]

Fixed Rate Notes of 2009/2014

Application has been made to the *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), in its capacity as the competent authority under the Luxembourg "Act on Securities Prospectuses" (*loi relative aux prospectus pour valeurs mobilières*) (the "**Luxembourg Act**"), which implements Directive 2003/71/EC (the "**Prospectus Directive**"), for its approval of this prospectus (the "**Prospectus**"). The CSSF is the competent authority under the Luxembourg Act with regard to the public offer described in the Prospectus.

Evonik Industries AG (the "**Issuer**") has requested the CSSF to provide the competent authorities in Germany, the Republic of Austria ("**Austria**") and The Netherlands with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Luxembourg Act (the "**Notification**"). The Issuer may request the CSSF to provide competent authorities in additional host member states within the European Economic Area with a Notification.

This Prospectus has been approved by the CSSF, has been filed with said authority and will be published in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu).

Application has been made for admission to listing of the Notes on the official list of the Luxembourg Stock Exchange and to trading of the Notes on the Euro MTF operated by the Luxembourg Stock Exchange which is a multilateral trading facility for the purposes of Directive 2004/39/EC and, therefore, not an EU-regulated market.

This Prospectus constitutes a prospectus for purposes of Article 5 of the Prospectus Directive and Article 7 of the Luxembourg Act.

Joint Lead Managers

Deutsche Bank

HSBC

The Royal Bank of Scotland

UniCredit Group (HVB)

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RESPONSIBILITY STATEMENT

Evonik Industries AG with its registered office at Rellinghauser Strasse 1-11, 45128 Essen, Germany, assumes responsibility for the contents of this Prospectus, including any documents incorporated by reference herein, and hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

This Prospectus should be read and understood in conjunction with any supplement hereto and with any other documents incorporated herein by reference.

The Issuer has confirmed to the managers set forth in the section "*Address List*" (each a "**Manager**" and together, the "**Managers**") that this Prospectus contains the information which, according to the particular nature of the Issuer and of the Euro [●] fixed rate notes 2009/2014 (the "**Notes**"), is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses, and prospects of the Issuer, and of the rights attaching to the Notes; that the information contained herein with respect to the Issuer and the Notes is accurate in all material respects and is not misleading; that any opinions and intentions expressed herein are honestly held and based on reasonable assumptions; that there are no other facts, the omission of which would make any statement, whether fact or opinion, in this Prospectus misleading in any material respect; and that all reasonable enquiries have been made to ascertain all facts and to verify the accuracy of all statements contained herein.

No representation, warranty or undertaking, whether expressed or implied, is made, and no responsibility is accepted, by the Managers with respect to the accuracy or completeness of this Prospectus, any supplement thereto or any further information supplied in connection with the Notes. The Managers accept no liability in relation to this Prospectus, any supplement thereto or its distribution or with regard to other information supplied by the Issuer herein, save for mandatory provisions of law.

IMPORTANT NOTICE

General

This Prospectus should be read and understood in conjunction with the documents incorporated by reference herein.

This Prospectus may only be used for the purpose for which it has been published. The distribution of this Prospectus and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. The publication and distribution of this Prospectus constitute neither an offer nor an invitation to submit an offer to persons in jurisdictions in which such an offer or such an invitation to submit offers are not permitted, or to persons to whom making such an offer or such an invitation to submit offers is prohibited by law.

Persons into whose possession this Prospectus, including any documents incorporated by reference herein, comes are required to inform themselves about and observe any such restrictions. For a description of restrictions applicable in the United States of America and the European Economic Area and certain restrictions addressing additional securities laws of the United Kingdom and Italy, see "*Selling Restrictions*".

In particular, the Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "Securities Act") and are subject to tax law requirements of the United States of America; subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States of America or to U.S. persons.

Exclusiveness

No person is authorised to provide any information or make any representations whatsoever in connection with the issue of the Notes that deviate from those contained in this Prospectus including any documents incorporated by reference herein. If such other information is nonetheless provided or other representations are made, these should not be considered authorised by the Issuer (also the "**Company**" and, together with its consolidated subsidiaries, "**Evonik-Group**") or the Managers (as defined herein). Neither the distribution of this Prospectus, nor any sale in connection with the Prospectus, is intended under any circumstances to give the impression that the information contained in this document is accurate at any time after the date of this Prospectus.

In this Prospectus, all references to "€", "**EUR**" or "**euro**" are to the single currency of the member states of the European Union (each an "**EU Member State**" and together, the "**EU Member States**") participating in the third stage of the European Economic and Monetary Union.

Requirements

This Prospectus contains at the date hereof all information which, according to the nature of the Issuer and the Notes, respectively, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and of the rights attached to the Notes.

Significance of Delivery

Neither the delivery of this Prospectus, any documents incorporated by reference herein nor the offering, sale or delivery of any Note shall, in any circumstances, imply that there has been no adverse change in the financial situation of the Issuer since the date hereof.

The delivery of this Prospectus, any documents incorporated by reference herein or the offering, sale or delivery of the Notes does not at any time imply that the information contained herein concerning the Issuer is correct

subsequent to the date hereof or that any other written information delivered in connection therewith is correct subsequent to the date indicated in the document containing the same.

Exclusion

This Prospectus does not constitute an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer or the Managers that any recipient of this Prospectus should subscribe for or purchase any Notes. Each recipient shall be deemed to have made its own investigation and appraisal of the financial condition and affairs as well as of the creditworthiness of the Issuer. This Prospectus may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. This Prospectus is not intended to provide the basis of any credit or other evaluation.

Stabilisation

In connection with the Notes, Deutsche Bank AG, London Branch acting as the stabilising manager (the "**Stabilising Manager**") (or persons acting on behalf of the Stabilising Manager) may over-allot the Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant tranche of Notes and 60 days after the date of the allotment of the relevant tranche of Notes.

Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or person acting on behalf of the Stabilising Manager) in accordance with all applicable laws and regulations.

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SUMMARY OF THE PROSPECTUS

The following constitutes the summary (the "**Summary**") of the essential characteristics and risks associated with Evonik-Group (as defined below) and the Notes. This Summary should be read as an introduction to this Prospectus. Any decision by an investor to invest in the Notes should be based on consideration of this Prospectus as a whole, including the documents incorporated by reference and supplements thereto. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of such court, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches to the Issuer who has tabled this Summary including any translation thereof, and applied for its notification, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. The following description of certain general features of the Notes does not purport to be complete and is taken from and qualified in its entirety by the remainder of this Prospectus.

Words and expressions defined in other parts of this Prospectus and not otherwise defined in this part of the Prospectus shall have the same meanings in this part of the Prospectus.

Summary of the Terms and Conditions of the Notes and General Information

Issuer:	Evonik Industries AG
Joint Lead Managers:.....	Bayerische Hypo- und Vereinsbank AG Deutsche Bank AG, London Branch HSBC Bank plc The Royal Bank of Scotland plc (together, the " Joint Lead Managers " and together with any co-managers, if any, the " Managers ")
Aggregate Principal Amount:.....	EUR [●]
Specified Denomination:.....	EUR 1,000
Currency:.....	Euro (" EUR ")
Issue Date:.....	14 October 2009
Interest:.....	The Notes shall bear interest on their principal amount at the Rate of Interest (as defined below) per annum from, and including, the Issue Date to, but excluding, the Maturity Date. Interest shall be payable in arrear on 14 October in each year (each such date, an " Interest Payment Date "). The first Interest Payment Date shall be 14 October 2010 (the " First Interest Payment Date ").

"**Rate of Interest**" means an amount expressed as a percentage, as determined between the Issuer and the Managers and as published in a notice on the website of the Luxembourg Stock Exchange (www.bourse.lu) on or around 6 October 2009 (the "**Pricing Notice**").

In case the Notes have not been rated by at least two Rating Agencies (as defined below) before the First Interest Payment Date, the Rate of Interest will be increased by 1.25 per cent. per annum from, and including, the First Interest Payment Date to, but excluding, the Maturity Date.

"Rating Agency" means each of Moody's Investor Services, Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, and Fitch Ratings Limited or any successor of such rating agencies.

Maturity Date: Unless previously redeemed in whole or in part or purchased and cancelled, the Notes will be redeemed at their principal amount on 14 October 2014.

Issue Price: The issue price of the Notes (the **"Issue Price"**) will be determined between the Issuer and the Managers on the basis of a bookbuilding process and will be published in the Pricing Notice.

Form: The Notes will be issued in the format of a "new global note". The Notes will initially be represented by a temporary global bearer note (the **"Temporary Global Note"**), without interest coupons, which will be deposited with a common safekeeper for both Euroclear Bank SA/NV (**"Euroclear"**) and Clearstream Banking, société anonyme (**"Clearstream Luxembourg"**), and, together with Euroclear, the **"ICSDs"**) on or around the Issue Date. The Notes have been accepted for clearance through Euroclear and Clearstream Luxembourg. Except as otherwise described herein, interests in the Temporary Global Note will be exchangeable for interests in a permanent global note (the **"Permanent Global Note"** and, each of the Temporary Global Note and the Permanent Global Note, a **"Global Note"** and, together, the **"Global Notes"**) without interest coupons, not earlier than 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership (subject to certain exceptions set forth in the certification).

The Notes are intended to be held in a manner which will allow Eurosystem eligibility. This simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend on satisfaction of the Eurosystem eligibility criteria.

The Notes are being issued in bearer form and will not be represented by definitive Notes.

Principal Paying Agent: Deutsche Bank Aktiengesellschaft

Paying Agent: Deutsche Bank Luxembourg S.A.

Luxembourg Listing Agent: Deutsche Bank Luxembourg S.A.

Status: The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer ranking *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, present and future, unless such obligations are accorded priority under mandatory provisions of statutory law.

Early Redemption: If, as a result of any change in, or amendment to, the laws or regulations prevailing in Germany, certain withholding taxes are levied on payments of principal or interest in respect of the Notes and the Issuer is obliged to pay Additional Amounts (as defined in § 6 of the Terms and Conditions of the Notes), the Issuer may redeem the Notes in whole, but not in part.

Events of Default:	The Terms and Conditions of the Notes provide for certain events of default entitling the Noteholders to demand an early redemption of the Notes.	
Cross-Default:.....	The Terms and Conditions of the Notes provide for a cross-default provision.	
Negative Pledge:	The Terms and Conditions of the Notes provide for a negative pledge provision.	
Change of Control:.....	The Terms and Conditions of the Notes provide for a change of control provision.	
Restrictions on asset disposals:.....	The Terms and Conditions of the Notes provide for certain restrictions on the Issuer to dispose of certain of its assets.	
Schuldverschreibungsgesetz:.....	§ 5 through § 22 of the German Bond Act (<i>Gesetz über Schuldverschreibungen aus Gesamtemissionen vom 31. Juli 2009 (BGBl. I S. 2512)</i> (" SchVG ")), which came into effect on 5 August 2009, shall be applicable in relation to the Notes.	
Offer of the Notes:.....	The Notes will be sold to institutional investors and retail investors in compliance with the public offer restrictions in force. A public offer will be made in Luxembourg, Germany, The Netherlands and Austria following the effectiveness of the Notification of the Prospectus by the CSSF.	
Governing Law:	The Notes are governed by German law.	
Jurisdiction:.....	Non-exclusive place of jurisdiction for any legal proceedings arising under the Notes is Frankfurt am Main.	
Listing and Trading of the Notes:..	Application has been made to admit the Notes to listing on the official list of the Luxembourg Stock Exchange and to trading on the Euro MTF operated by the Luxembourg Stock Exchange.	
Securities Codes:.....	ISIN:	XS0456708212
	Common Code:	045670821
	German Securities Code (WKN):	[●]

Summary of the "Description of the Issuer"

Evonik Industries AG (the "**Issuer**" or the "**Company**" and, together with its consolidated subsidiaries, "**Evonik-Group**") was formed by memorandum of association dated 19 September 1969 as a limited liability company under German law (*Gesellschaft mit beschränkter Haftung*) under the legal name "GMT Chemie-Beteiligung Gesellschaft mit beschränkter Haftung" with its registered office in Düsseldorf, Germany. Today, the Issuer is a stock corporation under German law (*Aktiengesellschaft*) with its registered offices at Rellinghauser Strasse 1-11, 45128 Essen, Germany (Tel.: +49 201 177-01). The Company is registered in the Commercial Register of the Local Court (*Amtsgericht*) of Essen under the number HRB 19474.

Pursuant to section 2 of its Articles of Association (*Satzung*) the object of the Issuer is to manage a group of companies operating principally in the areas of chemicals, energy and real estate. The Company is authorised to undertake all business and other activities connected with the object of the Company or that serve the object of the Company. It may also itself operate in the areas set out above. Within the scope of the object of the Company it may establish, acquire or take stakes in other companies, combine them under uniform

management or confine itself to administration of its stakes, dispose of its stakes and conclude corporate contracts and establish branches.

The following table sets out selected financial information relating to the Issuer. The information has been extracted from the audited consolidated financial statements of the Issuer for the year ended 31 December 2008 and the unaudited semi-annual financial statement of the Issuer for the period ended 30 June 2009. These consolidated financial statements of the Issuer have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU ("**IFRS**").

in EUR million	HY1 2009	HY1 2008*	FY 2008	FY 2007*
Sales	6,281	7,933	15,873	14,444
EBITDA (before non-operating result)	839	1,279	2,171	2,236
EBIT (before non-operating result)	443	873	1,304	1,363
Cash flow from operating activities	809	183	388	1,215
Net financial debt**	3,959	3,808	4,583	3,924
Total assets	18,704	19,419	20,099	19,800
Equity	5,306	5,347	5,192	5,081

* Restated figures.

** The sum of cash and cash equivalents, short term securities, receivables from derivatives, and other financial assets deducted from financial liabilities.

Evonik-Group is an industrial group based in Germany with operations in over 100 countries. Evonik-Group's operations are grouped into three business areas: Chemicals, Energy and Real Estate. The Company is the parent company of a group of companies including the main subsidiaries Evonik Degussa GmbH, Evonik Steag GmbH and Evonik Immobilien GmbH, being sub-entities which comprise all group activities in the business areas Chemicals, Energy and Real Estate.

The Chemicals Business Area bundles Evonik-Group's global specialty chemicals activities, which are divided into the six business units Industrial Chemicals, Inorganic Materials, Consumer Specialties, Health & Nutrition, Coatings & Additives and Performance Polymers. With over 100 production facilities worldwide, Evonik-Group is one of the largest companies in this sector. In the first half of 2009, the Chemicals Business Area generated sales of EUR 4,560 million (first half 2008: EUR 5,873 million) and earnings before interest, taxes, depreciation, amortisation, impairment losses, reversals of impairment losses and other non-operating result ("**EBITDA**") of EUR 628 million (first half 2008: EUR 932 million). In 2008, the Chemicals Business Area generated sales of EUR 11,512 million (2007: EUR 10,571 million) and an EBITDA of EUR 1,600 million (2007: EUR 1,610 million).

Evonik-Group's power and heat generation business and services for power stations are grouped in the Energy Business Area. In the first half of 2009 this business area generated sales of EUR 1,452 million (first half 2008: EUR 1,713 million) and EBITDA of EUR 199 million (first half 2008: EUR 349 million). In 2008, the Energy Business Area generated sales of EUR 3,649 million (2007: EUR 3,024 million) and an EBITDA of EUR 545 million (2007: EUR 581 million). Its core competencies include planning, financing, building and operating highly efficient fossil-fueled power plants.

The Real Estate Business Area manages a portfolio of around 60,000 company-owned residential units concentrated in the federal state of North Rhine-Westphalia ("**NRW**") in Germany. It also has a 50 per cent. stake in THS GmbH, which owns around 75,000 residential units. These are also located predominantly in the federal state of NRW. Evonik-Group is thus one of Germany's leading privately owned residential real estate companies. In the first half of 2009, the Real Estate Business Area generated sales of EUR 184 million (first half 2008: EUR 177 million) and an EBITDA of EUR 84 million (first half 2008: EUR 115 million). In 2008, the Real Estate Business Area generated sales of EUR 375 million (2007: EUR 423 million) and an EBITDA of EUR 217 million (2007: EUR 188 million).

Summary of the Risk Factors

An investment in the Notes involves certain risks relating to the Issuer and the Notes. While all of these risk factors are contingencies which may or may not occur, potential investors should be aware that (i) the ability of the Issuer to fulfil its obligations under the Notes may affect the risks associated with investing in the Notes and/or (ii) a decrease in the market value of the Notes whereby the market value falls short of the expectations (financial or otherwise) of a Noteholder upon making an investment in the Notes may lead to a volatility in the Notes.

Potential investors should consider two main categories of risks, "Risks Relating to the Notes" and "Risks Relating to the Issuer", a summary of which is set out below:

Summary of the Risks relating to the Notes

Risk Factors relating to the Notes comprise, *inter alia*, the following risks:

The market value of the Notes will decrease if the creditworthiness of the Issuer worsens: The materialisation of any of the risks referred to below (see "Summary of the Risks relating to the Issuer") may affect the Issuer's ability fully to perform all obligations under the Notes when they fall due in which case the market value of the Notes may suffer.

The market value of the Notes will decrease if the interest rate level for durations equal to the remaining term of the Notes increases: If interest rates in general or particularly with regard to obligations of corporate debtors or corporate debtors with activities in the industries sector for durations equal to the remaining term of the Notes increase, the market value of the Notes may decrease.

Rating of the Notes: A rating of the Notes, if received at all, may not adequately reflect all risks of the investment in the Notes. Equally, ratings may be suspended, downgraded or withdrawn. Such suspension, downgrading or withdrawal may have an adverse effect on the market value and trading price of the Notes. The Issuer may not receive a rating at all.

There may not be a market for the Notes: Even if a listing is granted, there can be no assurance that there will be sufficient liquidity in the market. If such risk were to materialise, Noteholders may not be able to sell their Notes at fair market value or at all.

Inflation risk: The real yield from an investment is reduced by inflation. The higher the rate of inflation, the lower the real yield on the Notes. If the inflation rate is equal to or higher than the nominal yield, the real yield is zero or even negative.

Credit risk: Noteholders are subject to the risk of a partial or total failure of the Issuer to make interest and/or redemption payments that the Issuer is obliged to make under the Notes. A materialisation of the credit risk may result in partial or total failure of the Issuer to make interest and/or redemption payments.

Risk of early redemption: Noteholders may be exposed to risks connected to the reinvestment of cash proceeds from the sale or early redemption of any Note.

Transaction costs/charges: Incidental costs may significantly reduce or eliminate any profit from holding the Notes.

Suitability: Potential investors should determine whether an investment in the Notes is appropriate in their particular circumstances and should consult with their legal, business and tax advisers to determine the consequences of an investment in the Notes and to arrive at their own evaluations of the investment. If an investment is not suitable for the respective investor, such investor may not take all or some risks inherent with an investment in the Notes into consideration before making an investment decision.

Taxation: Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions.

Independent Review and Advice: A potential investor may not rely on the Issuer, the Managers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above. Without independent review and advice, an investor may not adequately understand the risks inherent with an investment in the Notes and may lose parts or all of his capital invested without taking such or other risks into consideration before investing in the Notes.

Summary of the Risks relating to the Issuer

Risk Factors relating to the Issuer comprise, *inter alia*, the following risks:

Market and competition risks: As an industrial group active in the chemicals, energy and residential real estate industries, Evonik-Group is subject to economic risks, competition risks and the risks typical for these industry sectors.

Risks arising from the global financial and economic crisis: Evonik-Group has registered a pronounced decline in demand and sales. If the global financial and economic crisis continues longer than expected or worsens even further, this could have negative effects on Evonik-Group.

Procurement risks: The Chemicals and Energy Business Areas depend on the developments of the German and international markets for a wide variety of raw materials, in particular crude oil and hard coal, as well as for energy and raw materials logistics. Negative changes to those markets may result in increased costs or even shortages.

Concentration risks: Certain of Evonik-Group's business areas operate in market segments that are highly consolidated, exposing those business areas to concentration risks.

Research and development risk: The success of the Chemicals Business Area depends to a large extent on its ability to develop new, innovative, customer-oriented and competitive products and to produce the same in a cost-effective manner in order to successfully sell them.

Regulatory Risk: Changes to the legal, regulatory, tax and political conditions may complicate operational procedures, increase costs or require Evonik-Group to abandon certain substances or discontinue certain production methods.

Operational, production and environmental risks: As an industrial group, Evonik-Group is exposed to risks of interruptions in operation, quality problems and unexpected technical difficulties, as well as to product safety, occupational safety and environmental risks.

Exchange rate and interest risks: Evonik-Group is exposed to exchange rate risks where sales proceeds and expenses are being realised in currencies other than the local currency of the relevant group company. Fluctuations in market interest rates, could also have negative effects on the net income of Evonik-Group.

Liquidity risks: Evonik-Group's further business development depends *inter alia* on the ability to fund investments, modernisations and acquisitions in all of its business areas as well as on the refinancing of existing obligations.

Investment risks: Investments undertaken by Evonik-Group can only be operated profitably if their sufficient utilisation is warranted by corresponding demands. Complex investment projects may also be subject to significant cost excesses or delays.

Acquisition and divestment risks: It is possible that potential acquisition targets are misjudged or a company acquired cannot be integrated into the Evonik-Group as expected or at all. In the case of disinvestments, there is a risk that these prove in the retrospect to have been disadvantageous. Evonik-Group could also be subject to claims based on warranty provisions agreed to in divestment agreements.

Legal risks: Evonik-Group is exposed to risks relating to current or threatened legal disputes, administrative proceedings, fines or damage claims, in particular with respect to shareholder compensation, alleged patent breaches, anti-trust infringements, as well as guarantee claims from divestments.

Tax risks: There is a principle risk that the tax authorities may re-assess certain transactions or intra-group services which may increase the tax burden. There is also a risk that existing tax loss carry forwards may not be set-off or will cease to exist.

Pension risks: The pension commitments made by Evonik-Group are, *inter alia*, accounted for by balance sheet reserves in the amount of EUR 3.9 billion as per 31 December 2008. If the actuarial assumptions on which future payments are based change, this could entail a considerable increase of the pension commitments and thus higher allocations to the pension reserves in future years.

Country risks: Evonik-Group faces in some of the countries in which Evonik-Group operates or to which it exports its products a number of political, social, economic, financial and market-related instabilities and may also be subject to currency control regulations as well as currency exchange rules it cannot influence.

Intellectual property rights risks: Insufficient protection of the intellectual property of Evonik-Group may limit its ability to make use of technological advantages reached in a profitable manner or result in a reduction of future profits. Should Evonik-Group not invoke and/or have invoked its rights within the scope of the provisions of the German Employee Invention Act (*Arbeitnehmererfindergesetz*) or similar regulations in other countries there may be a risk of the individual employees eventually becoming owners of the rights relating to the respective invention. Since Evonik-Group's competitors also submit patent applications relating to their inventions to a significant extent and obtain the relevant protection, Evonik-Group may infringe third parties' patents and other intellectual property rights.

Information technology risks: In order to secure its operability in all three business areas Evonik-Group is dependent on the efficient and uninterrupted functionality of its servers and data processing systems. Unauthorised access to private data in its data processing systems may cause damage to Evonik-Group's reputation, constitute infringements of administrative and criminal law and grant the affected persons a right to damage claims against the relevant Evonik-Group company.

GERMAN LANGUAGE VERSION OF THE SUMMARY OF THE PROSPECTUS *ZUSAMMENFASSUNG DES PROSPEKTS*

Der folgende Abschnitt stellt die Zusammenfassung (die "**Zusammenfassung**") der wesentlichen Merkmale und Risiken in Bezug auf die Evonik-Gruppe (wie nachfolgend definiert) und die Schuldverschreibungen dar. Die Zusammenfassung ist als Einleitung zu diesem Prospekt zu verstehen. Ein Anleger sollte jede Entscheidung zur Anlage in die Schuldverschreibungen auf die Prüfung des gesamten Prospekts einschließlich der durch Verweis einbezogenen Dokumente und Nachträgen hierzu stützen. Für den Fall, dass vor einem Gericht Ansprüche auf Grund der in diesem Prospekt enthaltenen Informationen geltend gemacht werden, könnten klagende Anleger auf Grund einzelstaatlicher Rechtsvorschriften die Kosten für eine Übersetzung des Prospekts vor Prozessbeginn zu tragen haben. Die Emittentin, die die Zusammenfassung einschließlich einer Übersetzung dieser vorgelegt und deren Notifizierung beantragt hat, kann haftbar gemacht werden, jedoch nur für den Fall, dass die Zusammenfassung irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit anderen Teilen des Prospekts gelesen wird. Die nachstehende Zusammenfassung der allgemeinen Merkmale ist keine vollständige Darstellung, sondern gehört zum Prospekt und ist im Zusammenhang mit dem Prospekt insgesamt zu lesen.

Wörter und Ausdrücke, die in den anderen Teilen des Prospekts definiert werden und in diesem Teil des Prospekts nicht anders definiert werden, haben die gleiche Bedeutung wie in diesem Teil des Prospekts.

Zusammenfassung der Emissionsbedingungen der Schuldverschreibungen und Allgemeine Informationen

Emittentin:	Evonik Industries AG
Joint Lead Manager:	Bayerische Hypo- und Vereinsbank AG Deutsche Bank AG, London Branch HSBC Bank plc The Royal Bank of Scotland plc (zusammen die " Joint Lead Manager " und zusammen mit Co-Managern, soweit vorhanden, die " Manager ")
Gesamtnennbetrag:	EUR [●]
Nennbetrag:	EUR 1.000
Währung:	Euro (" EUR ")
Begebungstag:	14. Oktober 2009
Zinsen:	Die Schuldverschreibungen werden bezogen auf ihren Nennbetrag mit dem jährlichen Zinssatz (wie nachfolgend definiert) ab dem Begebungstag (einschließlich) bis zum Fälligkeitstag (ausschließlich) verzinst. Die Zinsen sind nachträglich am 14. Oktober eines jeden Jahres (jeweils ein " Zinszahltag ") zahlbar. Der erste Zinszahltag ist der 14. Oktober 2010 (der " Erste Zinszahltag ").

"**Zinssatz**" bezeichnet einen Betrag, ausgedrückt als Prozentsatz, wie zwischen der Anleiheschuldnerin und den Managern festgelegt und wie auf der Internetseite der Luxemburger Börse (www.bourse.lu) am oder um den 6. Oktober 2009 veröffentlicht (die "**Preisfestsetzungsmitteilung**").

Soweit die Schuldverschreibungen nicht durch mindestens zwei Ratingagenturen (wie nachfolgend definiert) vor dem Ersten Zinszahltag

gerated worden sind, erhöht sich der Zinssatz um 1,25 % jährlich vom Ersten Zinszahltag (einschließlich) bis zum Fälligkeitstag (ausschließlich).

"Ratingagenturen" bezeichnet jeweils Moody's Investor Services, Standard & Poor's Rating Services, a division of the McGraw-Hill Companies und Fitch Ratings Limited oder die jeweilige Nachfolge-Ratingagentur dieser Ratingagenturen.

Fälligkeitstag: Sofern die Schuldverschreibungen nicht vorzeitig vollständig oder teilweise zurückgezahlt oder gekauft und entwertet wurden, werden sie zu ihrem Nennbetrag am 14. Oktober 2014 zurückgezahlt.

Emissionspreis: Der Emissionspreis der Schuldverschreibungen (der **"Emissionspreis"**) wird auf der Grundlage eines Bookbuildingverfahrens zwischen der Emittentin und den Managern festgelegt und wird in der Preisfestsetzungsmitteilung veröffentlicht.

Form: Die Schuldverschreibungen werden im Format einer "new global note" begeben und werden zunächst durch eine vorläufige Globalurkunde (die **"Vorläufige Globalurkunde"**) ohne Zinsscheine verbrieft, die bei einem common safekeeper für Euroclear Bank SA/NV (**"Euroclear"**) und Clearstream Banking, société anonyme (**"Clearstream Luxembourg"**), und, zusammen mit Euroclear, die **"ICSDs"**) am oder um den Begebungstag hinterlegt wird. Die Schuldverschreibungen sind für eine Abwicklung durch Euroclear und Clearstream Luxembourg qualifiziert. Ausgenommen unter den hier beschriebenen Umständen wird die Vorläufige Globalurkunde gegen eine Dauerglobalurkunde (die **"Dauerglobalurkunde"** und die Vorläufige Globalurkunde und die Dauerglobalurkunde jeweils eine **"Globalurkunde"** und zusammen die **"Globalurkunden"**) ohne Zinsscheine nicht vor Ablauf von 40 Tagen nach dem Begebungstag unter Bestätigung der sogenannte *non-U.S. beneficial ownership* (vorbehaltlich bestimmter Ausnahmen, die in dieser Bestätigung aufgeführt werden) ausgetauscht.

Die Schuldverschreibungen werden in einer Art und Weise verwahrt, die eine EZB-Fähigkeit ermöglicht. Dies bedeutet, dass die Schuldverschreibungen zum Zeitpunkt ihrer Emission bei einer der internationalen zentralen Verwahrstellen (ICSDs) in ihrer Funktion als common safekeeper eingereicht werden. Das bedeutet nicht notwendiger Weise, dass die Schuldverschreibungen zum Zeitpunkt ihrer Emission oder zu einem anderen Zeitpunkt während ihrer Laufzeit als geeignete Sicherheit im Sinne der Geldpolitik des Eurosystems und für Zwecke der untertägigen Kreditfähigkeit durch das Eurosystem anerkannt werden. Eine solche Anerkennung hängt von der Erfüllung der Kriterien der Eignung des Eurosystems ab.

Die Schuldverschreibungen werden in Form von Inhaberpapieren begeben. Es werden keine effektiven Stücke ausgestellt.

Hauptzahlstelle: Deutsche Bank Aktiengesellschaft

Zahlstelle: Deutsche Bank Luxembourg S.A.

Listing Agent in Luxemburg: Deutsche Bank Luxembourg S.A.

Status: Die Schuldverschreibungen begründen direkte, unbedingte, nicht nachrangige

und unbesicherte Verbindlichkeiten der Emittentin, die untereinander und mit allen anderen gegenwärtigen und zukünftigen unbesicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, soweit diesen Verbindlichkeiten kein Vorrang auf Grund verbindlicher gesetzlicher Vorschriften zukommt.

Vorzeitige Rückzahlung:	Sofern in Folge einer Änderung oder Ergänzung der in Deutschland geltenden Gesetze und Verordnungen eine Quellensteuer auf Zahlungen des Nennbetrags oder der Zinsen in Bezug auf die Schuldverschreibungen erhoben wird und die Emittentin zur Zahlung zusätzlicher Beträge (wie in § 6 der Emissionsbedingungen der Schuldverschreibungen definiert) verpflichtet ist, kann die Emittentin die Schuldverschreibungen vollständig, nicht aber teilweise, zurückzahlen.
Kündigungsgründe:	Die Emissionsbedingungen der Schuldverschreibungen sehen Kündigungsgründe vor, die die Gläubiger berechtigen, eine vorzeitige Rückzahlung der Schuldverschreibungen zu verlangen.
Cross-Default-Klausel:	Die Emissionsbedingungen der Schuldverschreibungen sehen Regelungen bezüglich eines Cross-Defaults vor.
Negativverpflichtung:	Die Emissionsbedingungen der Schuldverschreibungen sehen Regelungen bezüglich einer Negativverpflichtung vor.
Kontrollwechsel:	Die Emissionsbedingungen der Schuldverschreibungen sehen Regelungen bezüglich eines Kontrollwechsels vor.
Beschränkungen von Veräußerungen von Vermögenswerten:	Die Emissionsbedingungen der Schuldverschreibungen sehen Beschränkungen bei Veräußerungen von Vermögenwerten der Emittentin vor.
Schuldverschreibungsgesetz:	§ 5 bis § 22 des Gesetzes über Schuldverschreibungen aus Gesamtemissionen vom 31. Juli 2009 (BGBl. I S. 2512) (" SchVG "), das am 5. August 2009 in Kraft trat, sind in Bezug auf die Schuldverschreibungen anwendbar.
Angebot der Schuldverschreibungen:	Die Schuldverschreibungen werden an institutionelle und private Investoren unter Wahrung der geltenden Verkaufsbeschränkungen für ein öffentliches Angebot angeboten. Ein öffentliches Angebot erfolgt in Luxemburg, Deutschland, den Niederlanden und Österreich, nachdem die Notifizierung durch die CSSF erfolgt ist.
Anwendbares Recht:	Die Schuldverschreibungen unterliegen deutschem Recht.
Gerichtsstand:	Nicht-ausschließlicher Gerichtsstand für alle sich aus den Schuldverschreibungen ergebenden Rechtsstreitigkeiten ist Frankfurt am Main.
Börsenzulassung der Schuldverschreibungen:	Es wurde ein Antrag auf Zulassung der Schuldverschreibungen zur <i>Official List</i> der Luxemburger Wertpapierbörse und zum Handel an der von der Luxemburger Wertpapierbörse betriebenen Euro MTF gestellt.
Wertpapierkennnummern:	ISIN: XS0456708212 Common Code: 045670821 WKN: [●]

Zusammenfassung der Emittentenbeschreibung

Evonik Industries AG (die "**Emittentin**" oder die "**Gesellschaft**" und zusammen mit ihren konsolidierten Tochtergesellschaften die "**Evonik-Gruppe**") wurde mit Gründungsurkunde vom 19. September 1969 als Gesellschaft mit beschränkter Haftung nach deutschem Recht (GmbH) unter der Firma "GMT Chemie-Beteiligung Gesellschaft mit beschränkter Haftung" mit eingetragenem Sitz in Düsseldorf, Deutschland, gegründet. Heute ist die Emittentin eine Aktiengesellschaft nach deutschem Recht mit eingetragenem Sitz in Rellinghauser Straße 1-11, 45128 Essen, Deutschland (Telefon: +49 201 177-01). Die Gesellschaft ist im Handelsregister des Amtsgerichts Essen unter HRB 19474 eingetragen.

Gemäß Ziffer 2 der Satzung besteht der Gegenstand der Emittentin in der Leitung einer Gruppe von Unternehmen, die vor allem auf den Gebieten Chemie, Energie sowie Immobilien tätig ist. Die Gesellschaft ist zu allen Geschäften und Maßnahmen berechtigt, die mit dem Gegenstand des Unternehmens zusammenhängen oder ihm zu dienen geeignet sind. Sie kann auf den oben bezeichneten Gebieten auch selbst tätig werden. Die Gesellschaft kann im Rahmen des Unternehmensgegenstands andere Unternehmen gründen, erwerben, sich an ihnen beteiligen, sie unter einheitlicher Leitung zusammenfassen oder sich auf die Verwaltung von Beteiligungen beschränken, über ihren Beteiligungsbesitz verfügen sowie Unternehmensverträge schließen und Zweigniederlassungen errichten.

Die nachfolgende Tabelle enthält ausgewählte Finanzinformationen der Emittentin. Die Informationen sind dem geprüften Konzernabschluss der Emittentin für das am 31. Dezember 2008 endende Jahr sowie dem ungeprüften Halbjahresabschluss der Emittentin zum 30. Juni 2009 entnommen. Die Konzernabschlüsse der Emittentin wurden im Einklang mit den International Financial Reporting Standards in ihrer durch die EU verabschiedeten Fassung ("**IFRS**") erstellt.

in EUR Mio.	1. HJ 2009	1. HJ 2008*	GJ 2008	GJ 2007*
Umsatz	6.281	7.933	15.873	14.444
EBITDA (vor Sondereinflüssen)	839	1.279	2.171	2.236
EBIT (vor Sondereinflüssen)	443	873	1.304	1.363
Cashflow aus laufender Geschäftstätigkeit	809	183	388	1.215
Nettofinanzschulden**	3.959	3.808	4.583	3.924
Bilanzsumme	18.704	19.419	20.099	19.800
Eigenkapital	5.306	5.347	5.192	5.081

* Angepasste Zahlen.

** Finanzielle Verbindlichkeiten abzüglich der Summe aus flüssigen Mitteln, kurzfristigen Wertpapieren, Forderungen aus Derivaten und sonstigen finanziellen Vermögenswerten.

Die Evonik-Gruppe ist ein in Deutschland ansässiger Industriekonzern mit Aktivitäten in mehr als 100 Ländern. Die Geschäftstätigkeit der Evonik-Gruppe ist in drei Geschäftsfelder unterteilt: Chemie, Energie und Immobilien. Die Gesellschaft ist die Muttergesellschaft einer Gruppe von Gesellschaften einschließlich der wesentlichen Tochtergesellschaften Evonik Degussa GmbH, Evonik Steag GmbH und Evonik Immobilien GmbH, wobei diese Tochtergesellschaften die Konzernaktivitäten in den Geschäftsfeldern Chemie, Energie und Immobilien zusammenfassen.

Das Geschäftsfeld Chemie vereint die Aktivitäten der Evonik-Gruppe im Bereich der Spezialchemie, die in sechs Geschäftsbereiche untergliedert sind: Industrial Chemicals, Inorganic Materials, Consumer Specialties, Health & Nutrition, Coatings & Additives und Performance Polymers. Mit weltweit mehr als 100 Produktionsstätten ist die Evonik-Gruppe eines der größten Unternehmen in diesem Bereich. Im ersten Halbjahr 2009 erzielte das Geschäftsfeld Chemie einen Umsatz von EUR 4.560 Millionen (erstes Halbjahr 2008: EUR 5.873 Millionen) und ein Ergebnis vor Zinsen, Steuern, Abschreibungen, Wertminderungen, Wertaufholungen und sonstigem neutralem

Ergebnis ("**EBITDA**") in Höhe von EUR 628 Millionen (erstes Halbjahr 2008: EUR 932 Millionen). Im Jahr 2008 erzielte das Geschäftsfeld Chemie einen Umsatz in Höhe von EUR 11.512 Millionen (2007: EUR 10.571 Millionen) und ein EBITDA von EUR 1.600 Millionen (2007: EUR 1.610 Millionen).

Die Bereiche Energie und Fernwärme sowie Kraftwerksdienstleistungen sind im Geschäftsfeld Energie der Evonik-Gruppe zusammengefasst. Im ersten Halbjahr von 2009 erzielte das Geschäftsfeld einen Umsatz von EUR 1.452 Millionen (erstes Halbjahr 2008: EUR 1.713 Millionen) und EBITDA von EUR 199 Millionen (erstes Halbjahr 2008: EUR 349 Millionen). In 2008 erzielte das Geschäftsfeld Energie einen Umsatz von EUR 3.649 Millionen (2007: EUR 3.024 Millionen) und ein EBITDA von EUR 545 Millionen (2007: EUR 581 Millionen). Die Kernkompetenzen des Bereichs umfassen die Planung, Finanzierung, Errichtung und den Betrieb von hocheffizienten Kraftwerken, die mit fossilen Brennstoffen betrieben werden.

Das Geschäftsfeld Immobilien verwaltet ein Portfolio von etwa 60.000 im Besitz des Unternehmens befindlichen Wohneinheiten, die im Wesentlichen im Bundesland Nordrhein-Westfalen, Deutschland, liegen. Das Geschäftsfeld hält auch eine 50%ige Beteiligung an der THS GmbH, der etwa 75.000 Wohneinheiten gehören. Diese liegen ebenfalls weitgehend im Bundesland Nordrhein-Westfalen. Damit zählt die Evonik-Gruppe zu den führenden privaten Wohnungsgesellschaften Deutschlands. Im ersten Halbjahr von 2009 erzielte das Geschäftsfeld Immobilien einen Umsatz von EUR 184 Millionen (erstes Halbjahr 2008: EUR 177 Millionen) und EBITDA von EUR 84 Millionen (erstes Halbjahr 2008: EUR 115 Millionen). In 2008 erzielte das Geschäftsfeld Immobilien einen Umsatz von EUR 375 Millionen (2007: EUR 423 Millionen) und ein EBITDA von EUR 217 Millionen (2007: EUR 188 Millionen).

Zusammenfassung der Risikofaktoren

Eine Anlage in die Schuldverschreibungen birgt gewisse Risiken in Bezug auf die Emittentin und die Schuldverschreibungen in sich. Während es sich bei sämtlichen Risikofaktoren um Eventualfälle handelt, die eintreten können oder auch nicht, sollten sich potenzielle Investoren der Tatsache bewusst sein, dass (i) die Fähigkeit der Emittentin zur Erfüllung ihrer Pflichten aus den Schuldverschreibungen möglicherweise durch die mit einer Anlage in die Schuldverschreibungen verbundenen Risiken beeinflusst werden kann bzw. (ii) es zu einer Minderung des Marktwerts der Schuldverschreibungen dergestalt kommen kann, dass der Marktwert hinter den Erwartungen (finanzieller oder sonstiger Art) eines Gläubigers nach der Anlage in die Schuldverschreibungen zurückbleibt und dies zu einer Volatilität in den Schuldverschreibungen führen kann.

Potenzielle Investoren sollten zwei Hauptrisikokategorien, welche als "Risiken in Bezug auf die Schuldverschreibungen" und "Risiken in Bezug auf die Emittentin" nachfolgend zusammengefasst sind, berücksichtigen:

Zusammenfassung der Risiken in Bezug auf die Schuldverschreibungen

Risikofaktoren in Bezug auf die Schuldverschreibungen umfassen, unter anderen, die folgenden Risiken:

Der Marktwert der Schuldverschreibungen wird gemindert, wenn sich die Kreditwürdigkeit der Emittentin verschlechtert: Der Eintritt eines der im Folgenden genannten Risiken (siehe "*Zusammenfassung der Risiken in Bezug auf die Emittentin*") kann die Fähigkeit der Emittentin, alle Verpflichtungen aus den Schuldverschreibungen bei Fälligkeit vollständig zu erfüllen, möglicherweise beeinflussen. Dies kann zu einer Minderung des Marktwerts der Schuldverschreibungen führen.

Der Marktwert der Schuldverschreibungen wird gemindert, wenn das Zinsniveau für Laufzeiten, die der restlichen Laufzeit der Schuldverschreibungen entsprechen, ansteigt: Wenn die Zinssätze im Allgemeinen oder insbesondere im Hinblick auf Verbindlichkeiten von Gesellschaftsschuldnern oder von Gesellschaftsschuldnern mit Geschäftstätigkeiten im Industriesektor für Laufzeiten, die der restlichen Laufzeit der Schuldverschreibung entsprechen, steigen, kann dies zu einer Minderung des Marktwerts der Schuldverschreibungen führen.

Rating der Schuldverschreibungen: Ein Rating der Schuldverschreibungen, falls dieses vorhanden ist, spiegelt möglicherweise nicht sämtliche Risiken einer Anlage in die Schuldverschreibungen wider. Ebenso können Ratings ausgesetzt, herabgestuft oder zurückgezogen werden. Das Aussetzen, Herabstufen oder die Rücknahme eines Ratings können den Marktwert und den Kurs der Schuldverschreibungen beeinträchtigen. Des Weiteren besteht das Risiko, dass die Emittentin gar kein Rating erhält.

Es gibt möglicherweise keinen Markt für die Schuldverschreibungen: Auch wenn eine Börsenzulassung erfolgt ist, ist nicht sichergestellt, ob ein solcher Markt ausreichend liquide ist. Tritt ein solches Risiko ein, sind die Gläubiger möglicherweise nicht in der Lage, ihre Schuldverschreibungen zu einem angemessenen Marktwert bzw. überhaupt zu verkaufen.

Inflationsrisiko: Die reale Rendite aus einer Anlage wird durch Inflation geschmälert. Je höher die Inflationsrate, desto niedriger die reale Rendite einer Schuldverschreibung. Entspricht die Inflationsrate der Nominalrendite oder übersteigt sie diese, ist die reale Rendite null oder gar negativ.

Kreditrisiko: Gläubiger sind dem Risiko ausgesetzt, dass die Emittentin Zins- und/oder Tilgungszahlungen, zu denen sie im Zusammenhang mit der Schuldverschreibung verpflichtet ist, teilweise oder vollumfänglich nicht leisten kann. Konkret spiegelt sich dieses Kreditrisiko darin wider, dass die Emittentin möglicherweise Zins- und/oder Tilgungszahlungen teilweise oder vollumfänglich nicht leisten kann.

Risiko einer vorzeitigen Rückzahlung: Für die Gläubiger bestehen Risiken im Zusammenhang mit der Wiederanlage von Bargeldeinnahmen aus dem Verkauf oder der vorzeitigen Rückzahlung von Schuldverschreibungen.

Transaktionskosten/Gebühren: Nebenkosten können die Erträge aus Schuldverschreibungen erheblich mindern oder gar aufzehren.

Eignung: Potenzielle Investoren sollten feststellen, ob eine Anlage in die Schuldverschreibungen im Hinblick auf deren individuelle Situation geeignet ist und sollten daher ihre Rechts- oder Steuerberater und Wirtschaftsprüfer zu Rate ziehen, um die Folgen einer Anlage in die Schuldverschreibungen zu prüfen und sich ein eigenes Urteil über die Anlage bilden zu können. Sollte eine Anlage für den jeweiligen Investor nicht geeignet sein, berücksichtigt der Investor möglicherweise nicht alle oder einige der mit einer Anlage in die Schuldverschreibungen einhergehenden Risiken, bevor er eine Anlageentscheidung trifft.

Besteuerung: Potenzielle Käufer und Verkäufer der Schuldverschreibungen sollten sich vergegenwärtigen, dass sie gegebenenfalls verpflichtet sind, Steuern oder andere Gebühren oder Abgaben nach Maßgabe der Gesetze und Praktiken desjenigen Landes zu zahlen, in das die Schuldverschreibungen übertragen werden, oder möglicherweise auch nach Maßgabe anderer Rechtsordnungen.

Unabhängige Einschätzung und Beratung: Ein potenzieller Investor kann hinsichtlich der Beurteilung, ob der Erwerb der Schuldverschreibungen rechtmäßig ist oder in Bezug auf andere vorstehend aufgeführte Punkte die Emittentin, den/die Manager oder deren verbundene Unternehmen nicht verantwortlich machen. Ohne eine unabhängige Überprüfung bzw. Beratung ist der Investor möglicherweise nicht in der Lage, die Risiken, die mit einer Anlage in die Schuldverschreibungen verbunden sind, ausreichend zu erkennen und kann daher einen teilweisen oder vollständigen Verlust seines Kapitals erleiden, das er investiert hat, ohne vor einer Anlage in die Schuldverschreibungen diese oder andere Risiken in Betracht gezogen zu haben.

Zusammenfassung der Risiken in Bezug auf die Emittentin

Risikofaktoren in Bezug auf die Emittenten umfassen, unter anderen, die folgenden Risiken:

Markt- und Wettbewerbsrisiken: Als Industriekonzern mit Schwerpunkt im Chemie-, Energie- und

Wohnimmobiliensektor unterliegt die Evonik-Gruppe wirtschaftlichen Risiken, Wettbewerbsrisiken und den für diese Branchen typischen Risiken.

Risiken auf Grund der weltweiten Finanz- und Wirtschaftskrise: Die Evonik-Gruppe hat einen deutlichen Nachfrage- und Umsatzrückgang verzeichnet. Sollte die internationale Finanz- und Wirtschaftskrise länger andauern als erwartet oder sich noch weiter verstärken, könnte dies negative Auswirkungen auf die Evonik-Gruppe haben.

Beschaffungsrisiken: Sowohl das Geschäftsfeld Chemie als auch Energie hängen von der Entwicklung auf den deutschen und internationalen Märkten für eine Vielzahl von Rohstoffen, insbesondere bei Rohöl und Steinkohle, sowie Energie und Rohstofflogistik ab. Negative Veränderungen auf diesen Märkten können zu erhöhten Kosten oder sogar einer Verknappung führen.

Konzentrationsrisiken: Bestimmte Geschäftsbereiche der Evonik-Gruppe sind auf Marktsegmenten tätig, die stark konsolidiert sind, wodurch die Geschäftsbereiche einem erhöhten Konzentrationsrisiko ausgesetzt sind.

Forschungs- und Entwicklungsrisiko: Der Erfolg des Geschäftsfelds Chemie hängt weitgehend von der Fähigkeit ab, neue und innovative kundenorientierte und wettbewerbsfähige Produkte zu entwickeln und diese in kosteneffizienter Weise herzustellen, um sie erfolgreich zu vermarkten.

Regulierungsrisiko: Änderungen der rechtlichen, behördlichen, steuerlichen und politischen Rahmenbedingungen können zu komplexeren betrieblichen Abläufen und höheren Kosten führen und es erforderlich machen, dass die Evonik-Gruppe bestimmte Stoffe nicht mehr herstellt oder bestimmte Produktionsmethoden einstellt.

Betriebs-, Produktions- und Umweltrisiken: Als Industriekonzern unterliegt die Evonik-Gruppe dem Risiko von Betriebsstörungen, Qualitätsproblemen und unerwarteten technischen Schwierigkeiten sowie mit Produkt- und Arbeitssicherheit und Umweltfragen verbundenen Risiken.

Währungs- und Zinsrisiko: Die Evonik-Gruppe ist Währungsrisiken ausgesetzt, wenn Umsatzerlöse und Aufwendungen in anderen Währungen als der Lokalwährung der jeweiligen Gesellschaften realisiert werden. Schwankungen bei den marktüblichen Zinssätzen können ebenfalls negative Auswirkungen auf das Nettoergebnis der Evonik-Gruppe haben.

Liquiditätsrisiko: Die weitere Geschäftsentwicklung der Evonik-Gruppe hängt unter anderem auch von der Möglichkeit der Finanzierung von Investitionen, Modernisierungen und Akquisitionen in allen drei Geschäftsfeldern sowie der Refinanzierung bestehender Verbindlichkeiten ab.

Investitionsrisiken: Die von der Evonik-Gruppe vorgenommenen Investitionen können nur gewinnbringend eingesetzt werden, wenn eine ausreichende Auslastung durch entsprechende Nachfrage gewährleistet ist. Komplexe Investitionsprojekte unterliegen zudem der Gefahr erheblicher Kostenüberschreitungen oder Verzögerungen.

Akquisitions- und Veräußerungsrisiken: Es ist möglich, dass zum Erwerb vorgesehene Zielgesellschaften falsch beurteilt werden und eine erworbene Gesellschaft nicht wie erwartet oder gar nicht in die Evonik-Gruppe integriert werden kann. Im Fall von Veräußerungen besteht das Risiko, dass diese sich im Nachhinein als nachteilig herausstellen. Die Evonik-Gruppe kann außerdem Ansprüchen aus Gewährleistungspflichten im Rahmen von Veräußerungsverträgen ausgesetzt sein.

Rechtliche Risiken: Die Evonik-Gruppe ist Risiken aus drohenden oder anhängigen Rechtsstreitigkeiten, Verwaltungsverfahren, Geldbußen oder Schadensersatzansprüchen, insbesondere im Hinblick auf Ausgleichszahlungen an Gesellschafter, behauptete Patentverletzungen, Kartellverstöße sowie Gewährleistungsansprüche aus Veräußerungen ausgesetzt.

Steuerliche Risiken: Es besteht das grundsätzliche Risiko, dass die Steuerbehörden bestimmte Transaktionen oder

konzerninterne Leistungen neu bewerten, was zu einer zusätzlichen steuerlichen Belastung führen kann. Zudem besteht das Risiko, dass bestehende Verlustvorträge nicht geltend gemacht werden können oder erlöschen.

Pensionsrisiken: Die Pensionsverpflichtungen der Evonik-Gruppe sind unter anderem durch Bilanzrückstellungen zum 31. Dezember 2008 in Höhe von EUR 3,9 Mrd. gedeckt. Wenn sich die versicherungsmathematischen Annahmen verändern, auf denen künftige Zahlungen beruhen, kann dies zu einer erheblichen Erhöhung der Pensionsverpflichtungen und damit zu höheren Zuführungen zu den Pensionsrückstellungen in den nächsten Jahren führen.

Länderrisiken: In einigen Ländern, in denen die Evonik-Gruppe tätig ist oder in die es ihre Produkte exportiert, herrschen zum Teil politische, soziale, volkswirtschaftliche, finanzielle und marktbezogene Instabilitäten. Die Evonik-Gruppe könnte zudem Währungskontroll- und Wechselkursbestimmungen ausgesetzt sein, die nicht ohne weiteres beeinflussbar sind.

Mit gewerblichen Schutzrechten verbundene Risiken: Unzureichender Schutz der gewerblichen Schutzrechte der Evonik-Gruppe kann deren Möglichkeiten einschränken, erzielte Technologievorsprünge gewinnbringend zu nutzen oder zu einer Minderung künftiger Erträge führen. Sollte die Evonik-Gruppe ihre Rechte im Rahmen des Arbeitnehmererfindergesetzes oder ähnlicher Vorschriften in anderen Staaten nicht geltend machen oder hat die Evonik-Gruppe diese nicht geltend gemacht, besteht das Risiko, dass der einzelne Arbeitnehmer Eigentümer der die jeweilige Erfindung betreffenden Rechte wird. Es kann auch nicht ausgeschlossen werden, dass die Evonik-Gruppe Patente oder sonstige Schutzrechte Dritter verletzt, da auch ihre Wettbewerber in signifikantem Umfang Erfindungen zum Schutzrecht anmelden und hierauf Schutz erhalten.

Risiken der Informationstechnologie: Die Evonik-Gruppe ist zur Aufrechterhaltung ihres Betriebs in allen drei Geschäftsfeldern auf die effiziente und unterbrechungsfreie Funktion ihrer Server und Datenverarbeitungssysteme angewiesen. Ein unberechtigter Zugang zu persönlichen Daten in den Datenverarbeitungssystemen der Evonik-Gruppe könnte den Ruf der Evonik-Gruppe schädigen, verwaltungs- und strafrechtliche Verstöße darstellen und den betroffenen, geschützten Personen ein Recht auf Schadenersatz gegen die betreffende Gesellschaft der Evonik-Gruppe gewähren.

RISK FACTORS

Before deciding to purchase the Notes, investors should carefully review and consider the following risk factors and the other information contained in this Prospectus. Should one or more of the risks described below materialise, this may have a material adverse effect on the cash flows, results of operations and financial condition of Evonik-Group. Moreover, if any of these risks occur, the market value of the Notes and the likelihood that the Issuer will be in a position to fulfill its payment obligations under the Notes may decrease, in which case the Noteholders could lose all or part of their investments. Investors should note that the risks discussed below may not prove to be exhaustive and, therefore, may not be the only risks to which the Issuer and Evonik-Group are exposed. Additional risks and uncertainties, which are not currently known to the Issuer or which the Issuer currently believes are immaterial, could likewise impair the business operations of the Issuer or Evonik-Group and have a material adverse effect on their cash flows, results of operations and their financial condition. The order in which the risks are presented does not reflect the likelihood of their occurrence or the magnitude of their potential impact on the cash flows, results of operations and financial condition of Evonik-Group.

Words and expressions defined in other parts of this Prospectus and not otherwise defined in this part of the Prospectus shall have the same meanings in this part of the Prospectus.

The information in this section "Risk Factors" includes risk factors relating to:

1. the Notes; and
2. the Issuer.

Risks relating to the Notes

The market value of the Notes may decrease if the creditworthiness of the Issuer worsens

The materialisation of any of the risks referred to below (see "Risks relating to the Issuer") may affect the Issuer's ability fully to perform all obligations under the Notes when they fall due in which case the market value of the Notes may suffer. In addition, even if the likelihood that the Issuer will be in a position fully to perform all obligations under the Notes when they fall due actually has not decreased, market participants could nevertheless be of that opinion. Market participants may in particular be of such opinion if any of the rating agencies decreases the rating (if received at all) assigned to long-term debt of the Issuer, or if no rating agency assigns a rating to the Issuer or if market participants' assessment of the creditworthiness of corporate debtors in general or debtors operating in the industries sector adversely change.

If any of these risks occur, third parties would only be willing to purchase Notes for a lower price than before the materialisation of said risk. The market value of the Notes may therefore decrease.

The market value of the Notes may decrease if the interest rate level for durations equal to the remaining term of the Notes increases

If interest rates in general or particularly with regard to obligations of corporate debtors or corporate debtors with activities in the industries sector for durations equal to the remaining term of the Notes increase, the market value of the Notes may decrease. The longer the remaining term of a debt instrument, the stronger is its market value affected by changes of the interest rate level. As the term of the Notes is five years, changes in interest rates will have a strong impact on the market value of the Notes. There are further factors which may affect the market value of the Notes, including, but not limited to global or national economic factors and crises in the global or national financial or corporate sector.

Rating of the Notes

A rating of the Notes, if received at all, may not adequately reflect all risks of the investment in the Notes. Equally, ratings may be suspended, downgraded or withdrawn. Such suspension, downgrading or withdrawal may have an adverse effect on the market value and trading price of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. The Issuer may not receive a rating at all.

There may not be a market for the Notes

Prior to the issue of the Notes, there has been no public market for the Notes. Application has been made for the Notes to be admitted to listing on the official list of the Luxembourg Stock Exchange and to trading on the Euro MTF operated by the Luxembourg Stock Exchange. The issue of the Notes is not conditional upon such listing and trading being granted. No assurances can be given that such listing will be obtained. In addition, even if a listing is granted there can be no assurance that there will be sufficient liquidity in the market. If any of these risks were to materialise, Noteholders may not be able to sell their Notes at fair market value or at all.

Inflation Risk

The inflation risk is the risk of future money depreciation. The real yield from an investment is reduced by inflation. The higher the rate of inflation, the lower the real yield on the Notes. If the inflation rate is equal to or higher than the nominal yield, the real yield is zero or even negative.

Credit Risk

Any person who purchases the Notes is relying on the creditworthiness of the Issuer and has no rights against any other person. Noteholders are subject to the risk of a partial or total failure of the Issuer to make interest and/or redemption payments that the Issuer is obliged to make under the Notes. The worse the creditworthiness of the Issuer, the higher the risk of loss (see also "*Risks relating to the Issuer*" below).

A materialisation of the credit risk may result in partial or total failure of the Issuer to make interest and/or redemption payments.

Risk of early redemption

In the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Germany or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Terms and Conditions of the Notes. Noteholders may be exposed to risks connected to the reinvestment of cash proceeds from the sale or early redemption of any Note.

Transaction Costs/Charges

When the Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the purchase or sale price of the Note. Credit institutions as a rule charge commissions which are either fixed minimum commissions or pro-rata commissions, depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Noteholders may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs). These incidental costs may significantly reduce or eliminate any profit from holding the Notes.

Suitability

Potential investors should determine whether an investment in the Notes is appropriate in their particular circumstances and should consult with their legal, business and tax advisers to determine the consequences of an investment in the Notes and to arrive at their own evaluations of the investment.

Investment in the Notes is only suitable for investors who:

- (i) have the requisite knowledge and experience in financial and business matters to evaluate the merits and risks of an investment in the Notes;
- (ii) are capable of bearing the economic risk of an investment in the Notes for an indefinite period of time;
- (iii) are acquiring the Notes for their own account for investment, not with a view to resale (unless investors are capable of bearing the risk of a possible decline of the market value of the Notes), distribution or other disposition of the Notes (subject to any applicable law requiring that the disposition of the investor's property be within its control); and
- (iv) will recognise that it may not be possible to make any transfer of the Notes for a substantial period of time, if at all.

If an investment is not suitable for the respective investor, such investor may not take all or some risks inherent with an investment in the Notes into consideration before making an investment decision.

Taxation

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Notes. Potential investors are advised not to rely on the tax summary contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Notes. Only these advisors are in a position duly to consider the specific situation of the potential investor. These risk factors have to be read in connection with the section "Taxation" of this Prospectus.

Independent Review and Advice

Each potential investor in Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Notes as principal or in a fiduciary capacity) and is a fit, proper and suitable investment for it (or if it is acquiring the Notes in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

A potential investor may not rely on the Issuer, the Managers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

Without independent review and advice, an investor may not adequately understand the risks inherent with an investment in the Notes and may lose parts or all of his capital invested without taking such or other risks into consideration before investing in the Notes.

Risks relating to the Issuer

Market and competition risks

Evonik-Group is inherently exposed to the general economic risks of the countries and regions in which it operates. As an industrial group active in the chemicals, energy and residential real estate industries, Evonik-Group is subject to economic risks and the risks typical for these industry sectors.

The volatility and cyclicity of the global chemical markets and their dependence on developments in customer industries harbour opportunities and risks with respect to the business volume of Evonik-Group's Chemicals Business Area. In addition, Evonik-Group's risk profile is influenced by structural changes in markets, such as the entry of new suppliers, the migration of customers to countries with lower costs, and product substitution or market consolidation trends in some sectors.

Declining electricity and coal prices and lower demand are risk factors in the Energy Business Area and are greatly influenced by the overall economic development in Germany and the foreign countries in which the Energy Business Area operates power plants.

The value and earning power of the residential real estate portfolio of the Real Estate Business Area is mainly influenced by regional or demographic factors in the federal state of North Rhine-Westphalia, where its portfolio is concentrated. Downturns in the regional economy, structural changes in its regional industry and hence increases in unemployment, decreases of purchasing power and demographic changes such as migration to other regions as well as a general decrease of population, could negatively affect the Real Estate Business Area.

Risks arising from the global financial and economic crisis

Following the sharp drop in sales from November 2008 in the wake of the global financial and economic crisis, the Chemicals Business Area of Evonik-Group has registered a pronounced decline in demand around the world. But also the demand for electricity and steam produced in the Energy Business Area's coal-fired power plants has decreased. In its Real Estate Business Area Evonik-Group has witnessed difficulties in the sales of residential real estate, mainly due to the restricted financing opportunities.

If the measures to increase its competitiveness and reduce costs currently planned or already introduced by Evonik-Group also in response to the global financial and economic crisis prove to be ineffective or insufficient or if the crisis continues longer than expected or worsens even further, this may have an adverse effect on the asset, financial and profit situation of Evonik-Group.

Procurement risks

The Chemicals Business Area requires a wide variety of raw materials, in particular crude oil, and considerable amounts of energy for its business activities. The Energy Business Area largely depends on the developments of the German and international markets for hard coal and raw materials logistics with regard to the operation of the hard coal-fired power plants as well as the coal trading activities.

Negative changes to those markets, such as crude oil or hard coal shortages, a rise in the energy prices or disadvantageous modifications to the trade and customs regulations may result in increased costs. It is uncertain whether Evonik-Group will be able to fully pass on such additional costs to its customers, which may result in a reduction of the margins to be achieved in the Chemicals and Energy Business Areas.

In particular, Evonik-Group endeavours to compensate for the negative effects of such dependencies by means of long-term supply agreements for crude oil, hard coal, energy and other raw materials needed. On the other side, purchasing commitments under these long-term supply agreements may negatively affect

Evonik-Group when demand for chemical products from the Chemicals Business Area or for power supply generated from hard coal by its Energy Business Area is low.

Concentration risks

Certain of Evonik-Group's business areas operate in market segments that are highly consolidated, exposing those business areas to concentration risks.

In the Chemicals Business Area, for instance, certain business units focus on key customers with large demand quantities in markets with a globally high level of consolidation.

The sales proceeds of the Energy Business Area are mainly based on agreements concluded with a limited number of customers. The limited number of energy suppliers active on the German market and of industrial customers buying power and heat as well as the fact that the Energy Business Area supplies the power generated in its foreign plants to state-owned power suppliers may result in power and heat being sold at less favourable terms or not at all if a customer relationship is impaired.

If Evonik-Group loses one or more key clients in its Chemicals or Energy Business Areas, Evonik-Group's asset, financial and profit situation may be adversely affected.

Research and development risk

The success of the Chemicals Business Area depends to a large extent on its ability to develop new, innovative, customer-oriented and competitive products and to produce the same in a cost-effective manner in order to successfully sell them. Should Evonik-Group not be able to substantially maintain or further develop the product portfolio of the Chemicals Business Area, customers may elect to source comparable products from competitors, which could have a detrimental impact on the asset, financial and profit situation of Evonik-Group as well as its general business activities. The same applies to Evonik-Group becoming unable to maintain existing customer relations or to offer bespoke innovative solutions to its customers.

In the future, alternative materials, procedures or technologies may be developed or existing ones may be improved the use of which can facilitate the production of new products replacing those currently offered in the Chemicals Business Area. If such newly developed or further improved products are being offered at lower prices, have preferable features or other advantages, resulting in particular from regulatory measures, and Evonik-Group is not able to offer similar new or improved products this may cause material sales losses having a detrimental impact on the asset, financial and profit situation of Evonik-Group.

Regulatory Risk

Evonik-Group's business areas conduct their activities in the context of vast, constantly changing and partly highly complex legal and regulatory, national and international conditions. The regulatory framework includes, in particular, provisions on environmental protection, as well as chemicals and hazardous substances, provisions governing the energy sector, construction, lease and condominium as well as tax law. Moreover, Evonik-Group has to observe numerous national and international safety and administration rules as well as related procedures and standards regarding the construction, operation and maintenance of production sites, power plants and other buildings, machines and plants required for its business activities.

Certain raw materials that are subject to authorisation under the EU Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals ("**REACH**") may no longer be available in the future, so alternatives will have to be found. In the Chemicals and Energy Business Areas, the energy policy framework could have a detrimental effect. This applies, in particular, to future regulatory measures to reduce carbon dioxide ("**CO₂**") emissions further. Moreover, plans to allocate all CO₂ allowances – even for new plants – by auction from 2013 will hamper the economical and competitive construction of new chemical and coal-fired power plants in Germany and abroad, in particular if a sufficient amount of emission

certificates is not available or cannot be acquired at acceptable terms. These and other changes to the legal, regulatory, tax and political conditions may complicate operational procedures, increase costs or require Evonik-Group to abandon certain substances or discontinue certain production methods.

Operational, production and environmental risks

As an industrial group, Evonik-Group is exposed to risks of interruptions in operation, quality problems and unexpected technical difficulties, as well as to product safety, occupational safety and environmental risks.

Despite the high technical and safety standards Evonik-Group applies to the construction, operation and maintenance of its production sites in the Chemicals Business Area as well as to its power plants in the Energy Business Area the risk of operational disturbances cannot be excluded. These may be caused both by external factors, which Evonik-Group is unable to influence, such as natural disasters, war, acts of terrorism, strikes, official orders, technical interruptions or material defects, or accidents or other mistakes in internal procedures such as fire, explosion, release of toxic or hazardous substances. In all of these cases humans, third party property or the environment may sustain damages resulting in material financial liabilities for Evonik-Group. Damage of this kind may entail civil or criminal law consequences as well as the drop out of the relevant production site or power plant.

The product portfolio of the Chemicals Business Area also includes hazardous substances. It cannot be excluded that products of the Chemicals Business Area that are currently classified as harmless will be classified as dangerous in the future or that product characteristics that are not known today or mistakes in the production process cause impairments of health.

Furthermore, Evonik-Group possesses a number of properties which are or were being used industrially (including landfills) and it cannot be ruled out that Evonik-Group will be liable for existing pollution on or in the environment of such properties. Due to historical deposit landfills may require a considerable amount of redevelopment. Environmental liabilities may also occur with regard to property sold to third parties in the past. Moreover, Evonik-Group may be held liable as polluter or legal successor of the polluter regardless of the ownership in the property involved.

Evonik-Group has taken out the necessary property, third party and advance loss of profit insurances in the scope customary in the sector and has made appropriate provisions where required. However, the insurance cover may be insufficient or provisions made may prove insufficient to cover for all claims, financial disadvantages and losses arising from such risks.

Exchange rate and interest risks

In the Chemicals and Energy Business Areas Evonik-Group acts internationally and generates a considerable part of its turnover in currencies other than the local currencies of its respective companies. Currency risks occur if sales proceeds and expenses are being realised in currencies other than the local currency of the relevant group company (transactional risk). Since Evonik-Group operates most of its plants in the Euro zone, it is subject to risks related to fluctuations in currency exchange rates, in particular between the Euro and the US dollar. At the same time, Evonik-Group may face competitive disadvantages with regard to certain competitors based on the fact that they manufacture and sell locally, in particular in countries where prices are attached to the US dollar.

Evonik-Group seeks to limit the transactional risks caused by fluctuations in currency exchange rates by engaging in rate hedging transactions. Nevertheless, there is no guaranty that this strategy will always be successful. In addition, rate hedging transactions may cause considerable costs.

Evonik-Group's consolidated balance sheet is prepared in Euros. However, many of the Evonik-Group companies are based outside the Euro zone. Therefore, changes of the relevant average exchange rates will

also affect the turnover, results and assets indicated in Euros in Evonik-Group's consolidated balance sheet from period to period.

Fluctuations in market interest rates, could have negative effects on the net income of Evonik-Group.

Liquidity risks

Evonik-Group's further business development depends *inter alia* on the ability to fund investments, modernisations and acquisitions in all of its business areas as well as on the refinancing of existing obligations. Evonik-Group has credit lines available, including a EUR 2.25 billion revolving credit facility available to the Company, the terms of which require also that certain financial covenants are met. However, Evonik-Group cannot warrant in advance that the necessary funding will be available at the relevant point in time or at acceptable terms. Additionally, if the current financial and economic crisis continues for a longer period of time, Evonik-Group may find its opportunities for financing and the terms of any financing adversely affected.

Investment risks

Many investments undertaken by Evonik-Group require high initial expenditures as well as ongoing expenditures for modernisation and expansion. Such investments can only be operated profitably if their sufficient utilisation is warranted by corresponding demands. Should Evonik-Group build up overcapacities that remain unused due to erroneous assessments of the market development this could jeopardise Evonik-Group's profitability to a considerable extent.

Based on circumstances, which are not necessarily in Evonik-Group's sphere of influence, complex investment projects such as new chemical facilities or power plants may be subject to significant cost excesses or delays despite diligent planning. Evonik-Group cannot rule out that defects or other external factors may cause interruptions in the operation after the construction has been completed.

Acquisition and divestment risks

In order to improve its competitive position Evonik-Group may make selective acquisitions. Such acquisitions are preceded by an assessment and approval process consisting of several steps and stages. Despite this risk monitoring mechanism, it is possible that potential acquisition targets are misjudged or a company acquired cannot be integrated into the Evonik-Group as expected or at all.

In the case of disinvestments, there is a risk that these prove in the retrospect to have partially negative effects on Evonik-Group's business activities or that the expected positive effects do not occur or not to the extent envisaged. Synergy effects, for instance, that have not been recognised or were wrongly assessed may cease to exist. Evonik-Group could also be subject to claims based on warranty provisions agreed to in divestment agreements.

Legal risks

Evonik-Group is exposed to risks relating to current or threatened legal disputes, administrative proceedings, fines or damage claims, in particular with respect to shareholder compensation, alleged patent breaches, anti-trust infringements, as well as guarantee claims from divestments. In its operating business, Evonik-Group is exposed to liability risks, especially in connection with product liability and environmental law. The outcome of individual proceedings cannot be predicted with assurance due to the uncertainties always associated with legal disputes and administrative proceedings. To the extent necessary in light of the known circumstances in each case, Evonik-Group has set up risk provisions for the event of an unfavourable outcome of such disputes and proceedings.

Evonik-Group could face risks relating to antitrust investigations brought by regulatory authorities or competitors concerning the Chemicals and Energy Business Areas. In particular, the German energy market,

in which the Energy Business Area operates, is highly regulated and subject to constant supervision by the German Federal Network Agency (*Bundesnetzagentur*) and other government authorities, including recently initiated sector enquiries by the German Federal Cartel Office (*Bundeskartellamt*). Any actions initiated by government authorities may include fines, sanctions and other measures and may entail third party claims for damages.

The realisation of one or more legal risks, in particular should the current provisions made and insurances taken out prove to be insufficient, could have materially adverse effects on the asset, financial and profit situation of Evonik-Group.

Tax risks

There is a principle risk that the tax authorities carrying out tax audits in the future may not concur with previous tax assessments with regard to certain transactions or the intra-group performance of services. Accordingly, the tax authorities may re-assess these transactions or intra-group services which may increase the tax burden. Evonik-Group considers the provisions made for risks of this kind to be sufficient. There is also a risk that existing tax loss carry forwards may not be set-off or will cease to exist. Should Evonik-Group be requested to pay taxes for prior years or should the extent or manner of offsetting existing loss carry forwards be limited or should the taxation be increased as a consequence of the interest barrier rules (*Zinsschrankenregelung*) this would have a detrimental impact on the asset, financial and profit situation of Evonik-Group.

Pension risks

Evonik-Group has made certain pension commitments to its existing and some of its previous employees. These commitments are partially covered by a pensions scheme, by pensions funds, special purpose funds and insurance policies. The remainder is being accounted for by balance sheet reserves in the amount of EUR 3.9 billion as per 31 December 2008. The amount of the obligations is based on certain actuarial assumptions, which Evonik-Group considers reasonable, including discount factors, life expectancy, pension trends, future salary development as well as expected interest rates applicable to the plan assets. If the actual results deviate from these assumptions, in particular with regard to the discount factors, this will entail a considerable increase of the pension commitments and thus to higher allocations to the pension reserves in future years. This applies in particular in case of a reduction of the present value factor or an increase in the pension increase/inflation rate or salary raises.

Country risks

Evonik-Group operates its Chemicals and Energy Business Areas in numerous countries and distributes its products and services globally. The general conditions in some of the countries in which Evonik-Group operates or to which it exports its products are different to those in Western Europe and the economic, political or legal situation is less stable. Evonik-Group therefore faces a number of political, social, economic, financial and market-related instabilities in those countries and may also be subject to currency control regulations as well as currency exchange rules it cannot influence. These factors include the risk of possible nationalisations. Evonik-Group's operations may also be jeopardised by insufficient infrastructure, trade limits or under-developed legal and administrative systems.

Intellectual property rights risks

Evonik-Group possesses a large number of patent and other intellectual property rights in the Chemicals and Energy Business Areas. Evonik-Group attaches the same significance to non-patentable or not patented business secrets as well as confidential and non-confidential know how, which are important for Evonik-Group's continued success. Insufficient protection of the intellectual property of Evonik-Group may limit its ability to make use of technological advantages reached in a profitable manner or result in a reduction of

future profits. This may cause competitive restrictions for Evonik-Group with a detrimental impact on the asset, financial and profit situation of Evonik-Group as well as its general business activities.

Should Evonik-Group not invoke and/or have invoked its rights within the scope of the provisions of the German Employee Invention Act (*Arbeitnehmererfindergesetz*) or similar regulations in other countries there may be a risk of the individual employees eventually becoming owners of the rights relating to the respective invention. Evonik-Group would then have to acquire license rights from these employees or obtain licenses for similar/alternative technologies from third parties in order to be permitted to use these technologies or procedures. Furthermore, employee inventors may raise remuneration claims against Evonik-Group for inventions made by them in the course of their employment.

Since Evonik-Group's competitors also submit patent applications relating to their inventions to a significant extent and obtain the relevant protection, Evonik-Group may infringe third parties' patents and other intellectual property rights. Evonik-Group may have to rely on using third parties' technologies by acquiring the relevant licenses which would entail license fees and other costs. Possible supply and production restrictions due to patent infringements or the subsequent acquisition of the relevant licenses may have a detrimental impact on the asset, financial and profit situation of Evonik-Group as well as its general business activities.

Information technology risks

In order to secure its operability in all three business areas Evonik-Group is dependent on the efficient and uninterrupted functionality of its servers and data processing systems. Given that the latter are, however, particularly susceptible to interferences, damages, breakdowns, computer viruses, fires and similar events as well as attacks by computer hackers, an interruption or breakdown of the operations cannot entirely be ruled out despite the comprehensive control, monitoring and security systems. If an interruption or breakdown of Evonik-Group's servers or data processing systems occurs affecting the operation of one or more business areas at Evonik-Group this may have a detrimental impact on the asset, financial and profit situation of Evonik-Group as well as its general business activities.

Evonik-Group stores and uses a large amount of private data in its data processing systems, in particular in connection with the administration of lessee data in the Real Estate Business Area and all of the employee-related information of the entire group. It is thus subject to the Federal Data Protection Act (*Bundesdatenschutzgesetz*) and similar regulations. Unauthorised access to such information by a third party may cause damage to Evonik-Group's reputation, constitute infringements of administrative and criminal law and grant the affected persons a right to damage claims against the relevant Evonik-Group company. Events of this kind may have a detrimental impact on the asset, financial and profit situation of Evonik-Group as well as its general business activities.

DESCRIPTION OF THE ISSUER

1. STATUTORY AUDITORS

PricewaterhouseCoopers Aktiengesellschaft, Wirtschaftsprüfungsgesellschaft, Moskauer Strasse 19, 40227 Düsseldorf, Germany ("PwC"), was appointed as the statutory auditor of Evonik Industries AG (the "Issuer", also the "Company" and, together with its consolidated subsidiaries, "Evonik-Group") for the fiscal years ended 31 December 2008 and 31 December 2007. PwC has audited the consolidated financial statements of the Company as of and for the fiscal years ended 31 December 2008 and 31 December 2007 and has issued unqualified auditor's reports (*uneingeschränkte Bestätigungsvermerke*) in each case. PwC is a member of the Chamber of Public Accountants (*Wirtschaftsprüferkammer*), Rauchstrasse 26, 10787 Berlin, Germany.

2. SELECTED FINANCIAL INFORMATION

The following table sets out selected financial information relating to the Company. The information has been extracted from the audited consolidated financial statements of the Company for the year ended 31 December 2008 and the unaudited semi-annual financial statement of the Company for the period ended 30 June 2009. These consolidated financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU ("IFRS").

in EUR million	HY1 2009	HY1 2008*	FY 2008	FY 2007*
Sales	6,281	7,933	15,873	14,444
EBITDA (before non-operating result)	839	1,279	2,171	2,236
EBIT (before non-operating result)	443	873	1,304	1,363
Cash flow from operating activities	809	183	388	1,215
Net financial debt**	3,959	3,808	4,583	3,924
Total assets	18,704	19,419	20,099	19,800
Equity	5,306	5,347	5,192	5,081

* Restated figures.

** The sum of cash and cash equivalents, short term securities, receivables from derivatives, and other financial assets deducted from financial liabilities.

3. GENERAL INFORMATION ABOUT THE COMPANY

A. INCORPORATION, REGISTRATION, REGISTERED OFFICE

The Company was formed by memorandum of association dated 19 September 1969 as a limited liability company under German law (*Gesellschaft mit beschränkter Haftung*) under the legal name "GMT Chemie-Beteiligung Gesellschaft mit beschränkter Haftung" with its registered office in Düsseldorf, Germany. In the year 1982, the registered office of the Company was transferred to Essen and the general meeting resolved in the year 1993 to change its legal name to "RAG Beteiligungs-GmbH". In the year 2006, the general meeting resolved upon the transformation of the Company into a stock corporation under German law (*Aktiengesellschaft*) and, hence, its legal name changed to "RAG Beteiligungs-AG". On 11 September 2007, the general meeting resolved upon the change of the legal name of the Company to "Evonik Industries AG". This change of legal name was registered in the Commercial Register at the Local Court (*Amtsgericht*) of Essen on 12 September 2007. The commercial name of the Company is "Evonik".

The Company's registered offices are at Rellinghauser Strasse 1-11, 45128 Essen, Germany (Tel.: +49 201 177-01). The company is registered in the Commercial Register of the Local Court (*Amtsgericht*) of Essen under the number HRB 19474.

B. OBJECTS

Pursuant to section 2 of its Articles of Association (*Satzung*) the object of the Company is to manage a group of companies operating principally in the areas of chemicals, energy and real estate. The Company is authorised to undertake all business and other activities connected with the object of the Company or that serve the object of the Company. It may also itself operate in the areas set out above. Within the scope of the object of the Company it may establish, acquire or take stakes in other companies, combine them under uniform management or confine itself to administration of its stakes, dispose of its stakes and conclude corporate contracts and establish branches.

C. CAPITAL STOCK

The capital stock of the Company is EUR 466,000,000 and is composed of 466,000,000 no-par bearer shares and is fully paid up. All shares carry the same rights and obligations. One vote is granted per share, and profit is distributed per share. The rights and obligations arising from the shares are governed by the German Stock Corporation Act (*Aktiengesetz*).

D. INVESTMENTS & INVESTMENT POLICY

For 2009, the total capital expenditures budget amounts to almost EUR 1 billion. At present, the most important investments are Walsum 10 – a hard coal-fired power plant with cutting-edge technology – and the construction of an integrated production facility for methacrylates and their derivatives in Shanghai (China). In the first half of 2009 Evonik-Group invested EUR 310 million in tangible and intangible assets. The decline by EUR 127 million compared to the same period in the previous year mirrors Evonik-Group's restrictive investment plans which were revised and reduced in view of the economic crisis in order to ensure the cash flow. The adaptations mainly affected investment projects which were to start in 2009 and included plans for expansions and new constructions. Accordingly, investments in tangible assets were significantly lower than the depreciations which amounted to EUR 395 million. The Chemicals Business Area accounted with 65 per cent. for the majority of the investments in tangible assets. Further 25 per cent. respectively 9 per cent. were invested in the Energy or Real Estate Business Areas, as applicable. In regional terms the major part (65 per cent.) of the investments were made in Germany.

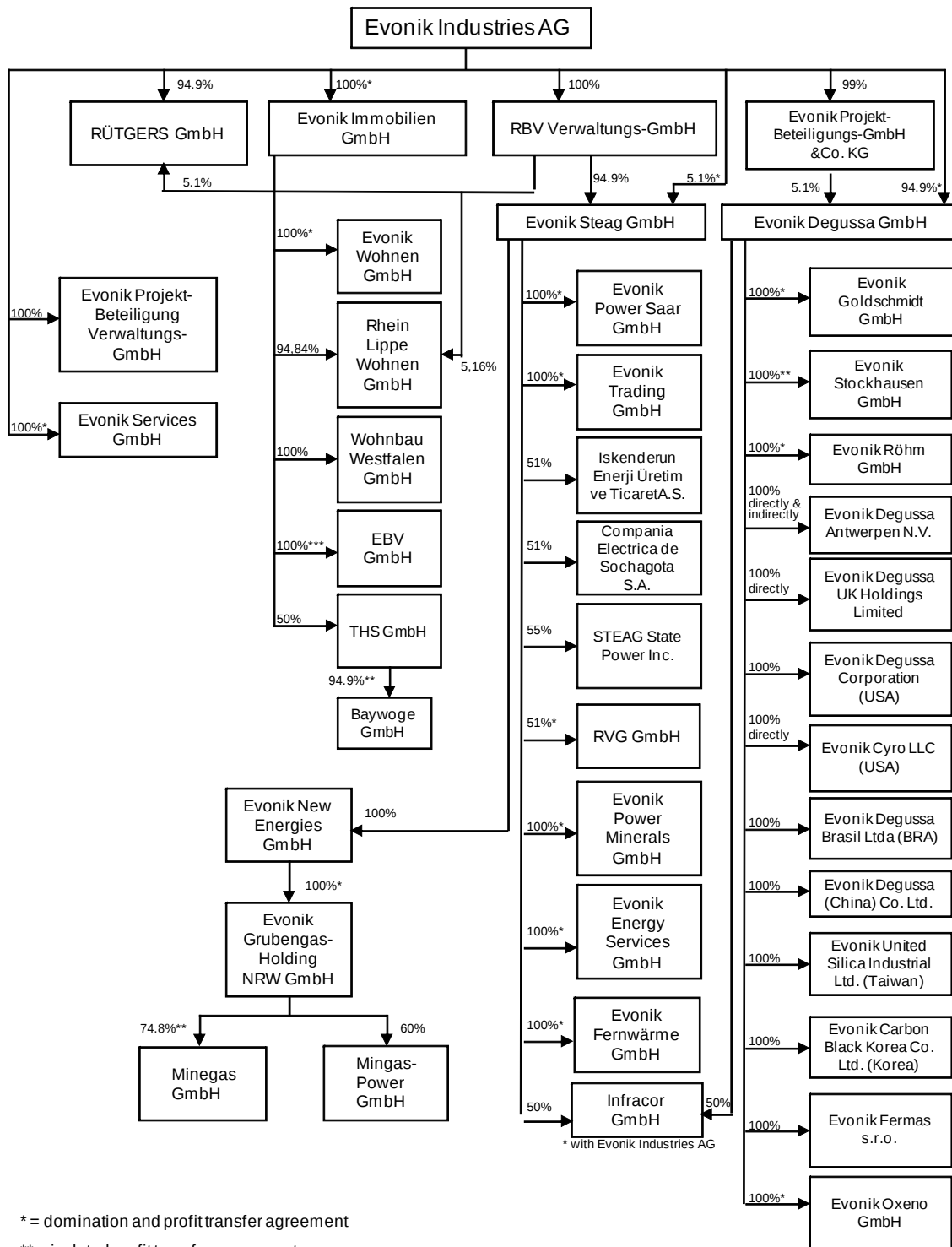
The financing for these and other capital expenditures is expected to come from, *inter alia*, future cash flow, current liquidity and existing or future lines of credit or comparable types of financing.

4. BUSINESS OVERVIEW

A. OVERVIEW

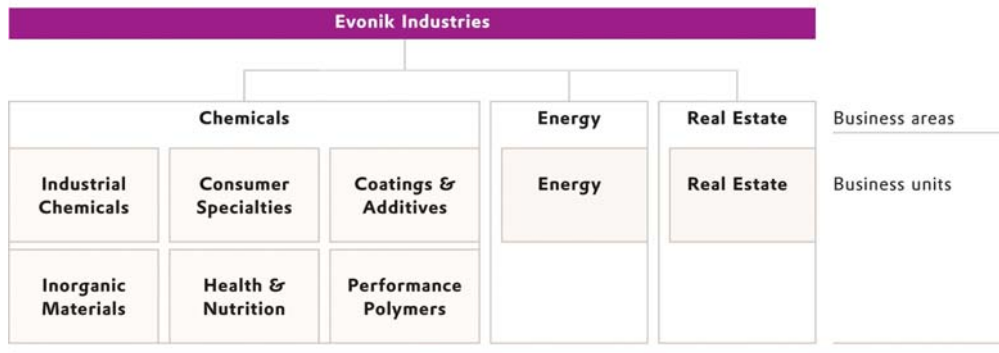
Evonik-Group is an industrial group based in Germany with operations in over 100 countries. Evonik-Group's operations are grouped into three business areas: Chemicals, Energy and Real Estate, with a total of 39,842 employees at 30 June 2009. In the first half of 2009 Evonik-Group generated sales of EUR 6,281 million, earnings before interest, tax and non-operating result (EBIT) of EUR 443 million and operating income of EUR 402 million.

The Company is the parent company of a group of companies including the main subsidiaries Evonik Degussa GmbH, Evonik Steag GmbH and Evonik Immobilien GmbH, being sub-entities which comprise all group activities in the business areas Chemicals, Energy and Real Estate. The following chart depicts the group structure of Evonik-Group showing the major subsidiaries:



Evonik-Group is focused on systematically building on the position of the business areas at the forefront of their markets and seeks to gain a foothold in future markets by providing key answers to economic megatrends: energy efficiency, health & wellness and globalisation & demographic change. Evonik-Group is managed in accordance with the clear principles of value management, focusing on profitable growth and value creation.

The following chart depicts the structure of Evonik-Group:



Evonik-Group's operations are grouped in the three business areas Chemicals, Energy and Real Estate. The eight business units Industrial Chemicals, Inorganic Materials, Consumer Specialties, Health & Nutrition, Coatings & Additives, Performance Polymers, Energy and Real Estate act as entrepreneurs within the enterprise. The Corporate Center supports the Executive Board in the strategic management of the group, while a Shared Service Center efficiently bundles internal services worldwide.

Evonik-Group is managed on the basis of a consistent system of value-oriented indicators. These are used to assess the business performance of the operational units and Evonik-Group. Through systematic alignment to these indicators, Evonik-Group endeavors to generate cash flows to create value and ensure profitable growth. As well as achieving a good financial performance, Evonik-Group aims to demonstrate its ecological and social responsibility and therefore reports extensively on these aspects as well.

B. PRINCIPAL MARKETS

Evonik-Group has a leading market position by sales in the worldwide market for specialty chemicals, has long-standing experience in power generation from hard coal and renewable energies in Germany, Colombia, Turkey and the Philippines, and is by number of units one of the largest private residential real estate companies in Germany with its portfolio concentrated in the federal state of North Rhine-Westphalia.

C. THE BUSINESS AREAS AND BUSINESS UNITS OF THE COMPANY

Chemicals Business Area

The Chemicals Business Area bundles Evonik-Group's global specialty chemicals activities, which are divided into the six business units Industrial Chemicals, Inorganic Materials, Consumer Specialties, Health & Nutrition, Coatings & Additives and Performance Polymers. With over 100 production facilities worldwide, Evonik-Group is one of the largest companies in this sector. In the first half of 2009, the Chemicals Business Area generated sales of EUR 4,560 million (first half 2008: EUR 5,873 million) and earnings before interest, taxes, depreciation, amortisation, impairment losses, reversals of impairment losses and other non-operating result ("**EBITDA**") of EUR 628 million (first half 2008: EUR 932 million). In 2008, the Chemicals Business Area generated sales of EUR 11,512 million (2007: EUR 10,571 million) and an EBITDA of EUR 1,600 million (2007: EUR 1,610 million).

Evonik-Group has operated in the specialty chemicals industry for many years and systematically strives to extend its market position and continuously improve the quality of its portfolio. The aim is to achieve organic growth above GDP, earn a premium on capital costs and achieve above-average operational profitability compared with its peers. Evonik-Group's business model in specialty chemicals is based on state-of-the-art technology platforms for processes and applications. Moreover, integrated structures allow efficient management of material flows, giving it an advantageous cost position. Close cooperation with customers, often through long-term development alliances, is another key strategic factor of considerable importance. Such alliances lead to effective products and system solutions, often tailored specifically to customers and their market needs.

The spectrum of areas of business and regional growth markets where Evonik-Group's specialty chemicals operations are present is balanced: No single end-market accounts for more than 20% of sales and the five largest customers together account for approximately 10% of sales. The Chemicals Business Area is consistently increasing its presence in promising regions and high-growth emerging markets and already generates more than 40% of its sales outside Europe. Market-oriented research and development is used to strengthen Evonik-Group's innovative ability. Products, processes and applications developed in the past five years account for over 20% of sales.

Industrial Chemicals Business Unit

The Industrial Chemicals Business Unit supplies products to customers in the agrochemicals, chemicals, plastics and paper industries for high-quality end-use applications. This business unit's activities in industrial chemicals and advanced specialties is based on a wide range of processes. The butene-1 and butadiene produced in its integrated C₄ production complexes in Marl (Germany) and Antwerp (Belgium) are mainly used in the plastics industry. The plasticiser specialties isononanol (INA) and diisononylphthalate (DINP) provide for a wide range of high-quality applications for the commodity plastic PVC. Another major product family comprises the anti-knock agents methyl tertiary butylether (MTBE) and ethyl tertiary butylether (ETBE), which are marketed to the fuel industry.

Evonik-Group is one of the technology leaders in the production of hydrogen peroxide and has a global network of production facilities to ensure optimum supply of this environment-friendly bleaching agent to customers in the paper and pulp industry. Through innovative process technologies, this business unit has successfully gained a foothold in new markets. For example, the Hydrogen Peroxide for Propylene Oxide (HPPO) process has made it possible for the first time to use hydrogen peroxide in the industrial synthesis of propylene oxide, a starting product for polyurethanes. Together with a partner, the Industrial Chemicals Business Unit is currently working on a further innovation: low-cost Direct Synthesis of Hydrogen Peroxide (DSHP) from oxygen and hydrogen with the aid of a novel nano catalyst. Evonik-Group's sodium methylate-based catalysts are used in the production of biodiesel, positioning Evonik-Group at the forefront of this growing market. The product spectrum is rounded out by cyanuric chloride, triacetone amine and various alkyl chlorides, which are key synthetic building blocks for the agrochemicals, colorants and plastics industries.

Inorganic Materials Business Unit

Core competencies in designing inorganic particles and their surface properties are the hallmarks of the Inorganic Materials Business Unit. It also has integrated silicon-based facilities for the production of a unique range of chlorosilanes and organosilanes. Key customers include the rubber and tire industry, producers of polycrystalline silicon and the coatings, printing and colorants industries, to which it supplies pigments. Inorganic Materials supplies filler systems based on carbon blacks, precipitated silica and rubber silanes to the rubber and tire industry. Carbon black is an inorganic specialty marketed as a black pigment for the production of coatings, inks and plastics. Silicas are used in various special applications such as toothpaste, pharmaceutical products and battery separators, as matting agents and to coat high-quality paper for printing, including ink-jet printing. The ultra-fine-particle fumed silica AEROSIL[®] is used to modify and improve the surface and properties of a wide range of materials. For instance, AEROSIL[®] increases the

scratch-resistance of lacquers, improves the UV-protection of sunscreens and is an efficient polishing agent for silicon wafers for the microchip industry. Functional silanes are used in adhesives and sealant compounds, casting resins, insulating materials, as additives in coatings and colorants and in the electronics industry. Another major area of application is the protection of buildings, for example, with high-performance anti-graffiti systems. The SIRIDION[®] chlorosilanes marketed by this business unit are key components in the manufacture of optical fibres and polycrystalline silicon, which is in high demand in the electronics and photovoltaic industries.

Consumer Specialties Business Unit

The Consumer Specialties Business Unit supplies chemicals to the consumer goods industry for use in cleaning agents, the personal care sector and hygiene products. Strategic success factors include high innovative capability, the intensive collaboration with leading manufacturers of consumer goods and an extensive knowledge of interfacial chemistry. The business unit produces specialty surfactants, mainly from renewable raw materials or by processing or modifying silicones. These surface active substances are used by the cosmetics industry to impart special properties to crèmes and lotions, sunscreens and hair conditioners.

The Consumer Specialties Business Unit also manufactures textile care specialties such as sodium percarbonate, which is used as a bleaching additive in detergents, and cationic surfactants for fabric softeners. The STOKO[®] Skin Care range of end-products is used to protect, clean and condition skin in industrial environments. Superabsorbents are crosslinked polymers produced from acrylic acid which form a gel that can absorb up to 300 times their weight in liquid and retain it even under pressure. Evonik-Group's FAVOR[®] brand of superabsorbents is used in babies' diapers and in feminine hygiene and incontinence products. Consumer Specialties' products for industrial applications include surface-active additives for the manufacture of polyurethane foam. These specialty silicones are also used in rubber, metal and plastics processing, in the paper and textile industries, and in agriculture and construction.

Health & Nutrition Business Unit

The Health & Nutrition Business Unit manufactures and markets essential amino acids for animal nutrition, active ingredients for the pharmaceuticals industry and catalysts. These are required to meet high quality standards and registration requirements. Evonik-Group has long-standing technical experience of organic synthesis, catalysis and biotechnology. More than 60 sales offices, technology centres and production sites around the world ensure competent service and advice for customers. Evonik-Group is a single-source supplier of all the main essential amino acids used in animal feeds: DL-methionine, L-lysine, L-threonine and L-tryptophan. Amino acids are protein building blocks used as feed additives, especially in poultry and pig farming.

Evonik-Group supports customers by providing extensive analyses, advice on optimum feed formulations and dosing systems for accurate regulation of the amount of amino acid added. This increases the cost-efficiency of animal nutrition and reduces pressure on the environment: It avoids excess amounts of feed, reduces the nitrogen content of excrement and thus cuts the nitrate load of soil. Customer-tailored synthesis includes the supply of intermediates and patented active ingredients for medicines and key starting products for liquid crystals needed in flat panel displays. Evonik-Group has exclusive synthesis facilities in China and Western Europe, enabling it to supply starting products and non-patented active agents for pharmaceuticals at competitive cost, as well as more advanced intermediates and patented active ingredients that meet top quality standards. The business unit also produces high-purity amino acids for the food, cosmetics and pharmaceuticals industries. Its product range includes precious metal powder catalyst systems, which are required for selective and cost-efficient production of pharmaceutical active ingredients and fine and industrial chemicals.

Coatings & Additives Business Unit

The Coatings & Additives Business Unit produces functional polymers and high-quality monomer specialties for the paints and coatings, adhesives and sealants industries. Functional polymers are also used as oil additives and for pharmaceutical applications. These products are based on integrated production structures for methylmethacrylate (MMA), isophorone and silicone. Worldwide, the business unit has 21 production locations and technology centres.

Crosslinkers are used in solvent-free coating of industrial floors, light- and weather-resistant automotive and repair coatings and powder coatings to provide decorative protection against corrosion. Polyester is used in advanced coatings systems for facades, cans and the housings of appliances and in industrial adhesives. Specialty resins improve the bonding and rheological properties of coatings and adhesive systems and ensure lasting high-gloss protection against corrosion. When developing additives for the coatings and colorants industry, this business unit focuses on water-borne and radiation-curing printing inks and lacquers. The product portfolio includes emulsion paints and colour mixing systems, coatings additives, water-repellent agents and heat-resistant silicone binders for further processing in the coatings and colorants industry. The VISCOPLEX® range of advanced viscosity index modifiers and pour point depressants improves the flow properties of lubricants and oils over a wide temperature range. They thus improve engine performance and help reduce fuel consumption. The binders manufactured by this business unit are used in food packaging, road markings, heavy-duty industrial flooring, lacquers and a wide variety of other applications. EUDRAGIT® functional tablet coatings ensure that active ingredients are released in the body at the right time and in the right place. They therefore protect sensitive active ingredients from stomach acids and make a key contribution to improving the efficacy and tolerability of medicines.

Performance Polymers Business Unit

The Performance Polymers Business Unit manufactures and markets a wide range of advanced materials and applications technologies. The business comprises methylmethacrylate (MMA) chemistry and integrated production facilities for polyamide 12. Its polymers and semi-finished products are used in structural components, primarily for consumer durables and long-lasting capital goods. Focal areas of application are the automotive and construction sectors and a large number of high-end applications for aircraft construction, displays and lifestyle products.

Standard and specialty monomers and molding compounds are marketed to the plastics, adhesives and colorants industries. The business unit's product portfolio includes monomeric and polymeric MMA derivatives. Standard monomers are used, for example, to produce synthetic resins and as binders in weather-resistant paints and coatings. Specialty monomers ensure good adhesion of paints to smooth surfaces. They are also ideal components for adhesives for construction applications, hair-care products, contact lenses and plastic spectacle lenses. The transparent, weather-resistant, scratch-proof polymethylmethacrylate (PMMA) sheeting produced by Performance Polymers is used as noise barriers, in the optics and communications sectors, in medical technology and the construction, furniture and lighting industries. PMMA molding compounds and extruded and cast semi-finished products are mainly marketed under the well-known PLEXIGLAS® brand name. ROHACELL® polymethacrylimide rigid foam is an ideal lightweight structural material for the automotive, aviation and aerospace industries due to its mechanical and thermal properties. Performance Polymers also produces special high-performance materials based on polyamide 12, transparent specialty polyamides, polyetherether ketone (PEEK) and polyimide. These high-performance polymers have to meet the extremely high mechanical, thermal and chemical requirements set for high-tech applications.

Energy Business Area

Evonik-Group's power and heat generation business and services for power stations are grouped in the Energy Business Area. In the first half of 2009 this business area generated sales of EUR 1,452 million (first half 2008: EUR 1,713 million) and EBITDA of EUR 199 million (first half 2008: EUR 349 million). In 2008, the Energy Business Area generated sales of EUR 3,649 million (2007: EUR 3,024 million) and an

EBITDA of EUR 545 million (2007: EUR 581 million). Its core competencies include planning, financing, building and operating highly efficient fossil-fueled power plants. As a grid-independent power generator, Evonik-Group operates coal-fired power plants at nine locations in Germany and refinery power plants at two locations. The Energy Business Area's international activities comprise coal-fired power plants in Colombia, Turkey and the Philippines. In each of these countries it works closely with local partners. Further options for foreign business are under consideration. Total installed power is around 10,000 Megawatts ("MW"), including around 8,000 MW in Germany. Energy is predominantly sold on the basis of long-term agreements with a limited number of key customers, of which RWE AG is the largest.

Evonik-Group regards itself well-positioned in the high-growth future market for renewable energies and is one of the German market leaders in the generation of electricity and heat from mine gas, biomass and geothermal energy. Its global engineering services also deepen its country-specific insight into the energy market, enabling it to develop new business ideas for power plant projects. Evonik-Group is one of the market leaders in highly efficient modern generating technology for hard coal that reduces pressure on natural resources. It is building a 750 MW power station fueled by hard coal in Duisburg-Walsum (Germany), which will have net efficiency of over 45%. That is about 5 percentage points above the best current performance in Germany and excellent compared with international plants operating under comparable conditions. Providing Clean Competitive Energy from Coal ("CCEC"), this power station will use 15% less fuel and emit 15% less CO₂ than the average coal-fired power station in Germany. Evonik-Group's activities cover the entire value-added chain in the hard coal sector. In-house coal trading secures the procurement of fuel. The Energy Business Area also has a strong position in the disposal and recovery of power plant residues. As a future-oriented major German supplier of district heating, Evonik-Group uses cogeneration plants.

Real Estate Business Area

The Real Estate Business Area manages a portfolio of around 60,000 company-owned residential units concentrated in the federal state of North Rhine-Westphalia ("NRW") in Germany. It also has a 50% stake in THS GmbH, which owns around 75,000 residential units. These are also located predominantly in the federal state of NRW. Evonik-Group is thus one of Germany's leading privately owned residential real estate companies. In the first half of 2009 the Real Estate Business Area generated sales of EUR 184 million (first half 2008: EUR 177 million) and an EBITDA of EUR 84 million (first half 2008: EUR 115 million). In 2008, the Real Estate Business Area generated sales of EUR 375 million (2007: EUR 423 million) and an EBITDA of EUR 217 million (2007: EUR 188 million).

Business focuses on letting homes to private households, which generates regular and stable cash flows. The regional focus of the Real Estate Business Area is the key to its market insight and brings considerable advantages in the management of the housing stock. Sustainable development of the business area's high-quality housing stock is one of its priorities. Concepts used to address the entire lifecycle of a property include optimising energy efficiency, for example, by modernising properties using energy-saving concepts such as the "three-litre house". Together with carefully planned, economical running cost strategies, this minimises the utility charges paid by tenants. Careful development and maintenance of neighbourhoods, streets and complete districts is also regarded as being strategically important for Evonik-Group. In addition, active portfolio management involving the selective sale and purchase of residential units is used. The business model is rounded out by selected property development activities on company-owned land to upgrade the portfolio. Evonik-Group aims to expand its position in residential real estate in NRW. It is planning to purchase further properties offering attractive potential to create value in future-oriented areas along the river Rhine, for example in the Düsseldorf/Cologne/Bonn region.

5. RESEARCH AND DEVELOPMENT

Total research and development ("R&D") spending at Evonik-Group was EUR 311 million in fiscal year 2008. The vast majority was allocated to the Chemicals Business Area. 85 per cent. of Evonik-Group's chemicals research comprises projects undertaken by the business units, which are geared specifically to their

core markets and technologies. The remaining 15 per cent. is invested in strategic research to build new high-tech activities outside the group's established business portfolio. This strategic chemicals research is bundled at the R&D unit called Creavis Technologies & Innovation. The efficiency and strategic importance of R&D for Evonik-Group is illustrated by the fact that products, processes and applications developed in the past five years account for more than 20 per cent. of sales in the Chemicals Business Area.

Worldwide, over 2,300 R&D employees work at 35 locations. In 2008, Evonik-Group applied for patents for over 350 new inventions. Its portfolio of patents and pending patents currently stands at more than 20,000, and Evonik-Group has either registered or applied for some 7,500 trademarks.

Evonik-Group has more than 350 partnerships with universities all over the world, and invests more than EUR 15 million annually in this area.

In the last five years, Evonik-Group has spent more than EUR 100 million on the research, development and marketing of new nanomaterials and associated systems in the Chemicals Business Area. Moreover, Evonik-Group is developing innovative processes to manufacture polycrystalline silicon for the solar industry and propylene oxide as a precursor for polyurethanes. Market-focused R&D will drive profitable growth in this business area in the future.

Research in the Energy Business Area focuses on safe, economical and environmentally compatible energy supply. Alongside conventional power plant technology, Evonik-Group's research extends to thermal utilisation of biomass and biogas, geothermal energy and energy storage using compressed air. Other R&D projects include optimising the day-to-day operating efficiency of power plants and identifying potential faults.

6. MATERIAL CONTRACTS

Evonik-Group did not enter into any contracts outside the ordinary course of business, which could result in any member of Evonik-Group's group of companies being under an obligation or entitlement that is material to the Company's ability to meet its obligations to the Noteholders in respect of the Notes.

7. TREND INFORMATION

Save as disclosed in this Prospectus, there has been no material adverse change in the prospects of the Company since 31 December 2008.

A. OUTLOOK

The outlook for 2009 remains very uncertain. Consequently, it is not possible to give a reliable quantitative forecast for sales and earnings. Evonik-Group still anticipates that sales and earnings will be considerably lower in 2009 than in 2008 as a result of the ongoing economic crisis and the associated reduction in volumes.

B. RECENT DEVELOPMENTS

Evonik-Group is being managed in line with clear methods of modern asset management. Since the beginning of the economic crisis in autumn 2008 the main focus has been on measures to secure liquidity and profit. Evonik-Group has started a programme called "On Track" the purpose of which is to enhance efficiency and face the challenges posed by the global market downturn. The three main elements of this programme are active portfolio management, consistent administrative restructurings as well as leveraging both short-term and long-term earnings potential. The intention is to make sustained global savings in the amount of around EUR 500 million per year by 2012. This year the group intends to reduce costs by EUR 300 million which are partially one-off savings and thus of a temporary nature. In the course of its active

portfolio management Evonik-Group has started in summer 2009, together with external consultants, to comprehensively analyse all of the group's single activities. The portfolio review aims at identifying value enhancing options for Evonik-Group. Main goal is to measure which businesses contribute sustainably to the group's overall performance and objectives. In September 2009, Evonik-Group signed a share purchase agreement regarding the sale of the AlzChem Group, which is predominantly active in the area of NCN (nitrogen-carbon-nitrogen) chemicals offering products whose main applications are agriculture, industrial chemicals and nutrition. The closing of this transaction is still outstanding and subject to certain conditions.

8. ADMINISTRATIVE, EXECUTIVE AND SUPERVISORY BODIES

A. EXECUTIVE BOARD

The Executive Board of the Company consists of the following members:

<i>Member</i>	<i>Further Offices</i>
Dr. Klaus Engel, Chairman Mühlheim an der Ruhr	a) Evonik Degussa GmbH (Chair) Evonik Steag GmbH (Chair) b) Evonik Immobilien GmbH Evonik Wohnen GmbH
Ralf Blauth, Chief Human Resources Officer Marl	a) AlzChem Trostberg GmbH (Chair) Evonik Goldschmidt GmbH Evonik Services GmbH Evonik Steag GmbH Industriepark Wolfgang GmbH Infracor GmbH (Chair) b) AlzChem Holding GmbH (Chair) Evonik Immobilien GmbH (Chair) Evonik Wohnen GmbH (Chair) Pensionskasse Degussa VVaG (Chair) RAG Bildung GmbH Studiengesellschaft Kohle mbH THS GmbH
Dr. Wolfgang Colberg, Chief Financial Officer Munich	a) Evonik Services GmbH (Chair) Evonik Steag GmbH Evonik Degussa GmbH Roto Frank AG b) Pernod Ricard SA c) Member of the Southern Regional Advisory Council of Deutsche Bank Aktiengesellschaft

- a) Membership of statutory supervisory boards.
- b) Membership of comparable German and foreign supervisory bodies of business enterprises.
- c) Membership of advisory or comparable bodies.

B. SUPERVISORY BOARD

The Supervisory Board of the Company consists of the following members:

<i>Member</i>	<i>Further Offices</i>
Wilhelm Bonse-Geuking, Essen Chairman	Chairman of the Executive Board of RAG-Stiftung a) Deutsche BP AG (Chair)

	RAG Aktiengesellschaft (Chair) RAG Deutsche Steinkohle AG (Chair) b) HDI-Gerling AG NRW Commerzbank AG
Werner Bischoff, Monheim Deputy Chairman	Member of the National Executive of the Mining, Chemical and Energy Industrial Union (IG BCE) a) Continental AG Evonik Degussa GmbH RWE AG RWE Dea AG RWE Power AG
Günter Adam, Freigericht	Deputy Chairman of the Group Works Council of Evonik Industries AG Chairman of the Central Works Council of Evonik Degussa GmbH a) Evonik Degussa GmbH
Dr. Dr. Peter Bettermann, Weinheim	Spokesman for the Management of Freudenberg & Co. KG a) BAT (Germany) GmbH (Chair) TAKKT AG b) Wilh. Werhahn KG
Dr. Hans Michael Gaul, Düsseldorf	a) EWE Aktiengesellschaft HSBC Trinkaus & Burkhardt AG IVG Immobilien AG Siemens AG VNG – Verbundnetz Gas AG Volkswagen AG
Ursel Gelhorn, Essen	Deputy Chairman of the Group Works Council of Evonik Steag GmbH
Stephan Gemkow, Overath	Member of the Board of Management of Deutsche Lufthansa AG a) Delvag Luftfahrtversicherungs-AG (Chair) GfK SE LSG Lufthansa Service Holding AG Lufthansa AirPlus Servicekarten GmbH (Chair) Lufthansa Cargo AG (Chair) Lufthansa Systems AG (Chair) Lufthansa Technik AG (Chair) b) Amadeus IT Group S.A. JetBlue Airways Corporation WAM Acquisition S.A.
Ralf Giesen, Hanover	Secretary to the Board of the Mining, Chemical and Energy Industrial Union (IG BCE) a) Altana AG
Ralf Hermann, Herten	Chairman of the Group Works Council of Evonik Industries AG

	Chairman of the Group Works Council of Evonik Degussa GmbH a) Evonik Degussa GmbH b) RAG-Stiftung
Prof. Dr. Dr. h.c. mult. Wolfgang A. Herrmann, Freising	President of Munich Technical University a) E.ON Bayern AG b) Bayerische Forschungsallianz GmbH
Steve Koltes, Küssnacht	Managing Director of CVC Capital Partners (Luxembourg) S.à.r.l. b) DSI International S.à.r.l. Elster Group S.à.r.l. Flint Group Holdings S.à.r.l.
Rainer Kumlehn, Hochheim	District Secretary of the Hesse-Thuringia Section of the Mining, Chemical and Energy Industrial Union (IG BCE) a) Evonik Degussa GmbH Goodyear Dunlop Tires Germany GmbH Hoechst GmbH
Dr. Siegfried Luther, Gütersloh	Former CFO of Bertelsmann AG a) Infineon Technologies AG WestLB AG Wintershall Holding AG b) Compagnie Nationale à Portefeuille S.A. RTL S.A.
Jürgen Nöding, Duisburg	Chairman of the Central Works Council of Evonik Services GmbH a) Evonik Services GmbH
Konrad Oelze, Essen	Deputy Chairman of the Group Works Council of Evonik Degussa GmbH a) Evonik Goldschmidt GmbH b) Die Vorsorge Sterbekasse der Werksangehörigen der Degussa AG VVaG
Dr. Wilfried Robers, Stadtlohn	Chairman of the Group Senior Staff Committee of Evonik Industries AG
Rainer Schankweiler, Essen	Deputy Chairman of the Working Group of the Works Councils of Evonik Immobilien GmbH
Christian Strenger, Frankfurt am Main	Former spokesperson for the management of DWS Investment GmbH a) DWS Investment GmbH Fraport AG b) The Germany Funds (Chair)
Dr. Volker Trautz, Rotterdam	Former Chairman of the Management Board of LyondellBasell Holdings B.V.

Dr. Christian Wildmoser, Savigny

Managing Director of CVC Capital Partners Switzerland GmbH
b) Flint Group Holdings S.à.r.l.

- a) Membership of other statutory supervisory boards.
- b) Membership of comparable German and foreign supervisory bodies of business enterprises.

The members of the Executive Board and the Supervisory Board can be contacted at the Company's business address: Rellinghauser Strasse 1-11, 45128 Essen, Germany (Tel.: +49 201 177-01).

None of the above members of the Executive Board and Supervisory Board have declared any potential conflict of interest between any duties to the Company and their private interest or other duties.

9. BOARD PRACTICE

A. COMMITTEES OF THE SUPERVISORY BOARD

The Supervisory Board has established four committees: the Presidial Committee, the Finance- and Investment Committee, the Audit Committee and the Committee pursuant to Section 27 (3) of the Co-determination Act (*Mitbestimmungsgesetz*) from among its members. The Presidial Committee also observes the duties and responsibilities of a Personnel Committee. Consequently the Presidial Committee determines terms and conditions of employment of the members of the Executive Board except the level and structure of their remuneration. The Audit Committee oversees Evonik-Group's accounting processes, the effectiveness of compliance, risk management and internal audit. In addition, the Audit Committee is responsible for dealing with the independent auditor of Evonik-Group, especially the audit contract and the auditor's compensation and is concerned with non-audit services rendered by the independent auditor. It prepares the Supervisory Board's resolutions concerning the annual financial statements of the Company and the consolidated financial statements of the Evonik-Group. Members of the Audit Committee are Dr. Siegfried Luther (chair), Ralf Giesen (vice chair), Günter Adam, Jürgen Nöding, Christian Strenger and Dr. Christian Wildmoser. The Finance- and Investment Committee prepares resolutions of the Supervisory Board regarding investments and disinvestments and is authorised to pass the Supervisory Board's resolution within special authority limits.

B. CORPORATE GOVERNANCE

As the Company is not an exchange-listed company, the German Corporate Governance Code, as amended from time to time, is not applicable to it. Accordingly, Evonik-Group is not required to make and has not made a declaration of conformity pursuant to Article 161 of the German Stock Corporation Act (*Aktiengesetz*).

10. MAJOR SHAREHOLDERS

The shareholders of the Company as of the date of this Prospectus are shown in the table below.

Shareholder	Percentage
RAG-Stiftung	69.89
Gabriel Acquisitions GmbH*	25.01
RAG Aktiengesellschaft	5.10

* Gabriel Acquisitions GmbH is an indirectly held subsidiary of funds that have been initiated and are advised by CVC Capital Partners (Luxembourg) S.à.r.l., Luxembourg.

The Company is organised as a German stock corporation (*Aktiengesellschaft*) and is subject to the relevant regulations of German law applicable to it. RAG-Stiftung and Gabriel Acquisitions GmbH have entered into a shareholders' agreement. In this shareholders' agreement the parties have agreed to pursue certain strategic objectives and if possible to coordinate their actions with respect to the Company.

11. HISTORICAL FINANCIAL INFORMATION

The unaudited consolidated semi-annual financial statements of the Company for the period ending 30 June 2009, prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS), are contained on pages F-1 *et seq.* of this Prospectus.

The audited consolidated financial statements of the Company for the fiscal year ending 31 December 2008, prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS), and the auditor's report (*Bestätigungsvermerk*) thereon, together contained in the Company's Annual Report 2008 on pages 90 to 169, are incorporated by reference into this Prospectus.

The audited consolidated financial statements of the Company for the fiscal year ending 31 December 2007, prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS), and the auditor's report (*Bestätigungsvermerk*) thereon, together contained in the Company's Annual Report 2007 on pages 90 to 159, are incorporated by reference into this Prospectus.

12. LEGAL AND ARBITRATION PROCEEDINGS

Several antitrust investigations have taken place in a number of jurisdictions against companies from the chemicals industry. Some of the Evonik-Group companies were or are currently involved in these. None of those investigations or the proceedings resulting therefrom have been material in respect of the financial position or profitability of Evonik-Group and the Company is not aware that such material proceedings are pending or threatened.

Evonik-Group is subject to award proceedings (*Spruchverfahren*) by former shareholders of Evonik Degussa GmbH and RÜTGERS GmbH. In each of the concerned award proceedings the amount of cash compensation payable to the relevant former shareholders is disputed by them. It cannot be excluded that the total outstanding risk associated with these award proceedings may have a significant effect on the financial position or profitability of Evonik-Group.

Evonik-Group is actively and passively party to patent disputes as well as subject to guarantee claims from divestments. None of these disputes or claims is expected to have a significant effect on the financial position or profitability of Evonik-Group.

The German Federal Cartel Office (*Bundeskartellamt*) initiated sector enquiries relating to the German energy market in which the Energy Business Area is active based on the suspicion that competition on this market might be restricted. The outcome of such enquiries and their possible effects on the financial position of Evonik-Group cannot be predicted at the current stage of the proceedings, but it cannot be excluded that they have an impact on Evonik Group's existing long-term energy supply agreements with individual domestic customers in the Energy Business Area.

13. SIGNIFICANT CHANGE IN THE FINANCIAL OR TRADING POSITION

Save as disclosed in this Prospectus, there has been no significant change in the financial or trading position of Evonik-Group since 30 June 2009.

TERMS AND CONDITIONS OF THE NOTES
(Non-binding English language version)

§ 1

**(Currency. Denomination. Form. Temporary Global Note – Exchange.
Clearing System. Records of the ICSDs. Noteholders.)**

- (1) *Currency. Denomination.* This issue by Evonik Industries AG, Essen, Federal Republic of Germany (the "**Issuer**") in the aggregate principal amount of Euro ("**EUR**") [●] (in words: EUR [●]) is divided into [●] notes in the denomination of EUR 1,000 each (the "**Notes**").
- (2) *Form.* The Notes are being issued in bearer form.
- (3) *Temporary Global Note – Exchange.*
 - (a) The Notes are initially represented by a temporary global note (the "**Temporary Global Note**") without coupons. The Temporary Global Note will be exchangeable for Notes represented by a permanent global note (the "**Permanent Global Note**" and, together with the Temporary Global Note, the "**Global Notes**" and each a "**Global Note**") without coupons. The Temporary Global Note and the Permanent Global Note shall each be signed by two authorised signatories of the Issuer and shall each be authenticated by or on behalf of the Principal Paying Agent. Definitive notes and interest coupons will not be issued.
 - (b) The Temporary Global Note shall be exchanged for the Permanent Global Note on a date (the "**Exchange Date**") not later than 180 days after the date of issue of the Temporary Global Note. The Exchange Date shall not be earlier than 40 days after the date of issue of the Temporary Global Note. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is not a U.S. person (other than certain financial institutions or certain persons holding Notes through such financial institutions). Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40th day after the date of issue of the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to sub-paragraph (b) of this § 1(3). The Permanent Global Note delivered in exchange for the Temporary Global Note shall be delivered outside of the United States. For purposes of this sub-paragraph (3) and § 4(1) "**United States**" means the United States of America (including its states and the District of Columbia) and its territories (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).
- (4) *Clearing System.* The Temporary Global Note (if it will not be exchanged) and/or the Permanent Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer under the Notes have been satisfied. "**Clearing System**" means each of the following: Clearstream Banking, société anonyme, Luxembourg ("**CBL**") and Euroclear Bank SA/NV ("**Euroclear**") (CBL and Euroclear each an "**ICSD**" and together, the "**ICSDs**") or any successor in respect of the functions performed by each of the Clearing Systems.
The Notes are issued in new global note ("**NGN**") form and are kept in custody by a common safekeeper on behalf of both ICSDs.
- (5) *Records of the ICSDs.* The nominal amount of the Notes represented by the Temporary Global Note and the Permanent Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression means the records that each ICSD holds

for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the nominal amount of the Notes represented by the Temporary Global Note and the Permanent Global Note and, for these purposes, a statement issued by a ICSD stating the nominal amount of the Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time.

On any redemption or payment of interest being made in respect of, or purchase and cancellation of, any of the Notes represented by the Temporary Global Note and the Permanent Global Note the Issuer shall procure that details of such redemption, payment or purchase and cancellation (as the case may be) in respect of the Temporary Global Note and the Permanent Global Note shall be entered pro rata in the records of the ICSDs and, upon any such entry being made, the nominal amount of the Notes recorded in the records of the ICSDs and represented by the Temporary Global Note and the Permanent Global Note shall be reduced by the aggregate nominal amount of the Notes so redeemed or purchased and cancelled.

On an exchange of a portion only of the Notes represented by the Temporary Global Note, the Issuer shall procure that details of such exchange shall be entered pro rata in the records of the ICSDs.

- (6) *Noteholders*. "**Noteholder**" means any holder of a proportionate co-ownership or other equivalent beneficial interest or right in the Notes.

§ 2 (Status. Negative Pledge.)

- (1) *Status*. The obligations under the Notes constitute unsecured and unsubordinated obligations of the Issuer ranking *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, unless such obligations are accorded priority under mandatory provisions of statutory law.
- (2) *Negative Pledge*. So long as any of the Notes remains outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Principal Paying Agent, the Issuer undertakes (i) not to grant any encumbrance *in rem* over any or all of its present or future assets as security for any present or future Financial Indebtedness (as defined below) incurred, issued or guaranteed by the Issuer or by any Principal Member of the Evonik Degussa Group (as defined below), or by any other person, and (ii) to procure (to the extent legally possible and permissible) that no Principal Member of the Evonik Degussa Group will grant any encumbrance *in rem* over any or all of its present or future assets, as security for any present or future Financial Indebtedness incurred, issued or guaranteed by the Issuer or by any Principal Member of the Evonik Degussa Group or by any other person, without at the same time having the Noteholders share equally and rateably in such security. Any security which may have to be provided pursuant to this § 2(2) may, alternatively, also be provided to a bank, financial institution or accounting firm of recognised international standing appointed by the Issuer and acting as trustee for the Noteholders.

The first sentence of this § 2(2) shall not apply in relation to encumbrances granted as security for Financial Indebtedness:

- (a) by a person which becomes a Principal Member of the Evonik Degussa Group or which is merged with the Issuer or a Principal Member of the Evonik Degussa Group after the Issue Date (as defined in §3(1)) (i) where such encumbrance (aa) is already in existence at the time such person becomes a Principal Member of the Evonik Degussa Group or is merged with the Issuer or a Principal Member of the Evonik Degussa Group, and (bb) is not created in contemplation of such person becoming a Principal Member of the Evonik Degussa Group (other than by acquisition and the shares or interest in the acquired entity are pledged or transferred by way of

security or otherwise encumbered) or being merged with the Issuer or a Principal Member of the Evonik Degussa Group and (ii) where the principal amount secured is not increased after such person becomes a Principal Member of the Evonik Degussa Group or is merged with the Issuer or a Principal Member of the Evonik Degussa Group;

- (b) affecting any asset acquired, including any assets of any acquired entity, by the Issuer or a Principal Member of the Evonik Degussa Group after the Issue Date where such encumbrance is already in existence at the time of such acquisition and where the principal amount secured is not increased after such acquisition or created in connection with such acquisition or which do not exceed the aggregate amount of the granted security for Financial Indebtedness as of the date of such acquisition;
- (c) already granted by the Issuer or any Principal Member of the Evonik Degussa Group and existing on the Issue Date or which do not exceed the aggregate amount of the granted security for Financial Indebtedness as of the Issue Date;
- (d) in connection with local facilities for operational purposes of the Issuer and/or any Principal Member of the Evonik Degussa Group in jurisdictions where it is not legally feasible or, due to implications of local tax laws or due to the availability of borrowed money in connection with state subsidies, commercially viable to fund such operational purposes from cash management arrangements of the Group (as defined below);
- (e) arising by operation of law (*kraft Gesetzes*) in the ordinary course of business or which are to be granted by reason of a statutory claim (*gesetzlicher Anspruch*) pursuant to the German Stock Corporation Act (*Aktiengesetz*) or pursuant to the German Transformation Act (*Umwandlungsgesetz*) or pursuant to similar provisions of other jurisdictions;
- (f) established pursuant to general business conditions (*Allgemeine Geschäftsbedingungen*) used by a credit institution the Issuer or a Principal Member of the Evonik Degussa Group maintains a business relationship with, however, excluded are such encumbrances granted as security which result from the decline of the creditworthiness of the Issuer or of any Principal Member of the Evonik Degussa Group, as the case may, (commonly referred to as providing subsequent security (*Nachbesicherung*));
- (g) over or affecting the shares or interest of the Issuer or any Principal Member of the Evonik Degussa Group in a Joint Venture (as defined below) or Project Company (as defined below) or any shareholder's rights and claims related to such shares or interest (including dividend claims and liquidation proceeds claims) granted to secure solely Financial Indebtedness of the relevant Joint Venture or the relevant Project Company or over or affecting assets of a Joint Venture or Project Company; or
- (h) securing Financial Indebtedness the amount of which (when aggregated with the amount of any other Financial Indebtedness which has the benefit of security granted by a member of the Issuer and/or any Principal Member of the Evonik Degussa Group and which has been created in reliance on this § 2(2)(h)) does not exceed EUR 250,000,000 or its equivalent in another currency or currencies at any time.

"Financial Indebtedness" means:

- (a) the outstanding principal amount of all money borrowed from credit institutions;
- (b) the outstanding principal amount of any certificates of indebtedness (*Schuldscheine*) issued after the Issue Date; and

- (c) the outstanding principal amount of any bonds, notes or other similar instruments,

except for any indebtedness resulting from (i) any finance leases transactions and/or securities lending transactions (including repurchase transactions); (ii) any issue of asset-backed securities where the recourse of any holder of such securities is limited to the assets or other security backing those securities; and/or (iii) the sale, the transfer or other disposal of receivables. For the avoidance of doubt, any derivative transactions entered into in connection with protection against or benefit from fluctuation in any rate or price shall not be considered as Financial Indebtedness.

"Principal Member of the Evonik Degussa Group" means Evonik Degussa (as defined below) and any Material Subsidiary (as defined below) at least 50 per cent. of the shares of which are directly or indirectly held by Evonik Degussa.

"Evonik Degussa" means Evonik Degussa GmbH, Essen, Federal Republic of Germany, registered in the commercial register (*Handelsregister*) kept at the Local Court (*Amtsgericht*) of Essen under registration number HRB 20227.

"Material Subsidiary" means any Subsidiary (as defined below) (other than a Project Company), *provided* that an entity which ceases to be a Subsidiary shall cease to qualify as a Material Subsidiary:

- (a) whose unconsolidated turnover represents five (5) per cent. or more of the consolidated turnover of the Issuer; and/or
- (b) whose unconsolidated gross assets represent two (2) per cent. or more of the consolidated gross assets of the Issuer;

for this purpose:

- (i) the gross assets or turnover of a Subsidiary of the Issuer will be determined from its financial statements (unconsolidated if it has Subsidiaries) upon which the latest available audited consolidated annual financial statements of the Issuer have been based;
- (ii) if a company becomes a member of the Group after the date on which the latest available audited consolidated annual financial statements of the Issuer have been prepared, the gross assets or turnover of that Subsidiary will be determined from its latest annual financial statements (unconsolidated if it has Subsidiaries);
- (iii) the gross assets or turnover of the Group will be determined from the latest available audited consolidated annual financial statements of the Issuer, adjusted (where appropriate) to reflect the gross assets or turnover of any company or business subsequently acquired or disposed of; and
- (iv) if any Subsidiary (the **"Disposing Subsidiary"**) meeting the abovementioned requirements disposes of all or substantially all of its assets to another Subsidiary of the Issuer (the **"Acquiring Subsidiary"**), the Disposing Subsidiary will immediately cease to be a Material Subsidiary and the Acquiring Subsidiary (if it is not already) will immediately become a Material Subsidiary; the subsequent financial statements of those Subsidiaries and the Issuer will be used to determine whether those Subsidiaries will continue to be (or not to be) Material Subsidiaries or not.

If there is a dispute as to whether or not a company is a Material Subsidiary, a certificate of the auditors of the Issuer will be, in the absence of manifest error, conclusive evidence.

"Subsidiary" means at any time any enterprise which was fully consolidated in the latest audited consolidated financial statements of the Issuer (including any enterprise which would have to be fully consolidated in such financial statements if at the relevant time such financial statements would be drawn up, but excluding any enterprise which would no longer have to be fully consolidated in such financial statements if at the relevant time such financial statements would be drawn up), *provided* that no Power Plant SPV shall be treated as a Subsidiary of the Issuer.

"Group" means the Issuer and its Subsidiaries from time to time, taken as a whole.

"Power Plant SPV" means any existing or future entity:

- (a) more than 50 per cent. of the share capital and/or voting rights of which are owned directly or indirectly by the Issuer or which is otherwise controlled, directly or indirectly, by the Issuer within the meaning of § 17 of the German Stock Corporation Act ; and
- (b)
 - (i) which is a special purpose vehicle established for the sole purpose of acquiring, developing, financing and/or operating a power plant and/or marketing, purchasing and/or selling any of the power generated by any such power plant; or
 - (ii) which is an entity acting solely as a partner of a special purpose vehicle referred to under sub-paragraph (b)(i) above.

"Joint Venture" means any entity, whether a company, unincorporated firm, undertaking, association, partnership or other entity,

- (a) in which the Issuer (directly or indirectly) holds shares or an interest; and
- (b) which is not a fully consolidated subsidiary of the Issuer.

"Project Company" means a Subsidiary the shares of which are directly or indirectly held by Evonik Degussa, which is a special purpose vehicle established for the sole purpose of developing and operating a specific project the creditors of which do neither have direct nor indirect recourse to the Issuer and/or any Principal Member of the Evonik Degussa Group or any assets of the Issuer and/or any Principal Member of the Evonik Degussa Group (other than by way of a guarantee, shareholder loan(s) or Security) and which does not own any other assets than the assets designated for the purpose of the project.

"Security" means a mortgage, charge, pledge, lien, hypothecation, assignment for security purposes, transfer of title for security purposes, title retention arrangement or other security interest (*dingliche Sicherheit*) securing any obligation of any person or any other agreement or arrangement having a similar effect.

§ 3

(Rate of Interest and Interest Payment Dates. Accrual of Interest. Calculation of Interest for Partial Interest Periods.)

- (1) *Rate of Interest and Interest Payment Dates.* The Notes shall bear interest on their principal amount at the Rate of Interest (as defined below) per annum from, and including, 14 October 2009 (the **"Issue Date"**) to, but excluding, the Maturity Date (as defined in § 5(1)). Interest shall be payable in arrear on 14 October in each year (each such date, an **"Interest Payment Date"**). The first Interest Payment Date shall be 14 October 2010 (the **"First Interest Payment Date"**).

"Rate of Interest" means an amount expressed as a percentage, as determined between the Issuer and the managers underwriting the Notes and as published on the website of the Luxembourg Stock Exchange (www.bourse.lu) (the **"Pricing Notice"**). The Pricing Notice will be published on or around 6 October 2009.

In case the Notes have not been rated by at least two Rating Agencies (as defined below) before the First Interest Payment Date, the Rate of Interest will be increased by an additional 1.25 (one point two five) per cent. per annum from, and including, the First Interest Payment Date to, but excluding, the Maturity Date. If the requirements for such increase are met, the Issuer shall give notice to the Noteholders in accordance with § 12 (2).

"Rating Agencies" means each of Moody's Investor Services, Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, and Fitch Ratings Limited or respective successor of such rating agencies.

- (2) *Accrual of Interest.* If the Issuer shall fail to redeem the Notes when due, interest shall continue to accrue beyond the due date until the actual redemption of the Notes at the default rate of interest established by law (§ 288 German Civil Code (*Bürgerliches Gesetzbuch*)).
- (3) *Calculation of Interest for Partial Interest Periods.* If interest is required to be calculated for a period of less than a full year, such interest shall be calculated on the basis of the Day Count Fraction. **"Day Count Fraction"**, in respect of the calculation of an amount for any period of time (the **"Calculation Period"**) means:
 - (a) where the Calculation Period is equal to or shorter than the Interest Period during which it falls, the actual number of days in the Calculation Period divided by the product of (i) the actual number of days in such Interest Period and (ii) the number of Interest Periods in any calendar year; and
 - (b) where the Calculation Period is longer than one Interest Period, the sum of:
 - (i) the actual number of days in such Calculation Period falling in the Interest Period in which it begins divided by the product of (x) the actual number of days in such Interest Period and (y) the number of Interest Periods in any year; and
 - (ii) the actual number of days in such Calculation Period falling in the next Interest Period divided by the product of (x) the actual number of days in such Interest Period and (y) the number of Interest Periods in any year.

"Interest Period" means the period from, and including, the Issue Date to, but excluding, the First Interest Payment Date and any subsequent period from, and including, an Interest Payment Date to, but excluding, the next Interest Payment Date.

§ 4 **(Payments)**

- (1) *Payment of Principal and Interest.*
 - (a) *Payment of Principal.* Payment of principal in respect of the Notes shall be made, subject to applicable fiscal and other laws and regulations, in Euro to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the relevant Clearing System upon presentation and (except in the case of partial payment) surrender of the Global Note

representing the Notes at the time of payment at the Principal Paying Agent outside the United States.

(b) *Payment of Interest.* Payment of interest on the Notes shall be made, subject to applicable fiscal and other laws and regulations, in Euro to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the relevant Clearing System upon presentation of the Global Note at the specified office of any Paying Agent outside the United States. Payment of interest on the Notes represented by the Temporary Global Note shall be made to the Clearing System, upon due certification as provided in § 1(3)(b).

(2) *Business Day.* If the date for payment of any amount in respect of any Note is not a Business Day, then the Noteholder shall not be entitled to payment until the next Business Day and shall not be entitled to further interest or other payment in respect of such delay.

"**Business Day**" means a day (other than Saturday and Sunday) on which the Clearing System is operative and all relevant parts of the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET2) system or any successor system are open to effect payments in Euro.

(3) *Discharge.* The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

(4) *References to Interest.* References in these terms and conditions to "**interest**" shall be deemed to include, as applicable, any Additional Amounts (as defined in § 6) which may be payable under § 6.

(5) *Deposit of Principal and Interest.* The Issuer may deposit with the Local Court (*Amtsgericht*) in Frankfurt am Main, Federal Republic of Germany, principal or interest not claimed by Noteholders within twelve months after the Maturity Date, even though such Noteholders may not be in default of acceptance of payment. If and to the extent that the deposit is effected and the right of withdrawal is waived, the respective claims of such Holders against the Issuer shall cease.

§ 5 (Redemption)

(1) *Final Redemption.* Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their nominal amount on 14 October 2014 (the "**Maturity Date**").

(2) *Early Redemption for Reason of Taxation.* The Notes may be redeemed at their nominal amount together with interest accrued to the date fixed for redemption at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 days' notice to the Noteholders (which notice shall be irrevocable) by settlement in cash in accordance with § 4 if (i) on the occasion of the next payment due under the Notes, the Issuer has or will become obligated to pay Additional Amounts (as defined in § 6) as a result of any change in, or amendment to, the laws or regulations of the Federal Republic of Germany ("**Germany**") or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which the Notes were issued, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures (but no Substitution of the Issuer as determined in § 10) available to it. Before the publication of any notice of redemption pursuant to this § 5(2), the Issuer shall deliver to the Principal Paying Agent a certificate signed by an executive director of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred.

(3) *Change of Control.* If there occurs a Change of Control (as defined below) (a "**Put Event**"), each Noteholder will have the option (unless, prior to the giving of the Put Event Notice referred to below,

the Issuer gives notice to redeem the Notes in accordance with § 5(2)) to require the Issuer to redeem the Note(s) held by him on the Optional Redemption Date at its principal amount together with interest accrued to, but excluding, the Optional Redemption Date.

"Change of Control" means if any person other than (i) RAG-Stiftung, or (ii) a wholly owned (direct or indirect) subsidiary of RAG-Stiftung directly or indirectly acquires more than 50 per cent. of the Issuer's share capital, or directly or indirectly holds more than 50 per cent. of the voting rights in relation to the Issuer.

The **"Optional Redemption Date"** is the fifth Business Day after the last day of the Put Period (as defined below).

Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a **"Put Event Notice"**) to the Noteholders in accordance with § 12 specifying the nature of the Put Event and the circumstances giving rise to it and the procedure for exercising the option set out in this § 5(3). In order to exercise such option, the Noteholder must submit during normal business hours at the specified office of the Principal Paying Agent a duly completed option exercise notice in the form available from the specified office of the Principal Paying Agent within the period (the **"Put Period"**) of 45 days after a Put Event Notice is given. No option so exercised may be revoked or withdrawn without the prior consent of the Issuer.

§ 6 **(Taxation)**

All payments of principal and interest in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes or duties of whatever nature imposed or levied by way of withholding or deduction at source by or on behalf of Germany, or by or on behalf of any political subdivision or authority therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts (the **"Additional Amounts"**) as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Amounts shall be payable with respect to any Note:

- (a) as far as German *Kapitalertragsteuer* (including, *Abgeltungsteuer*), including church tax (*Kirchensteuer*) (if any) and the German Solidarity Surcharge (*Solidaritätszuschlag*) or any other tax which may substitute the German *Kapitalertragsteuer* is concerned;
- (b) to, or to a third party on behalf of, a Noteholder where such Noteholder is liable to such withholding or deduction by reason of having, or having had, some connection with Germany other than by reason only of the holding of such Note or the receipt of the relevant payment in respect thereof;
- (c) to, or to a third party on behalf of, a Noteholder where no such withholding or deduction would have been required to be withheld or deducted if the Notes were credited at the time of payment to a securities deposit account with a bank outside Germany;
- (d) where such withholding or deduction is imposed pursuant to European Council Directive 2003/48/EC (or any amendment thereof) or any other directive or regulation implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on taxation of savings income or any international treaty or understanding relating to such taxation and to which Germany and/or the European Union is a party or any law implementing or complying with, or introduced in order to conform to such directive, regulation, treaty or understanding;
- (e) to the extent such withholding or deduction is required by or on behalf of a Noteholder who could lawfully avoid (but has not so avoided) such withholding or deduction by complying or procuring that

any third party complies with any statutory requirements or by making or procuring that a third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the payment is effected; or

- (f) to the extent such withholding or deduction is required more than 30 days after the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made.

§ 7 (Prescription)

The presentation period provided in § 801 paragraph 1, sentence 1 of the German Civil Code (*Bürgerliches Gesetzbuch*) is reduced to ten years for the Notes.

§ 8 (Events of Default)

- (1) *Events of Default.* Each Noteholder shall be entitled to declare his Notes due and demand immediate redemption thereof at their principal amount, together with accrued interest (if any) to the date of repayment, in the event that:
 - (a) principal or interest due under the Notes is not paid within 30 days from the relevant due date;
 - (b) the Issuer fails duly to perform any other obligation arising from the Notes which failure is not capable of remedy or, if such failure is capable of remedy, such failure continues for more than 30 days after the Principal Paying Agent has received notice thereof from a Noteholder;
 - (c) any Financial Indebtedness of the Issuer or any of its Material Subsidiary becomes prematurely due as a result of a breach of the terms thereof, or the Issuer or any of its Material Subsidiaries fails to fulfil any payment obligation under any Financial Indebtedness or under any guarantee or other indemnity given for any Financial Indebtedness of others within 30 days from its due date or, in the case of a guarantee or other indemnity, within 30 days after the guarantee or other indemnity has been invoked, unless the aggregate amount of all such Financial Indebtedness and/or guarantees or other indemnities for Financial Indebtedness is less than EUR 50,000,000 or the equivalent thereof in any other currency;
 - (d) the Issuer announces its inability to meet its financial obligations or ceases its payments;
 - (e) a court opens insolvency proceedings against the Issuer or the Issuer applies for or institutes such proceedings or offers or makes an arrangement for the benefit of its creditors generally, or a third party neither arbitrarily nor abusive applies for insolvency proceedings against the Issuer and such proceedings are not discharged or stayed within 60 days;
 - (f) the Issuer goes into liquidation or dissolution unless through a restructuring measure; or
 - (g) the Issuer or any of its Material Subsidiaries, except as permitted below, disposes either in a single transaction or a series of transactions (whether related or not) all or any part of its respective assets, except for any assets which are specified as "assets held for sale" in the consolidated financial statements 2008 of the Issuer, to any person other than any member of the Group or to any Joint Venture. The first sentence of this § 8 (1)(g) does not apply to any disposal (for the avoidance of doubt, the term "disposal" does not comprise a distribution in kind (*Sachdividende*) and any intra Group transformation (*Umwandlung*) pursuant to the German Transformation Act);

- (i) made in the ordinary course of business of the disposing entity or if the book value of the asset disposed does not exceed EUR 50,000,000;
- (ii) required by law or any governmental authority or agency;
- (iii) of assets in connection with the issue of asset-backed securities for the benefit of any member of the Group where the recourse of any holder of such securities is limited to the assets or other security backing those securities and/or any factoring transaction;
- (iv) being on arm's length terms and at least 50 per cent. of the Net Proceeds remain in the Group for corporate purposes and are not be distributed to the shareholder(s) of the Issuer;
- (v) of assets in relation to or in connection with the funding of special purpose vehicles or trusts assuming the obligation to fulfil pension obligations of any member of the Group (commonly referred to as contractual trust arrangements/agreements); and/or
- (vi) not already permitted under sub-clause (i) to (v) up to, and including, a threshold amount (*Freibetrag*) equal to ten (10) per cent. of the Issuer's consolidated total assets amount of balance sheet (*Konzernbilanzsumme*) as of 31 December 2008 (the "**Threshold Amount**"), where the assets disposed are charged to the Threshold Amount at their book value, *provided* that any such disposal is on arm's length terms.

For purposes of this sub-clause (vi), the book value of any asset disposed shall be credited to the Threshold Amount in the chronological order of the relevant asset disposal taking effect, i.e. closing occurs, and if and to the extent the Threshold Amount is exceeded due to any asset disposal, the provisions of sub-clause (iv) above shall only apply to that part of the Net Proceeds equalling the Net Proceeds times the difference by which the relevant book value exceeds the Threshold Amount divided by the total book value of that asset.

"**Net Proceeds**" means the proceeds of any asset disposal after deducting:

- (i) reasonable fees, costs and expenses incurred by any member of the Group with respect to that disposal, payable or paid to persons who are not members of the Group;
- (ii) any tax incurred and required to be paid by the seller in connection with that disposal (as reasonably determined by the seller at the point of time of such disposal);
- (iii) amounts reasonably retained to cover possible liabilities in connection with a relevant disposal (as reasonably determined by the seller at the point of time of such disposal); and
- (iv) reasonable costs of closure, relocation, reorganisation and restructuring, and reasonable costs incurred preparing the asset for such disposal as well as any debt of such company repaid or otherwise eliminated from the balance sheet of that company due to any transfer of such debt to any member of the Group or due to any waiver of rights (*Forderungsverzicht*) in relation to such debt by any member of the Group in connection with such disposal.

- (2) *Cured Situations*. The right to declare Notes due shall terminate if the situation giving rise to it has been cured before the right is exercised.
- (3) *Quorum*. In the events specified in § 8(1)(b), § 8(1)(c) or § 8(1)(g) any notice declaring Notes due shall, unless at the time such notice is received any of the events specified in § 8(1)(a), § 8(1)(d), § 8(1)(e) or § 8(1)(f) entitling Noteholders to declare their Notes due has occurred, become effective

only when the Principal Paying Agent has received such notices from the Noteholders of at least 10 per cent. in the aggregate principal amount of Notes then outstanding.

- (4) *Notice.* Any notice, including any notice declaring Notes due, in accordance with § 8(1) shall be made by means of a written declaration in the German or English language delivered by hand or registered mail to the Principal Paying Agent together with appropriate proof that such Noteholder at the time of such notice is a holder of the relevant Notes by means of a certificate of his Custodian (as defined in § 13 (3)) or in any appropriate manner.

§ 9 **(Agents)**

- (1) *Appointment. Specified Office.* The initial Principal Paying Agent and the initial Paying Agent and their initial specified offices shall be:

Principal Paying Agent: Deutsche Bank Aktiengesellschaft
Grosse Gallusstraße 10-14
60272 Frankfurt am Main
Germany

(the "**Principal Paying Agent**")

Paying Agent: Deutsche Bank Luxembourg S.A.
2 Boulevard Konrad Adenauer
1115 Luxembourg
The Grand Duchy of Luxembourg

(the "**Paying Agent**")

The Principal Paying Agent and the Paying Agent reserve the right at any time to change their specified offices to some other specified office in the same city.

- (2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of any paying agent and to appoint another principal paying agent or additional or other paying agents provided that the Issuer shall (i) at all times maintain a principal paying agent and (ii) in case the Notes are listed on a regulated market of a stock exchange, maintain a paying agent with a specified office in such place as may be required by the rules of such stock exchange. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with § 12.
- (3) *Agent of the Issuer.* The Principal Paying Agent and the Paying Agent act solely as agent of the Issuer and do not assume any obligations towards or relationship of agency or trust for any Noteholder.

§ 10 **(Substitution of the Issuer)**

- (1) *Substitution.* The Issuer may, without the consent of the Noteholders, if no payment of principal of or interest on any of the Notes is in default, at any time substitute for the Issuer (other than by way of total or partial universal succession (*Gesamtrechtsnachfolge*) which shall not constitute a substitution within the meaning of this § 10 and shall be permitted subject to applicable law and the other provisions of these terms and conditions) any Affiliate (as defined below) of the Issuer as principal

debtor in respect of all obligations arising from or in connection with the Notes (the "**Substitute Debtor**") provided that:

- (a) the Substitute Debtor assumes all obligations of the Issuer in respect of the Notes;
- (b) the Issuer and the Substitute Debtor have obtained all necessary authorisations and may transfer to the Principal Paying Agent in the currency required hereunder and without being obligated to deduct or withhold any taxes or other duties of whatever nature levied by the country in which the Substitute Debtor or the Issuer has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Notes;
- (c) the Substitute Debtor has agreed to indemnify and hold harmless each Noteholder against any tax or duty imposed on such Noteholder in respect of such substitution;
- (d) the Issuer irrevocably and unconditionally guarantees in favour of each Noteholder the payment of all sums payable by the Substitute Debtor in respect of the Notes;
- (e) the Substitute Debtor, if a foreign company, has appointed an authorised agent domiciled in Germany for accepting services of process (*Zustellungsbevollmächtigter*) for any legal disputes or other Proceedings (as defined in § 13(2)) before German courts; and
- (f) there shall have been delivered to the Principal Paying Agent one opinion for each jurisdiction affected of lawyers of recognised standing to the effect that sub-paragraphs (a), (b), (c) and (d) above have been satisfied.

For purposes of this § 10, "**Affiliate**" shall mean any enterprise which has its seat within a member state of the European Economic Area and of which more than 90 per cent. of the voting stock is held directly or indirectly by the Issuer.

- (2) *Notice.* Notice of any such substitution shall be published in accordance with § 12.
- (3) *Change of References.* In the event of any such substitution, any reference in these terms and conditions to the Issuer shall from then on be deemed to refer to the Substitute Debtor and any reference to the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Debtor. Furthermore, in the event of such substitution the following shall apply:
 - (a) in § 6 and § 5(2) an alternative reference to Germany shall be deemed to have been included (in addition to the reference according to the preceding sentence to the country of domicile or residence for taxation purposes of the Substitute Debtor); and
 - (b) in § 8(1)(b) to § 8(1)(g) and in § 2(2) an alternative reference to the Issuer in its capacity as guarantor shall be deemed to have been included (in addition to the reference to the Substitute Debtor).

§ 11

(Further Issues. Purchases. Cancellation.)

- (1) *Further Issues.* The Issuer may from time to time without the consent of the Noteholders issue further notes having the same conditions as the Notes (except for the settlement date, interest commencement date and/or issue price) so that the same shall be consolidated and form a single series with such Notes, and references to "Notes" shall be construed accordingly.

- (2) *Purchases.* The Issuer may at any time purchase Notes at any price in the open market or otherwise. Such Notes may be held, resold or cancelled, all at the option of the Issuer.
- (3) *Cancellation.* All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

§ 12 **(Notices)**

- (1) *Publication.* All notices concerning the Notes will be made by means of electronic publication on the internet website of the Luxembourg Stock Exchange (www.bourse.lu) in accordance with all applicable laws. Any notice so given will be deemed to have been validly given on the third day following the date of such publication.
- (2) *Notification to Clearing System.* So long as any Notes are listed on the EuroMTF of the Luxembourg Stock Exchange, § 12(1) shall apply. In the case of notices regarding the Rate of Interest and subject to all applicable laws, the Issuer may deliver the relevant notice to the Clearing System for communication by the Clearing System to the Noteholders, in lieu of publication set forth in § 12(1); any such notice shall be deemed to have been given to the Noteholders on the fifth day after the day on which the said notice was given to the Clearing System.

§ 13 **(Governing Law. Jurisdiction. Enforcement. German Bond Act (*Schuldverschreibungsgesetz*).)**

- (1) *Governing Law.* The Notes shall be governed by German law.
- (2) *Jurisdiction.* The non-exclusive place of jurisdiction for all proceedings arising out of or in connection with the Notes ("**Proceedings**") shall be Frankfurt am Main. The Noteholders, however, may also pursue their claims before any other court of competent jurisdiction.
- (3) *Enforcement.* Any Noteholder may in any Proceedings against the Issuer, or to which such Noteholder and the Issuer are parties, protect and enforce in his own name his rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Noteholder maintains a securities account in respect of the Notes (a) stating the full name and address of the Noteholder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) and (ii) a copy of the Global Note certified as being a true copy by a duly authorised officer of the Clearing System or a depository of the Clearing System, without the need for production in such Proceedings of the actual records or the Global Note.

"**Custodian**" means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Noteholder maintains a securities account in respect of the Notes and includes the Clearing System.

Each Noteholder may, without prejudice to the foregoing, protect and enforce his rights under the Notes also in any other manner permitted in the country of the Proceedings.

- (4) *German Bond Act (*Schuldverschreibungsgesetz*).* § 5 through § 22 of the German Bond Act (*Gesetz über Schuldverschreibungen aus Gesamtemissionen vom 31. Juli 2009 (BGBl. I S. 2512)*), which came into effect on 5 August 2009, shall be applicable in relation to the Notes. Thus, the Noteholders may consent to amend the terms and conditions of the Notes by majority vote and appoint a joint agent (*gemeinsamer Vertreter*) in order to exercise their rights.

§ 14
(Language)

These terms and conditions are written in the German language and provided with an English language translation. The German text shall be controlling and binding. The English language translation is provided for convenience only.

ANLEIHEBEDINGUNGEN

(Terms and Conditions of the Notes (binding German language version))

§ 1

(Währung. Nennbetrag. Form. Vorläufige Globalurkunde – Austausch.
Clearing System. Register der ICSDs. Anleihegläubiger.)

- (1) *Währung. Nennbetrag.* Diese von Evonik Industries AG, Essen, Bundesrepublik Deutschland, (die "**Emittentin**") begebene Anleihe im Gesamtnennbetrag von Euro ("**EUR**") [●] (in Worten: EUR [●]) ist eingeteilt in [●] Schuldverschreibungen im Nennbetrag von je EUR 1.000 (die "**Schuldverschreibungen**").
- (2) *Form.* Die Schuldverschreibungen lauten auf den Inhaber.
- (3) *Vorläufige Globalurkunde – Austausch*
 - (a) Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die "**Vorläufige Globalurkunde**") ohne Zinsscheine verbrieft. Die Vorläufige Globalurkunde wird gegen Schuldverschreibungen, die durch eine Dauerglobalurkunde (die "**Dauerglobalurkunde**" und zusammen mit der Vorläufigen Globalurkunde die "**Globalurkunden**" und jeweils eine "**Globalurkunden**") ohne Zinsscheine verbrieft sind, ausgetauscht. Die Vorläufige Globalurkunde und die Dauerglobalurkunde tragen jeweils die Unterschriften zweier ordnungsgemäß bevollmächtigter Vertreter der Emittentin und sind jeweils von der Hauptzahlstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.
 - (b) Die Vorläufige Globalurkunde wird an einem Tag (der "**Austauschtag**") gegen die Dauerglobalurkunde ausgetauscht, der nicht mehr als 180 Tage nach dem Tag der Ausgabe der Vorläufigen Globalurkunde liegt. Der Austausch tag für einen solchen Austausch darf nicht weniger als 40 Tage nach dem Tag der Ausgabe der Vorläufigen Globalurkunde liegen. Ein solcher Austausch darf nur nach Vorlage von Bescheinigungen erfolgen, wonach der oder die wirtschaftlichen Eigentümer der durch die Vorläufige Globalurkunde verbrieften Schuldverschreibungen keine U.S.-Personen sind (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten). Zinszahlungen auf durch eine Vorläufige Globalurkunde verbrieft Schuldverschreibungen erfolgen erst nach Vorlage solcher Bescheinigungen. Eine gesonderte Bescheinigung ist hinsichtlich einer jeden solchen Zinszahlung erforderlich. Jede Bescheinigung, die am oder nach dem 40. Tag nach dem Tag der Ausgabe der Vorläufigen Globalurkunde eingeht, wird als ein Ersuchen behandelt werden, diese Vorläufige Globalurkunde gemäß Unterabsatz (b) dieses § 1(3) auszutauschen. Die Dauerglobalurkunde, die im Austausch für die Vorläufige Globalurkunde geliefert wird, ist außerhalb der Vereinigten Staaten zu liefern. Für die Zwecke dieses Unterabsatzes (3) und des § 4(1) bezeichnet "**Vereinigte Staaten**" die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des District of Columbia) sowie deren Territorien (einschließlich Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island und Northern Mariana Islands).
- (4) *Clearing System.* Die Vorläufige Globalurkunde (falls diese nicht ausgetauscht wird) und/oder die Dauerglobalurkunde wird/werden solange von einem oder im Namen eines Clearing Systems verwahrt, bis sämtliche Verbindlichkeiten der Emittentin aus den Schuldverschreibungen erfüllt sind. "**Clearing System**" bedeutet jeweils Folgendes: Clearstream Banking, société anonyme, Luxemburg ("**CBL**") und Euroclear Bank SA/NV ("**Euroclear**") (CBL und Euroclear jeweils ein "**ICSD**" und zusammen

die "ICSDs") oder etwaige Rechtsnachfolger in Bezug auf die von dem jeweiligen Clearing System ausgeübten Funktionen.

Die Schuldverschreibungen werden in Form einer *new global note* ("NGN") ausgegeben und von einem common safekeeper im Namen beider ICSDs verwahrt.

- (5) *Register der ICSDs.* Der Nennbetrag der durch die Vorläufige Globalurkunde und die Dauerglobalurkunde verbrieften Schuldverschreibungen entspricht dem jeweils in den Registern beider ICSDs eingetragenen Gesamtbetrag. Die Register der ICSDs (unter denen man die Register versteht, die jeder ICSD für seine Kunden über den Betrag ihres Anteils an den Schuldverschreibungen führt) sind schlüssiger Nachweis über den Nennbetrag der durch die Vorläufige Globalurkunde und die Dauerglobalurkunde verbrieften Schuldverschreibungen, und eine zu diesen Zwecken von einem ICSD ausgestellte Bestätigung mit dem Nennbetrag der so verbrieften Schuldverschreibungen ist schlüssiger Nachweis über den Inhalt des Registers des jeweiligen ICSD zu diesem Zeitpunkt.

Bei einer Rückzahlung oder Zinszahlung bezüglich der durch die Vorläufige Globalurkunde und die Dauerglobalurkunde verbrieften Schuldverschreibungen bzw. bei Ankauf und Entwertung der durch die Vorläufige Globalurkunde und die Dauerglobalurkunde verbrieften Schuldverschreibungen stellt die Emittentin sicher, dass die Einzelheiten über Rückzahlung und Zahlung bzw. Ankauf und Entwertung bezüglich der Vorläufigen Globalurkunde und der Dauerglobalurkunde anteilig in den Unterlagen der ICSDs vermerkt werden, und, dass nach dieser Eintragung der in den Unterlagen der ICSDs eingetragene und durch die Vorläufige Globalurkunde und die Dauerglobalurkunde verbrieft Nennbetrag der Schuldverschreibungen um den Gesamtnennbetrag der so zurückgezahlten bzw. angekauften und entwerteten Schuldverschreibungen gemindert wird.

Sofern lediglich ein Teil der durch die Vorläufige Globalurkunde verbrieften Schuldverschreibungen ausgetauscht wird, wird die Emittentin sicherstellen, dass die Einzelheiten dieses Austauschs anteilig in die Aufzeichnungen der ICSDs aufgenommen werden.

- (6) *Anleihegläubiger.* "**Anleihegläubiger**" bezeichnet jeden Inhaber eines Miteigentumsanteils oder vergleichbaren anderen Rechts an den Schuldverschreibungen.

§ 2 (Status. Negativverpflichtung)

- (1) *Status.* Die Schuldverschreibungen begründen unbesicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen anderen unbesicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, soweit diesen Verbindlichkeiten nicht durch zwingende gesetzliche Bestimmungen ein Vorrang eingeräumt wird.
- (2) *Negativverpflichtung.* Die Emittentin verpflichtet sich, solange Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen der Hauptzahlstelle zur Verfügung gestellt worden sind, (i) weder ihr gegenwärtiges noch ihr zukünftiges Vermögen ganz oder teilweise zur Besicherung einer gegenwärtigen oder zukünftigen Finanzverbindlichkeit (wie nachstehend definiert), die von der Emittentin, einem Wesentlichen Mitglied der Evonik Degussa-Gruppe (wie nachstehend definiert) oder einer anderen Person aufgenommen, begeben oder gewährleistet ist, dinglich zu belasten, und (ii) die Wesentlichen Mitglieder der Evonik Degussa-Gruppe zu veranlassen (soweit rechtlich möglich und zulässig), weder ihr gegenwärtiges noch ihr zukünftiges Vermögen ganz oder teilweise zur Besicherung einer gegenwärtigen oder zukünftigen Finanzverbindlichkeit, die von der Emittentin, einem Wesentlichen Mitglied der Evonik Degussa-Gruppe oder einer anderen Person aufgenommen, begeben oder gewährleistet ist, dinglich zu belasten, ohne gleichzeitig die Anleihegläubiger an derselben Sicherheit im gleichen Rang und gleichen Verhältnis teilnehmen zu lassen. Jede gemäß diesem § 2(2) zu gewährende Sicherheit kann auch zugunsten einer/s als Treuhänderin der Anleihegläubiger handelnden und von der Emittentin

beauftragten Bank, Finanzinstituts oder Wirtschaftsprüfungsgesellschaft von internationalem Rang bestellt werden.

Satz 1 dieses § 2(2) ist nicht auf als Sicherheit für Finanzverbindlichkeiten bestellte Belastungen anwendbar,

- (a) die von einer Person bestellt wurden, die nach dem Begebungstag (wie in § 3(1) definiert) Wesentliches Mitglied der Evonik Degussa-Gruppe wird oder mit der Emittentin oder einem Wesentlichen Mitglied der Evonik Degussa-Gruppe verschmolzen wird, und (i) die (aa) bereits zu dem Zeitpunkt bestanden, an dem diese Person Wesentliches Mitglied der Evonik Degussa-Gruppe wird oder mit der Emittentin oder einem Wesentlichen Mitglied der Evonik Degussa-Gruppe verschmolzen wird und die (bb) nicht im Hinblick darauf bestellt wurden, dass diese Person Wesentliches Mitglied der Evonik Degussa-Gruppe wird (es sei denn, durch einen Erwerb und eine Verpfändung oder Sicherheitsübertragung bzw. -abtretung oder anderweitige Belastung der Aktien oder Anteile an der erworbenen Gesellschaft) oder mit der Emittentin oder einem Wesentlichen Mitglied der Evonik Degussa-Gruppe verschmolzen wird und (ii) für die der besicherte Kapitalbetrag nicht nach dem Zeitpunkt erhöht wird, an dem diese Person Wesentliches Mitglied der Evonik Degussa-Gruppe wird oder mit der Emittentin oder einem Wesentlichen Mitglied der Evonik Degussa-Gruppe verschmolzen wird;
- (b) die von der Emittentin oder einem Wesentlichen Mitglied der Evonik Degussa-Gruppe nach dem Begebungstag erworbene Vermögensgegenstände, einschließlich der Vermögensgegenstände der erworbenen Gesellschaft, betreffen, sofern die Belastung zum Zeitpunkt dieses Erwerbs bereits bestand und der besicherte Kapitalbetrag nicht nach dem Zeitpunkt dieses Erwerbs erhöht wird oder die im Zusammenhang mit diesem Erwerb begründet wurden, oder welche die Gesamthöhe der zum Zeitpunkt dieses Erwerbes für Finanzverbindlichkeiten bestellten Sicherheiten nicht übersteigen;
- (c) die von der Emittentin oder einem Wesentlichen Mitglied der Evonik Degussa-Gruppe bereits bestellt worden waren und am Begebungstag bestanden oder welche die Gesamthöhe der zum Begebungstag für Finanzverbindlichkeiten bestellten Sicherheiten nicht übersteigen;
- (d) die im Zusammenhang mit lokalen Kreditzusagen für betriebliche Zwecke der Emittentin und/oder von Wesentlichen Mitgliedern der Evonik Degussa-Gruppe in Ländern bestellt wurden, in denen es rechtlich nicht möglich oder aufgrund von Auswirkungen von lokalen Steuergesetzen oder, aufgrund der Verfügbarkeit von Darlehen in Zusammenhang mit staatlichen Förderungen, wirtschaftlich nicht sinnvoll ist, derartige betriebliche Zwecke im Rahmen von Cash-Management-Regelungen des Konzerns (wie nachstehend definiert) zu finanzieren;
- (e) die kraft Gesetzes im Rahmen des üblichen Geschäftsbetriebes entstehen oder die aufgrund eines gesetzlichen Anspruchs nach dem Aktiengesetz oder nach dem Umwandlungsgesetz oder nach vergleichbaren Regelungen einer anderen Rechtsordnung zu bestellen sind;
- (f) die gemäß den Allgemeinen Geschäftsbedingungen eines Kreditinstitutes, zu dem die Emittentin oder ein Wesentliches Mitglied der Evonik Degussa-Gruppe Geschäftsbeziehungen unterhält, bestellt wurden; hiervon ausgenommen sind jedoch als Sicherheit bestellte Belastungen, die Folge einer Bonitätsverschlechterung der Emittentin bzw. eines Wesentlichen Mitglieds der Evonik Degussa-Gruppe sind (üblicherweise als "Nachbesicherung" bezeichnet);
- (g) die an oder bezüglich der Aktien bzw. Anteile der Emittentin oder eines Wesentlichen Mitglieds der Evonik Degussa-Gruppe an einem Joint Venture (wie nachstehend definiert) oder einer Projektgesellschaft (wie nachstehend definiert) oder an Rechten und Ansprüchen des Gesellschafters in Bezug auf diese Aktien bzw. Anteile (einschließlich Dividendenansprüchen und Ansprüchen auf Liquidationserlöse) bestellt werden, die allein zur Besicherung von

Finanzverbindlichkeiten des betreffenden Joint Venture oder der betreffenden Projektgesellschaft oder an dem Vermögen oder bezüglich des Vermögens eines Joint Venture bzw. einer Projektgesellschaft gewährt werden; oder

- (h) die Finanzverbindlichkeiten besichern, deren Betrag (zusammen mit der Summe anderer Finanzverbindlichkeiten, die mit einer seitens eines Mitglieds der Emittentin und/oder eines Wesentlichen Mitglieds der Evonik Degussa-Gruppe gewährten und auf der Basis dieses § 2(2)(h)) bestellten Sicherheit besichert sind) zu keinem Zeitpunkt EUR 250.000.000 oder den Gegenwert in einer oder mehreren anderen Währungen übersteigt.

"Finanzverbindlichkeit" bezeichnet:

- (a) die ungetilgten Kapitalbeträge aller Gelder, die als Darlehen von Kreditinstituten aufgenommen wurden;
- (b) die ungetilgten Kapitalbeträge aller Schuldscheine, die nach dem Begebungstag begeben wurden; und
- (c) die ungetilgten Kapitalbeträge aller Anleihen, Schuldverschreibungen oder vergleichbaren Instrumente,

mit Ausnahme von Verbindlichkeiten aus (i) Finanzierungsleasing und/oder Wertpapier-Leihgeschäften (einschließlich Wertpapierpensionsgeschäften); (ii) Asset-backed Securities, bei denen der Rückgriff des Inhabers derartiger Wertpapiere auf die Vermögensgegenstände oder sonstige Sicherheiten beschränkt ist, die diese Wertpapiere decken, und/oder (iii) dem Verkauf, der Übertragung oder der anderweitigen Veräußerung von Forderungen. Zur Klarstellung gilt: Derivategeschäfte, die eingegangen wurden, um sich gegen Zins- oder Preisschwankungen abzusichern oder davon zu profitieren, gelten nicht als Finanzverbindlichkeiten.

"Wesentliches Mitglied der Evonik Degussa-Gruppe" bezeichnet Evonik Degussa (wie nachstehend definiert) und all diejenigen Wesentlichen Tochtergesellschaften (wie nachstehend definiert), an denen Evonik Degussa unmittelbar oder mittelbar mindestens 50 Prozent der Anteile hält.

"Evonik Degussa" bezeichnet Evonik Degussa GmbH, Essen, Bundesrepublik Deutschland, eingetragen im Handelsregister des Amtsgerichts Essen unter HRB 20227.

"Wesentliche Tochtergesellschaft" bezeichnet jede Tochtergesellschaft (wie nachstehend definiert) (mit Ausnahme von Projektgesellschaften) (wobei eine Gesellschaft, die keine Tochtergesellschaft mehr ist, auch nicht mehr als Wesentliche Tochtergesellschaft gilt):

- (a) deren nicht konsolidierter Umsatz einem Anteil von fünf (5) Prozent oder mehr des konsolidierten Umsatzes der Emittentin entspricht, und/oder
- (b) deren nicht konsolidierte Bilanzsumme einem Anteil von zwei (2) Prozent oder mehr der konsolidierten Bilanzsumme der Emittentin entspricht,

wobei zu diesem Zweck

- (i) die Bilanzsumme bzw. der Umsatz einer Tochtergesellschaft der Emittentin nach deren Jahresabschluss (nicht konsolidiert, sofern diese Gesellschaft selbst Tochtergesellschaften hat) bestimmt wird, auf dem der letzte verfügbare geprüfte konsolidierte Jahresabschluss der Emittentin beruht,

- (ii) in Fällen, in denen eine Gesellschaft nach dem Datum, zu dem der letzte verfügbare geprüfte konsolidierte Jahresabschluss der Emittentin aufgestellt wurde, in den Konzern aufgenommen wird, die Bilanzsumme bzw. der Umsatz dieser Tochtergesellschaft nach deren letztem Jahresabschluss (nicht konsolidiert, sofern diese Gesellschaft selbst Tochtergesellschaften hat) bestimmt wird,
- (iii) die Bilanzsumme bzw. der Umsatz des Konzerns nach dem letzten verfügbaren geprüften konsolidierten Jahresabschluss der Emittentin bestimmt wird, gegebenenfalls so angepasst, dass die Bilanzsumme bzw. der Umsatz einer danach erworbenen oder veräußerten Gesellschaft berücksichtigt wird, und
- (iv) in Fällen, in denen eine Tochtergesellschaft (die "**Veräußernde Tochtergesellschaft**"), welche die vorstehend genannten Voraussetzungen erfüllt, alle oder im Wesentlichen alle ihre Vermögensgegenstände an eine andere Tochtergesellschaft der Emittentin (die "**Erwerbende Tochtergesellschaft**") veräußert, gilt die Veräußernde Tochtergesellschaft unverzüglich nicht mehr als Wesentliche Tochtergesellschaft und gilt die Erwerbende Tochtergesellschaft mit sofortiger Wirkung als Wesentliche Tochtergesellschaft (falls sie dies nicht bereits ist); die anschließend aufgestellten Jahresabschlüsse dieser Tochtergesellschaften und der Emittentin werden zur Bestimmung der Frage herangezogen, ob es sich bei diesen Tochtergesellschaften weiterhin um Wesentliche Tochtergesellschaften (bzw. keine Wesentlichen Tochtergesellschaften) handelt oder nicht.

Bei Uneinigkeit über die Frage, ob es sich bei einer Gesellschaft um eine Wesentliche Tochtergesellschaft handelt oder nicht, gilt eine Bestätigung der Abschlussprüfer der Emittentin, außer im Falle eines offenkundigen Fehlers, als schlüssiger Nachweis.

"**Tochtergesellschaft**" bezeichnet für einen bestimmten Zeitpunkt jedes ausweislich des letzten geprüften Konzernabschlusses der Emittentin voll konsolidierte Unternehmen (einschließlich jedes Unternehmens, welches in diesem Abschluss voll zu konsolidieren wäre, wenn der Abschluss zu dem jeweils anwendbaren Zeitpunkt erstellt würde, aber ausschließlich aller Unternehmen, die in diesem Abschluss nicht mehr voll zu konsolidieren wären, wenn der Abschluss zu dem jeweils anwendbaren Zeitpunkt erstellt würde), wobei jedoch keine Kraftwerks-Zweckgesellschaft als Tochtergesellschaft der Emittentin zu behandeln ist.

"**Konzern**" bezeichnet die Emittentin und ihre jeweiligen Tochtergesellschaften, betrachtet als Ganzes.

"**Kraftwerks-Zweckgesellschaft**" bezeichnet jede bestehende oder künftige Gesellschaft,

- (a) deren Grund- oder Stammkapital und/oder Stimmrechte sich zu mehr als 50 % in unmittelbarem oder mittelbarem Besitz der Emittentin befinden oder die von der Emittentin im Sinne von § 17 Aktiengesetz anderweitig unmittelbar oder mittelbar beherrscht wird, und
- (b)
 - (i) bei der es sich um eine Zweckgesellschaft handelt, die für den alleinigen Zweck des Erwerbs, der Entwicklung, der Finanzierung und/oder des Betriebs eines Kraftwerks und/oder der Vermarktung, des Bezugs und/oder des Verkaufs von Energie, die durch ein derartiges Kraftwerk erzeugt wird, gegründet wurde, oder
 - (ii) die ausschließlich als Partner einer in vorstehendem Unterabsatz (b)(i) genannten Zweckgesellschaft handelt.

"Joint Venture" bezeichnet jedes Rechtssubjekt, sei es eine Kapitalgesellschaft, eine Gesellschaft mit oder ohne Rechtspersönlichkeit, ein Unternehmen, eine Personenvereinigung, eine Personengesellschaft oder eine sonstige Organisationsform,

- (a) an dem die Emittentin (unmittelbar oder mittelbar) Aktien oder Anteile hält und
- (b) bei dem es sich nicht um eine voll konsolidierte Tochtergesellschaft der Emittentin handelt.

"Projektgesellschaft" bezeichnet eine Tochtergesellschaft, deren Anteile sich unmittelbar oder mittelbar im Besitz von Evonik Degussa befinden und bei der es sich um eine Zweckgesellschaft handelt, die für den alleinigen Zweck der Entwicklung und Durchführung eines konkreten Projektes gegründet wurde, deren Gläubiger keine unmittelbare oder mittelbare Möglichkeit zum Rückgriff auf die Emittentin und/oder Wesentliche Mitglieder der Evonik Degussa-Gruppe oder das Vermögen der Emittentin und/oder von Wesentlichen Mitgliedern der Evonik Degussa-Gruppe haben (außer im Wege eines Avals, eines Gesellschafterdarlehens oder einer Sicherheit) und die kein anderes Vermögen als das für den Zweck des Projektes bestimmte Vermögen besitzt.

"Sicherheit" bezeichnet ein Pfandrecht, eine Grundschuld, eine Hypothek, ein Zurückbehaltungsrecht, eine Sicherungsabtretung, eine Sicherungsübereignung, eine Eigentumsvorbehaltsregelung oder eine sonstige dingliche Sicherheit, mit der Verbindlichkeiten einer Person abgesichert werden, oder eine sonstige Vereinbarung oder Regelung mit vergleichbarer Wirkung.

§ 3

(Zinssatz und Zinszahltag. Auflaufende Zinsen. Berechnung der Zinsen für Teile von Zinsperioden.)

- (1) *Zinssatz und Zinszahltag.* Die Schuldverschreibungen werden bezogen auf ihren Nennbetrag mit dem jährlich Zinssatz (wie nachfolgend definiert) ab dem 14. Oktober 2009 (der **"Begebungstag"**) (einschließlich) bis zum Fälligkeitstag (wie in § 5(1) definiert) (ausschließlich) verzinst. Die Zinsen sind nachträglich am 14. Oktober eines jeden Jahres (jeweils ein **"Zinszahltag"**) zahlbar. Der erste Zinszahltag ist der 14. Oktober 2010 (der **"Erste Zinszahltag"**).

"Zinssatz" bezeichnet einen Betrag, ausgedrückt als Prozentsatz, wie zwischen der Emittentin und den Managern, die die Schuldverschreibungen übernehmen, festgelegt und wie auf der Internetseite der Luxemburger Börse (www.bourse.lu) veröffentlicht (die **"Preisfestsetzungsmitteilung"**). Die Preisfestsetzungsmitteilung wird am oder um den 6. Oktober 2009 veröffentlicht.

Soweit die Schuldverschreibungen nicht vor dem Ersten Zinszahltag durch mindestens zwei Ratingagenturen (wie nachfolgend definiert) gerated worden sind, erhöht sich der Zinssatz um zusätzliche 1,25 % (eins Komma zwei fünf Prozent) jährlich vom Ersten Zinszahltag (einschließlich) bis zum Fälligkeitstag (ausschließlich). Sind die Voraussetzungen für eine solche Erhöhung erfüllt, wird die Emittentin den Anleihegläubigern dies gemäß § 12(2) mitteilen.

"Ratingagenturen" bezeichnet jeweils Moody's Investor Services, Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, und Fitch Ratings Limited oder die jeweilige Nachfolgerin dieser Ratingagenturen.

- (2) *Auflaufende Zinsen.* Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht zurückzahlt, erfolgt die Verzinsung der Schuldverschreibungen vom Tag der Fälligkeit bis zum Tag der tatsächlichen Rückzahlung der Schuldverschreibungen in Höhe des gesetzlich festgelegten Verzugszinssatzes (§ 288 Bürgerliches Gesetzbuch).
- (3) *Berechnung der Zinsen für Teile von Zinsperioden.* Sofern Zinsen für einen Zeitraum von weniger als einem Jahr zu berechnen sind, erfolgt die Berechnung auf der Grundlage des Zinstagequotienten.

"Zinstagequotient" bezeichnet im Hinblick auf die Berechnung eines Betrages für einen beliebigen Zeitraum (der **"Zinsberechnungszeitraum"**):

- (a) Falls der Zinsberechnungszeitraum gleich oder kürzer als die Zinsperiode ist, innerhalb welcher er fällt, die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum, dividiert durch das Produkt aus (i) der tatsächlichen Anzahl von Tagen in der jeweiligen Zinsperiode und (ii) der Anzahl der Zinsperioden in einem Jahr.
- (b) Falls der Zinsberechnungszeitraum länger als eine Zinsperiode ist, die Summe:
 - (i) der tatsächlichen Anzahl von Tagen in demjenigen Zinsberechnungszeitraum, der in die Zinsperiode fällt, in der er beginnt, geteilt durch das Produkt aus (x) der tatsächlichen Anzahl von Tagen in dieser Zinsperiode und (y) der Anzahl von Zinsperioden in einem Jahr, und
 - (ii) der tatsächlichen Anzahl von Tagen in demjenigen Zinsberechnungszeitraum, der in die nächste Zinsperiode fällt, geteilt durch das Produkt aus (x) der tatsächlichen Anzahl von Tagen in dieser Zinsperiode und (y) der Anzahl von Zinsperioden in einem Jahr.

"Zinsperiode" bezeichnet den Zeitraum vom Begebungstag (einschließlich) bis zum Ersten Zinszahltag (ausschließlich) und jeden weiteren Zeitraum von einem Zinszahltag (einschließlich) bis zum folgenden Zinszahltag (ausschließlich).

§ 4 **(Zahlungen)**

(1) *Zahlungen auf Kapital und Zinsen.*

- (a) *Zahlungen auf Kapital.* Zahlungen von Kapital auf die Schuldverschreibungen erfolgen – vorbehaltlich der einschlägigen Steuergesetze und -vorschriften und sonstigen Gesetze und Vorschriften – in Euro an das Clearing System oder an dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber bei dem Clearing System gegen Vorlage und (außer im Fall von Teilzahlungen) Einreichung der die Schuldverschreibungen zum Zeitpunkt der Zahlung verbriefenden Globalurkunde bei der Hauptzahlstelle außerhalb der Vereinigten Staaten.
- (b) *Zahlung von Zinsen.* Die Zahlung von Zinsen auf die Schuldverschreibungen erfolgt – vorbehaltlich der einschlägigen Steuergesetze und -vorschriften und sonstigen Gesetze und Vorschriften – in Euro an das Clearing System oder an dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des betreffenden Clearing Systems gegen Vorlage der Globalurkunde bei der bezeichneten Geschäftsstelle einer der Zahlstellen außerhalb der Vereinigten Staaten. Die Zahlung von Zinsen auf Schuldverschreibungen, die durch die Vorläufige Globalurkunde verbrieft sind, erfolgt an das Clearing System nach ordnungsgemäßer Bescheinigung gemäß § 1(3)(b).

(2) *Geschäftstag.* Fällt der Tag, an dem eine Zahlung in Bezug auf eine Schuldverschreibung fällig ist, auf einen Tag, der kein Geschäftstag ist, hat der Anleihegläubiger keinen Anspruch auf Zahlung vor dem nächsten Geschäftstag und ist nicht berechtigt, zusätzliche Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen.

"Geschäftstag" ist jeder Tag (außer Samstag und Sonntag), an dem das Clearing System und alle für die Abwicklung von Zahlungen in Euro wesentlichen Teile des *Trans-European Automated Real-time Gross settlement Express Transfer (TARGET2)*-Systems oder eines Nachfolgesystems betriebsbereit sind.

- (3) *Erfüllung.* Die Emittentin wird durch Leistung der Zahlung an das Clearing System oder dessen Order von ihrer Zahlungspflicht befreit.
- (4) *Bezugnahmen auf Zinsen.* Bezugnahmen in diesen Anleihebedingungen auf "**Zinsen**" schließen alle gegebenenfalls nach § 6 zahlbaren Zusätzlichen Beträge (wie in § 6 definiert) mit ein.
- (5) *Hinterlegung von Kapital und Zinsen.* Die Emittentin ist berechtigt, Kapital- oder Zinsbeträge, die nicht innerhalb von zwölf Monaten ab dem Fälligkeitstag von Anleihegläubigern geltend gemacht werden, beim Amtsgericht Frankfurt am Main, Bundesrepublik Deutschland, zu hinterlegen, selbst wenn sich die betreffenden Anleihegläubiger nicht im Annahmeverzug befinden. Sofern und soweit eine entsprechende Hinterlegung vorgenommen wird und auf das Auszahlungsrecht verzichtet wird, erlöschen die betreffenden Ansprüche der Anleihegläubiger gegen die Emittentin.

§ 5 (Rückzahlung)

- (1) *Rückzahlung bei Endfälligkeit.* Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen zu ihrem Nennbetrag am 14. Oktober 2014 (der "**Fälligkeitstag**") zurückgezahlt.
- (2) *Vorzeitige Rückzahlung aus steuerlichen Gründen.* Die Schuldverschreibungen können nach Wahl der Emittentin jederzeit insgesamt, jedoch nicht teilweise, mit einer Kündigungsfrist von nicht weniger als 30 Tagen durch eine unwiderrufliche Mitteilung an die Anleihegläubiger vorzeitig gekündigt und zu ihrem Nennbetrag zuzüglich bis zum für die Rückzahlung festgesetzten Tag aufgelaufener Zinsen durch Zahlung gemäß § 4 zurückgezahlt werden, falls (i) die Emittentin an dem nächsten Tag, an dem eine Zahlung unter den Schuldverschreibungen fällig ist, infolge einer Änderung oder Ergänzung der Steuer- oder Abgabengesetze und Steuervorschriften der Bundesrepublik Deutschland ("**Deutschland**") oder deren Gebietskörperschaften oder Steuerbehörden oder infolge einer Änderung der Anwendung oder der amtlichen Auslegung dieser Gesetze und Vorschriften (vorausgesetzt, diese Änderung oder Ergänzung wird am oder nach dem Tag wirksam, an dem die Schuldverschreibungen begeben werden) zur Zahlung von Zusätzlichen Beträgen (wie in § 6 definiert) verpflichtet ist oder sein wird und (ii) diese Verpflichtung nicht dadurch vermieden werden kann, dass die Emittentin ihr zur Verfügung stehende zumutbare Maßnahmen (nicht aber eine Ersetzung der Emittentin gemäß § 10) ergreift. Vor Veröffentlichung einer Mitteilung über eine Rückzahlung gemäß dieses § 5(2) hat die Emittentin der Hauptzahlstelle eine von einem Mitglied der Geschäftsführung der Emittentin unterzeichnete Bestätigung zukommen zu lassen, der zufolge die Emittentin berechtigt ist, eine entsprechende Rückzahlung zu leisten, und in der nachvollziehbar dargelegt ist, dass die Bedingungen für das Recht der Emittentin zur Rückzahlung gemäß diesen Bestimmungen erfüllt sind.
- (3) *Kontrollwechsel.* Tritt ein Kontrollwechsel (wie nachstehend definiert) ein (ein "**Rückzahlungsereignis**"), hat jeder Anleihegläubiger das Recht (sofern nicht die Emittentin, bevor die nachstehend beschriebene Rückzahlungsmitteilung gemacht wird, die Rückzahlung der Schuldverschreibungen nach § 5(2) angezeigt hat), die Rückzahlung seiner Schuldverschreibungen durch die Emittentin zum Nennbetrag, zuzüglich aufgelaufener Zinsen bis zum Wahlrückzahlungstag (ausschließlich), zu verlangen.

Ein "**Kontrollwechsel**" liegt vor, falls eine Person mit Ausnahme (i) der RAG-Stiftung oder (ii) einer (unmittelbaren oder mittelbaren) hundertprozentigen Tochtergesellschaft der RAG-Stiftung unmittelbar oder mittelbar mehr als 50 % des Grundkapitals der Emittentin erwirbt oder unmittelbar oder mittelbar mehr als 50 % der Stimmrechte an der Emittentin hält.

"**Wahlrückzahlungstag**" ist der fünfte Geschäftstag nach dem letzten Tag des Rückzahlungszeitraums (wie nachstehend definiert).

Sobald die Emittentin von einem Rückzahlungsereignis Kenntnis erlangt, wird die Emittentin den Anleihegläubigern unverzüglich gemäß § 12 Mitteilung vom Rückzahlungsereignis machen (eine "**Rückzahlungsmitteilung**"), in der die Umstände des Rückzahlungsereignisses sowie das Verfahren für die Ausübung des in diesem § 5(3) genannten Wahlrechts angegeben sind.

Zur Ausübung dieses Wahlrechts muss der Anleihegläubiger während der üblichen Geschäftszeiten innerhalb eines Zeitraums (der "**Rückzahlungszeitraum**") von 45 Tagen nachdem die Rückzahlungsmitteilung veröffentlicht ist eine ordnungsgemäß ausgefüllte und unterzeichnete Ausübungserklärung bei der angegebenen Niederlassung der Hauptzahlstelle einreichen, die in ihrer jeweils maßgeblichen Form bei der angegebenen Niederlassung der Hauptzahlstelle erhältlich ist. Ein so ausgeübtes Wahlrecht kann nicht ohne vorherige Zustimmung der Emittentin widerrufen oder zurückgezogen werden.

§ 6 (Besteuerung)

Alle in Bezug auf die Schuldverschreibungen zahlbaren Kapital- oder Zinsbeträge werden ohne Einbehalt oder Abzug für oder wegen Steuern oder Abgaben gleich welcher Art gezahlt, die von oder in Deutschland, oder für deren Rechnung oder von oder für Rechnung einer Gebietskörperschaft oder Steuerbehörde dieses Staates auferlegt oder erhoben werden, es sei denn, ein solcher Abzug oder Einbehalt ist gesetzlich vorgeschrieben. In einem solchen Fall wird die Emittentin diejenigen zusätzlichen Beträge ("**Zusätzliche Beträge**") zahlen, die erforderlich sind, damit die den Anleihegläubigern zufließenden Beträge jeweils den Beträgen entsprechen, die die Anleihegläubiger ohne einen solchen Einbehalt oder Abzug erhalten hätten; jedoch sind solche zusätzlichen Beträge nicht zu zahlen:

- (a) in Bezug auf die deutsche Kapitalertragsteuer (einschließlich der Abgeltungsteuer), einschließlich Kirchensteuer (soweit diese anfällt) und dem Solidaritätszuschlag oder jede andere Steuer, welche die deutsche Kapitalertragsteuer ersetzen sollte;
- (b) an einen Anleihegläubiger oder an einen Dritten für einen Anleihegläubiger, falls dieser Anleihegläubiger aufgrund einer über die bloße Inhaberschaft der Schuldverschreibungen oder den Erhalt der unter diesen zu leistenden Zahlungen hinausgehenden gegenwärtigen oder ehemaligen Verbindung zu Deutschland einem solchen Einbehalt oder Abzug unterliegt;
- (c) an einen Anleihegläubiger oder an einen Dritten für einen Anleihegläubiger, falls kein Einbehalt oder Abzug erfolgen müsste, wenn die Schuldverschreibungen zum Zeitpunkt der fraglichen Zahlung einem Depot bei einer nicht in Deutschland ansässigen Bank gutgeschrieben gewesen wären;
- (d) falls ein solcher Einbehalt oder Abzug aufgrund der Richtlinie des Rates der Europäischen Union 2003/48/EC (oder jedwede Änderung dieser Richtlinie) oder einer anderen Richtlinie oder Verordnung, welche die Beschlüsse des ECOFIN Rats Treffens vom 26. bis 27. November 2000 bezüglich der Besteuerung von Kapitalerträgen umsetzt oder eines sonstigen internationalen Abkommens oder einer sonstigen internationalen Verständigung in Bezug auf eine solche Besteuerung, an dem/der Deutschland und/oder die Europäische Union als Partei teilnimmt, oder aufgrund eines eine solche Richtlinie, Verordnung oder Verständigung oder ein solches Abkommen umsetzenden oder sie befolgenden oder zu ihrer Befolgung erlassenen Gesetzes erfolgt;
- (e) soweit der Einbehalt oder Abzug im Hinblick auf einen Anleihegläubiger oder im Hinblick auf einen Dritten für einen Anleihegläubiger vorzunehmen ist, der einen solchen Einbehalt oder Abzug dadurch rechtmäßigerweise hätte vermeiden können (aber nicht vermieden hat), dass er gesetzliche Vorschriften beachtet, oder dafür sorgt, dass Dritte dieses tun, oder, dass er eine Nichtansässigkeitserklärung oder einen ähnlichen Antrag auf Befreiung gegenüber den am Zahlungsort zuständigen Steuerbehörden abgibt oder dafür sorgt, dass Dritte dieses tun; oder

- (f) soweit der Einbehalt oder Abzug zu einem Zeitpunkt vorzunehmen ist, der mehr als 30 Tage nach dem Tag der erstmaligen Fälligkeit der Zahlung oder (im Fall des Zahlungsverzugs) dem Tag der vollständigen Zahlung des fälligen Betrages liegt.

§ 7 (Verjährung)

Die in § 801 Absatz 1 Satz 1 Bürgerliches Gesetzbuch bestimmte Vorlegungsfrist wird für die Schuldverschreibungen auf zehn Jahre verkürzt.

§ 8 (Kündigungsgründe)

- (1) *Kündigungsgründe.* Jeder Anleihegläubiger ist berechtigt, seine Schuldverschreibungen zu kündigen und deren sofortige Rückzahlung zu ihrem Nennbetrag, zuzüglich etwaiger bis zum Tage der Rückzahlung aufgelaufener Zinsen zu verlangen, falls:
- (a) im Rahmen der Schuldverschreibungen fälliges Kapital oder fällige Zinsen nicht innerhalb von 30 Tagen nach dem betreffenden Fälligkeitstermin gezahlt sind;
 - (b) die Emittentin die ordnungsgemäße Erfüllung irgendeiner anderen Verpflichtung aus den Schuldverschreibungen unterlässt und diese Unterlassung nicht geheilt werden kann oder, falls sie geheilt werden kann, länger als 30 Tage fort dauert, nachdem die Hauptzahlstelle hierüber eine Benachrichtigung von einem Anleihegläubiger erhalten hat;
 - (c) eine Finanzverbindlichkeit der Emittentin oder einer ihrer Wesentlichen Tochtergesellschaften wegen der Verletzung einer ihrer Bestimmungen vorzeitig fällig wird, oder die Emittentin oder eine ihrer Wesentlichen Tochtergesellschaften eine Zahlungsverpflichtung aus einer Finanzverbindlichkeit oder aufgrund einer Garantie oder sonstigen Freistellungsverpflichtung für eine Finanzverbindlichkeit Dritter nicht innerhalb von 30 Tagen nach Fälligkeit, bzw. im Falle einer Garantie oder sonstigen Freistellungsverpflichtung, nicht innerhalb von 30 Tagen nach Inanspruchnahme aus dieser Garantie oder sonstigen Freistellungsverpflichtung, erfüllt; es sei denn, der Gesamtnennbetrag aller dieser Finanzverbindlichkeiten und/oder Garantien oder sonstiger Freistellungsverpflichtungen für Finanzverbindlichkeiten beträgt weniger als Euro 50.000.000 oder den Gegenwert davon in einer anderen Währung;
 - (d) die Emittentin ihre Zahlungsunfähigkeit bekannt gibt oder ihre Zahlungen einstellt;
 - (e) ein Gericht ein Insolvenzverfahren gegen die Emittentin eröffnet, oder die Emittentin die Eröffnung eines solchen Verfahrens beantragt oder eine allgemeine Schuldenregelung zugunsten ihrer Gläubiger anbietet oder trifft, oder ein Dritter weder willkürlich noch rechtsmissbräuchlich die Eröffnung eines Insolvenzverfahrens gegen die Emittentin beantragt und derartige Verfahren nicht innerhalb einer Frist von 60 Tagen aufgehoben oder ausgesetzt werden; oder
 - (f) die Emittentin in Liquidation tritt, es sei denn, dies geschieht durch eine Restrukturierungsmaßnahme; oder
 - (g) die Emittentin oder eine ihrer Wesentlichen Tochtergesellschaften – außer soweit dies nachstehend als zulässig geregelt ist – in einer einzelnen Transaktion oder in einer Reihe von Transaktionen (unabhängig davon, ob diese miteinander zusammenhängen oder nicht) die Gesamtheit oder einen Teil ihrer Vermögensgegenstände, ausgenommen hiervon sind die im konsolidierten Jahresabschluss von 2008 der Emittentin als "Zur Veräußerung vorgesehene Vermögenswerte" bestimmten Vermögenswerte, an Personen veräußert, bei denen es sich nicht

um Konzerngesellschaften oder ein Joint Venture handelt. Der erste Satz dieses § 8(1)(g) findet keine Anwendung auf Veräußerungen (wobei, zur Klarstellung, der Begriff "Veräußerung" keine Sachdividenden und keine konzerninternen Umwandlungen nach dem Umwandlungsgesetz umfasst):

- (i) die im Rahmen der üblichen Geschäftstätigkeit des veräußernden Unternehmens erfolgen oder, sofern der Buchwert des veräußerten Vermögensgegenstandes EUR 50.000.000 nicht übersteigt;
- (ii) aufgrund gesetzlicher Vorschriften oder aufgrund von Anordnungen von Behörden oder sonstigen staatlichen Stellen;
- (iii) von Vermögensgegenständen im Zusammenhang mit der Emission von Asset-backed Securities zugunsten einer Konzerngesellschaft, bei denen der Rückgriff des Inhabers derartiger Wertpapiere auf die Vermögensgegenstände oder sonstigen Sicherheiten beschränkt ist, die diesen Wertpapieren unterliegen und/oder Factoring-Transaktionen;
- (iv) zu üblichen Marktbedingungen und bei denen mindestens 50 % der Nettoerlöse für Unternehmenszwecke beim Konzern verbleiben und nicht an den oder die Aktionäre der Emittentin ausgeschüttet werden;
- (v) von Vermögensgegenständen im Zusammenhang mit der Finanzierung von Zweckgesellschaften oder Treuhandgesellschaften (*Trusts*), welche die Verpflichtung zur Erfüllung von Pensionsverpflichtungen einer Konzerngesellschaft übernehmen (üblicherweise als "*contractual trust arrangements/agreements*" bezeichnet); und/oder
- (vi) die nicht bereits gemäß den Unterabsätzen (i) bis (v) zulässig sind, bis zu einem Freibetrag in Höhe von zehn (10) % der Konzernbilanzsumme der Emittentin zum 31. Dezember 2008 (der "**Freibetrag**"), wobei die veräußerten Vermögensgegenstände mit ihren Buchwerten in Ansatz gebracht werden, *vorausgesetzt*, die Veräußerung erfolgt zu marktüblichen Konditionen.

Für die Zwecke dieses Unterabsatzes (vi) gilt: Der Buchwert veräußerter Vermögensgegenstände wird in der chronologischen Reihenfolge der Wirksamkeit der Veräußerung des jeweiligen Vermögensgegenstandes (d. h. mit dinglichem Vollzug) auf den Freibetrag angerechnet. Sofern und soweit der Freibetrag aufgrund der Veräußerung eines Vermögensgegenstandes überschritten wird, finden die Bestimmungen des Unterabsatzes (iv) nur Anwendung auf denjenigen Teil der Nettoerlöse, der den Nettoerlösen multipliziert mit der Differenz, um die der jeweilige Buchwert den Freibetrag übersteigt, geteilt durch den Gesamtbuchwert dieses Vermögenswertes, entspricht.

"**Nettoerlöse**" bezeichnet die Erlöse aus der Veräußerung von Vermögensgegenständen nach Abzug von:

- (i) angemessenen Provisionen, Kosten und Auslagen, die einer Konzerngesellschaft in Bezug auf diese Veräußerung entstehen und an Personen zu zahlen sind oder gezahlt wurden, die nicht dem Konzern angehören;
- (ii) vom Veräußerer im Zusammenhang mit dieser Veräußerung gezahlten oder zu zahlenden Steuern (wie vom Veräußerer zum Zeitpunkt der Veräußerung in angemessener Weise angesetzt);

- (iii) in angemessener Weise einbehaltenen Beträgen zur Berücksichtigung möglicher Verpflichtungen im Zusammenhang mit der betreffenden Veräußerung (wie vom Veräußerer zum Zeitpunkt der Veräußerung in angemessener Weise angesetzt); und
 - (iv) angemessenen Kosten einer Betriebsschließung, Verlagerung, Neuorganisation und Umstrukturierung und von angemessenen Kosten angesichts der Vorbereitung des Vermögensgegenstandes auf diese Veräußerung sowie alle Schulden dieser Gesellschaft, die entweder zurückgezahlt oder aufgrund einer Übertragung dieser Schulden an eine Konzerngesellschaft oder eines Forderungsverzichts in Bezug auf diese Schulden seitens einer Konzerngesellschaft jeweils im Zusammenhang mit der Veräußerung auf andere Weise aus der Bilanz dieser Gesellschaft eliminiert wurden bzw. werden.
- (2) *Heilung.* Das Kündigungsrecht in Bezug auf die Schuldverschreibungen erlischt, falls der Kündigungsgrund vor Ausübung des Rechts geheilt wurde.
- (3) *Quorum.* In den Fällen des § 8(1)(b), § 8(1)(c) or § 8(1)(g) wird eine Kündigung, sofern nicht bei deren Eingang zugleich einer der in § 8(1)(a), § 8(1)(d), § 8(1)(e) oder § 8(1)(f) bezeichneten Kündigungsgründe vorliegt, erst wirksam, wenn bei der Hauptzahlstelle Kündigungserklärungen von Anleihegläubigern in Bezug auf Schuldverschreibungen im Gesamtnennbetrag von mindestens 10 % der dann ausstehenden Schuldverschreibungen eingegangen sind.
- (4) *Mitteilung.* Eine Mitteilung, einschließlich einer Kündigung der Schuldverschreibungen gemäß § 8(1), ist schriftlich in deutscher oder englischer Sprache zu erklären und der Hauptzahlstelle zusammen mit einem Nachweis in geeigneter Weise, aus dem sich ergibt, dass der jeweilige Anleihegläubiger zum Zeitpunkt der Mitteilung Inhaber der jeweiligen Schuldverschreibungen ist, persönlich oder per Einschreiben zu übermitteln. Der Nachweis kann durch eine Bescheinigung der Depotbank (wie in § 13(3) definiert) oder auf andere geeignete Weise erbracht werden.

§ 9 (Beauftragte Stellen)

- (1) *Bestellung. Designierte Geschäftsstelle.* Die anfänglich bestellte Hauptzahlstelle und die anfänglich bestellte Zahlstelle und deren designierte Geschäftsstellen lauten wie folgt:

Hauptzahlstelle: Deutsche Bank Aktiengesellschaft
Große Gallusstraße 10-14
60272 Frankfurt am Main
Deutschland

(die "**Hauptzahlstelle**")

Zahlstelle: Deutsche Bank Luxembourg S.A.
2 Boulevard Konrad Adenauer
1115 Luxemburg
Großherzogtum Luxemburg

(die "**Zahlstelle**")

Die Hauptzahlstelle und die Zahlstelle sind berechtigt, jederzeit ihre designierte Geschäftsstelle durch eine andere designierte Geschäftsstelle in derselben Stadt zu ersetzen.

- (2) *Änderung der Bestellung oder Abberufung.* Die Emittentin behält sich das Recht vor, jederzeit die Bestellung einer beauftragten Zahlstelle zu ändern oder zu beenden und eine andere Hauptzahlstelle oder zusätzliche oder andere Zahlstellen zu bestellen. Die Emittentin wird (i) zu jedem Zeitpunkt eine

Hauptzahlstelle unterhalten und (ii) falls die Schuldverschreibungen an einem regulierten Markt einer Börse notiert sind, eine Zahlstelle mit bezeichneter Geschäftsstelle an einem von den Regeln dieser Börse vorgeschriebenen Ort unterhalten. Jede Änderung, Abberufung, Bestellung oder sonstige Anpassung wird nur wirksam (außer im Insolvenzfall, in dem die Wirksamkeit sofort eintritt), nachdem eine Mitteilung an die Anleihegläubiger gemäß § 12 mit einer Frist von mindestens 30 und nicht mehr als 45 Tagen erfolgt ist.

- (3) *Beauftragte der Emittentin.* Die Hauptzahlstelle und die Zahlstelle handeln ausschließlich als Beauftragte der Emittentin und übernehmen keine Verpflichtungen gegenüber und begründen kein Auftrags- oder Treuhandverhältnis mit den Anleihegläubigern.

§ 10 (Ersetzung der Emittentin)

- (1) *Ersetzung.* Die Emittentin ist berechtigt, sofern sie sich nicht mit einer Zahlung von Kapital oder Zinsen auf die Schuldverschreibungen in Verzug befindet, ohne Zustimmung der Anleihegläubiger jederzeit ein mit ihr Verbundenes Unternehmen (wie nachstehend definiert) an ihrer Stelle als Hauptschuldnerin (die "**Nachfolgeschuldnerin**") für alle Verpflichtungen aus und im Zusammenhang mit den Schuldverschreibungen einzusetzen (wobei alle Fälle der vollständigen oder teilweisen Gesamtrechtsnachfolge keine Ersetzung im Sinne dieses § 10 darstellen und vorbehaltlich anwendbaren Rechts und der anderen Vorschriften dieser Anleihebedingungen zulässig sind), vorausgesetzt, dass:
- (a) die Nachfolgeschuldnerin alle Verpflichtungen der Emittentin in Bezug auf die Schuldverschreibungen übernimmt;
 - (b) die Emittentin und die Nachfolgeschuldnerin alle erforderlichen Genehmigungen erhalten haben und die zur Erfüllung der Zahlungsverpflichtungen aus den Schuldverschreibungen erforderlichen Beträge in der hierin festgelegten Währung ohne Abzug oder Einbehalt wegen in dem Land, in dem die Nachfolgeschuldnerin oder die Emittentin ihren Sitz oder Steuersitz haben, erhobener Steuern oder anderer Abgaben jeder Art an die Hauptzahlstelle zahlen können;
 - (c) die Nachfolgeschuldnerin sich verpflichtet hat, jeden Anleihegläubiger hinsichtlich solcher Steuern oder Abgaben freizustellen, die einem Anleihegläubiger als Folge der Ersetzung auferlegt werden;
 - (d) die Emittentin unwiderruflich und unbedingt gegenüber den Anleihegläubigern die Zahlung aller von der Nachfolgeschuldnerin auf die Schuldverschreibungen zahlbaren Beträge garantiert;
 - (e) die Nachfolgeschuldnerin, falls sie ihren Sitz in einem anderen Land als Deutschland hat, einen Zustellungsbevollmächtigten mit Sitz in Deutschland für Rechtsstreitigkeiten und andere Verfahren (wie in § 13(2) definiert) vor deutschen Gerichten bestellt hat; und
 - (f) der Hauptzahlstelle jeweils ein von anerkannten Rechtsanwälten erstelltes Rechtsgutachten bezüglich jeder betroffenen Rechtsordnung vorgelegt wird, das bestätigt, dass die Bestimmungen in den vorstehenden Unterabsätzen (a), (b), (c) und (d) erfüllt wurden.

In diesem § 10 bezeichnet "**Verbundenes Unternehmen**" ein Unternehmen, das seinen Sitz in einem Mitgliedstaat des Europäischen Wirtschaftsraumes hat und dessen stimmberechtigte Anteile direkt oder indirekt zu mehr als 90 % von der Emittentin gehalten werden.

- (2) *Mitteilung.* Jede Ersetzung ist gemäß § 12 bekannt zu machen.

- (3) *Änderung von Bezugnahmen.* Im Fall einer solchen Ersetzung gilt jede Bezugnahme in diesen Anleihebedingungen auf die Emittentin ab dem Zeitpunkt der Ersetzung als Bezugnahme auf die Nachfolgeschuldnerin, und jede Bezugnahme auf das Land, in dem die Emittentin ihren Sitz oder Steuersitz hat, gilt ab diesem Zeitpunkt als Bezugnahme auf das Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat. Des Weiteren gilt im Fall einer Ersetzung Folgendes:
- (a) in § 6 und § 5(2) gilt eine alternative Bezugnahme auf Deutschland als aufgenommen (zusätzlich zu der Bezugnahme nach Maßgabe des vorstehenden Satzes auf das Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat); und
 - (b) in § 8(1)(b) bis § 8(1)(g) und in § 2(2) gilt eine alternative Bezugnahme auf die Emittentin in ihrer Eigenschaft als Garantin als aufgenommen (zusätzlich zu der Bezugnahme auf die Nachfolgeschuldnerin).

§ 11

(Begebung weiterer Schuldverschreibungen. Ankauf und Entwertung)

- (1) *Begebung weiterer Schuldverschreibungen.* Die Emittentin ist berechtigt, ohne Zustimmung der Anleihegläubiger weitere Schuldverschreibungen mit den gleichen Bedingungen (abgesehen vom Begebungstag, dem Verzinsungsbeginn und/oder dem Emissionspreis) so zu begeben, dass diese mit den Schuldverschreibungen konsolidiert werden und eine einheitliche Serie bilden, wobei in diesem Fall der Begriff „Schuldverschreibungen“ entsprechend auszulegen ist.
- (2) *Ankauf.* Die Emittentin ist berechtigt, Schuldverschreibungen am Markt oder anderweitig zu jedem beliebigen Preis zu kaufen. Die von der Emittentin erworbenen Schuldverschreibungen können nach Wahl der Emittentin von ihr gehalten, wiederverkauft oder entwertet werden.
- (3) *Entwertung.* Sämtliche vollständig zurückgezahlten Schuldverschreibungen sind unverzüglich zu entwerten und können nicht wiederbegeben oder wiederverkauft werden.

§ 12

(Mitteilungen)

- (1) *Bekanntmachung.* Alle die Schuldverschreibungen betreffenden Mitteilungen erfolgen durch elektronische Publikation auf der Website der Luxemburger Börse (www.bourse.lu) in Übereinstimmung mit allen einschlägigen Gesetzen. Jede Mitteilung gilt am dritten Tag nach dem Tag der Veröffentlichung als wirksam erfolgt.
- (2) *Mitteilungen an das Clearing System.* Solange Schuldverschreibungen am Euro MTF der Luxemburger Börse zugelassen sind, findet § 12(1) Anwendung. Soweit dies Mitteilungen über den Zinssatz betrifft und vorbehaltlich aller einschlägigen Gesetze, kann die Emittentin eine Veröffentlichung gemäß § 12(1) durch eine Mitteilung an das Clearing System zur Weiterleitung an die Anleihegläubiger ersetzen; jede derartige Mitteilung gilt am fünften Tag nach dem Tag der Mitteilung an das Clearing System als den Anleihegläubigern mitgeteilt.

§ 13

(Anwendbares Recht. Gerichtsstand und gerichtliche Geltendmachung. Schuldverschreibungsgesetz.)

- (1) *Anwendbares Recht.* Die Schuldverschreibungen unterliegen deutschem Recht.
- (2) *Gerichtsstand.* Nicht-ausschließlicher Gerichtsstand für sämtliche aus oder im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder sonstigen Verfahren ("**Rechtsstreitigkeiten**") ist

Frankfurt am Main. Die Anleihegläubiger können ihre Ansprüche jedoch auch vor anderen zuständigen Gerichten geltend machen.

- (3) *Gerichtliche Geltendmachung.* Jeder Anleihegläubiger ist berechtigt, in jeder Rechtsstreitigkeit gegen die Emittentin oder in jeder Rechtsstreitigkeit, in welcher der Anleihegläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen auf der folgenden Grundlage geltend zu machen und durchzusetzen: (i) mittels einer Bescheinigung der Depotbank, bei welcher der Anleihegläubiger für die Schuldverschreibungen ein Wertpapierdepot unterhält, die (a) den vollständigen Namen und die vollständige Adresse des Anleihegläubigers enthält, (b) den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die unter dem Datum dieser Bescheinigung auf dem Wertpapierdepot verbucht sind, bezeichnet und (c) bestätigt, dass die Depotbank dem Clearing System die unter (a) und (b) bezeichneten Informationen schriftlich mitgeteilt hat; und (ii) mittels einer Kopie der Globalurkunde, deren Übereinstimmung mit dem Original eine vertretungsberechtigte Person des Clearing Systems oder eines Verwahrers für das Clearing System bestätigt hat; wobei die Originalbelege oder die Globalurkunde in einer solchen Rechtsstreitigkeit nicht vorgelegt werden müssen.

"Depotbank" bezeichnet jede Bank oder jedes sonstige Finanzinstitut, einschließlich des Clearing Systems, von anerkanntem Rang und mit Erlaubnis zum Betrieb des Wertpapierverwahrungsgeschäfts, bei dem ein Anleihegläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält.

Jeder Anleihegläubiger ist, ohne das Vorangehende einzuschränken, zum Schutz und zur Durchsetzung seiner Rechte aus den Schuldverschreibungen auch in jeder anderen im Land der Rechtsstreitigkeit zulässigen Art und Weise berechtigt.

- (4) *Schuldverschreibungsgesetz.* § 5 bis § 22 des Gesetzes über Schuldverschreibungen aus Gesamtemissionen (Schuldverschreibungsgesetz) vom 31. Juli 2009 (BGBl. I S. 2512), welches am 5. August 2009 in Kraft trat, finden auf die Schuldverschreibungen Anwendung. Infolgedessen können die Anleihegläubiger Änderungen der Anleihebedingungen durch Mehrheitsbeschluss zustimmen und einen gemeinsamen Vertreter für die Wahrnehmung ihrer Rechte bestellen.

§ 14 (Sprache)

Diese Anleihebedingungen sind in deutscher Sprache abgefasst und in die englische Sprache übersetzt worden. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.

GENERAL INFORMATION

Key information

Interest of natural and legal persons involved

Each Manager is entitled to customary fees, partly depending on the success of the issuance of the Notes. Furthermore, the auditors of the Issuer and legal advisors are entitled to customary fees.

Certain of the Managers and their affiliates have from time to time performed, and in the future may perform, various financial advisory, commercial banking (including lending) and investment banking services for the Issuer and its affiliates, for which they have received and/or will receive fees and expenses.

Besides the disclosed interests above, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

Use of Proceeds and Reasons for the Offering

The net proceeds of the Notes will be used for general corporate purposes. The estimated total expenses amount to approximately EUR 300,000.

Information concerning the Notes

Subject Matter of the Prospectus

The subject matter of the Prospectus is a total of EUR [●] Fixed Rate Notes 2009/2014 in denominations of EUR 1,000. The Notes are governed by German law and constitute Notes in bearer form in accordance with Sec. 793 et seq. of the German Civil Code.

The security codes of the Notes are as follows:

ISIN Code:	XS0456708212
Common Code:	045670821
German Securities Code (WKN).....	[●]

Authorisation to issue the Notes

The issue of the Notes was authorised by the Issuer's Management Board on 31 August 2009 and by the Issuer's Supervisory Board on 17 September 2009.

Yield

Once calculated in accordance with the ICMA (International Capital Market Association) method and based on an Issue Price to be published as described below and on the Rate of Interest to be published as described above and based on the assumption that the requirements relating to the step-up of the coupon as described above are not met, the initial return on the issue (*yield*) for subscribers will be published in the Pricing Notice.

Issue Price

The Issue Price will be determined between the Issuer and the Managers on the basis of a bookbuilding process and will be published in the Pricing Notice.

Listing and Trading Information

Application has been made for admission to listing of the Notes on the official list of the Luxembourg Stock Exchange and to trading of the Notes on the Euro MTF operated by the Luxembourg Stock Exchange which is a multilateral trading facility for the purposes of Directive 2004/39/EC and, therefore, not an EU-regulated market.

Applicability of the German Bond Act (Schuldverschreibungsgesetz)

Pursuant to § 5 para. 1 SchVG, the Terms and Conditions of the Notes provide that § 5 through § 22 SchVG are applicable to the Notes.

Pursuant to such provisions, Noteholders may agree to amend certain Terms and Conditions of the Notes by voting on certain amendments on the Terms and Conditions of the Notes in a meeting of Noteholders. Such meeting of Noteholders may, *inter alia*, be called by the Issuer or a common representative of the Noteholders.

If, in accordance with §§ 5 et seqq. SchVG, the majority of the Noteholders participating in the relevant meeting of Noteholders agrees to amendments of the Terms and Conditions of the Notes, such Terms and Conditions of the Notes, as amended, are binding upon all Noteholders.

Incorporation by Reference

The following documents shall be incorporated into and shall form part of this Prospectus:

- (i) The Issuer's Annual Report 2007
 - the audited consolidated financial statements of the Issuer for the fiscal year ended on 31 December 2007 consisting of:
 - Income Statement (page 92 of the Annual Report of 2007);
 - Balance Sheet (page 93 of the Annual Report of 2007);
 - Statement of changes in equity (pages 94 - 95 of the Annual Report of 2007);
 - Cash flow statement (page 96 of the Annual Report of 2007);
 - Notes to the consolidated financial statements (pages 97 - 158 of the Annual Report of 2007)
 - the Auditor's report (page 159 of the Annual Report of 2007).
- (ii) The Issuer's Annual Report 2008
 - the audited consolidated financial statements of the Issuer for the fiscal year ended on 31 December 2008 consisting of:
 - Income Statement (page 92 of the Annual Report of 2008);
 - Balance Sheet (page 93 of the Annual Report of 2008);
 - Statement of changes in equity (pages 94 - 95 of the Annual Report of 2008);
 - Cash flow statement (page 96 of the Annual Report of 2008);

- Notes to the consolidated financial statements (pages 97 - 168 of the Annual Report of 2008)
- the Auditor's report (page 169 of the Annual Report of 2008).

Any information not listed in the table above but included in the documents incorporated by reference into this Prospectus is given for information purposes only.

As long as any Notes are listed on the official list of the Luxembourg Stock Exchange and traded on the Euro MTF operated by the Luxembourg Stock Exchange and any applicable laws so require, the documents incorporated by reference are available on the website of the Luxembourg Stock Exchange (www.bourse.lu) and may be inspected and are available free of charge during normal business hours at the specified office of the Principal Paying Agent at Deutsche Bank Aktiengesellschaft, Trust & Securities Services, Grosse Gallusstrasse 10-14, 60272 Frankfurt am Main, Germany.

Documents on Display

During the validity of this Prospectus, copies of

- (i) the Issuer's constitutional documents (including the articles of association (*Satzung*)), the financial statements for the financial years ended 31 December 2007 and 31 December 2008, respectively; and
- (ii) this Prospectus and any supplement thereto

can be inspected at the registered office of the Issuer, Rellinghauser Strasse 1-11, 45128 Essen, Germany, during usual business hours.

TAXATION

The following general discussion of certain tax consequences in certain jurisdictions of an investment in the Notes is only a summary of the material tax considerations. Although this discussion reflects the opinion of the Issuer it must not be misunderstood as a guarantee in an area of law which is not free from doubt. It does not purport to be a comprehensive description of all tax considerations, which may be relevant to a decision to purchase Notes, and in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the laws of the respective jurisdictions currently in force and as applied on the date of this Prospectus, which are subject to change, possibly with retroactive or retrospective effect.

Potential purchasers of Notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of Notes, including the effect of any state or local taxes, under the tax laws of each country of which they are residents.

Luxembourg

Withholding Tax

All payments of interest and principal by the Issuer in the context of the holding, disposal, redemption or repurchase of the Notes can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with the applicable Luxembourg law, subject however to:

- (i) the application of the Luxembourg laws of 21 June, 2005 implementing the European Union Savings Directive (Council Directive 2003/48/EC) (the "**EU Savings Tax Directive**") and several agreements concluded with certain dependent or associated territories of the European Union, i.e. Aruba, British Virgin Islands, Guernsey, the Isle of Man, Jersey, Montserrat and Netherlands Antilles, and providing for the possible application of a withholding tax (20 per cent. from 1 July 2008 to 30 June 2011 and 35 per cent. from 1 July 2011) on interest paid by a Luxembourg paying agent to certain non Luxembourg resident investors (individuals and certain types of entities within the meaning of Article 4.2 of the EU Savings Tax Directive called "residual entities") in the event of the Issuer appointing a paying agent in Luxembourg within the meaning of the above-mentioned directive (see section "*EU Savings Tax Directive*" below) or agreements;
- (ii) the application as regards Luxembourg resident individuals of the amended Luxembourg law of 23 December 2005 which has introduced a 10 per cent. withholding tax (which is final when Luxembourg resident individuals are acting in the context of the management of their private wealth) on savings income (i.e. with certain exemptions, savings income within the meaning of the Luxembourg laws of 21 June 2005 implementing the EU Savings Tax Directive paid by a Luxembourg paying agent). This law should apply to savings income accrued as from 1 July 2005 and paid as from 1 January 2006.

Responsibility for the withholding of tax in application of the above-mentioned Luxembourg laws of 21 June 2005 and 23 December 2005 is assumed by the Luxembourg paying agent within the meaning of these laws and not by the Issuer.

Germany

General

The Business Tax Reform Act 2008 (*Unternehmensteuerreformgesetz 2008*) introduced, inter alia, the so-called flat withholding tax (*Abgeltungsteuer*), a new taxation regime for investment income. The flat withholding tax regime took effect on 1 January 2009 and changed the taxation of investment income for private investors

significantly but also provides for certain modifications regarding the taxation of business investors. The new flat withholding tax applies to both current investment income like e.g. the interest payments under the Notes and capital gains from the sale, assignment or redemption of the Notes.

Tax Residents

Private Investors

Interest and Capital Gains

Interest payable on the Notes, including interest having accrued up to the disposition of a Note and credited separately ("**Accrued Interest**"), if any, to persons who are tax residents of Germany (i.e., persons whose residence or habitual abode is located in Germany) are subject to flat withholding tax at a rate of 25 per cent. (plus 5.5 per cent. solidarity surcharge thereon and, if applicable, church tax) according to Sec. 20 para. 1 German Income Tax Act (*Einkommensteuergesetz*). Capital gains from the sale, assignment or redemption of the Notes qualify – irrespective of any holding period – as investment income pursuant to Sec. 20 para. 2 German Income Tax Act as well and are subject to the flat withholding tax.

Capital gains are determined by taking the difference between the sale, assignment or redemption price (after the deduction of expenses incurred directly in connection with the sale, assignment or redemption) and the acquisition price of the Notes.

Expenses (other than such expenses directly incurred in connection with the sale, assignment or redemption) related to interest payments or capital gains under the Notes are – except for a standard lump sum (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 for married couples) – not deductible.

According to the flat tax regime losses from the sale or redemption of the Notes can only be set-off against other investment income including capital gains. If the set-off is not possible in the assessment period in which the losses have been realised, such losses can be carried forward into future assessment periods only and can be set-off against investment income and capital gains generated in these future assessment periods. Capital losses suffered prior to 1 January 2009 can only be set-off against capital gains under the new law until 31 December 2013.

Withholding

If the Notes are held in a custody with or administrated by a German credit institution, financial services institution (including a German permanent establishment of such foreign institution), securities trading company or securities trading bank (the "**Disbursing Agent**"), the flat withholding tax at a rate of 25 per cent. (plus 5.5 per cent. solidarity surcharge thereon and, if applicable, church tax) will be withheld by the Disbursing Agent on interest payments and upon the sale, assignment or redemption of the Notes. The flat withholding tax is imposed on the interest payments and the excess of the proceeds from the sale, assignment or redemption (after the deduction of expenses incurred directly in connection with the sale, assignment or redemption) over the acquisition costs for the Notes, if the Notes were held in custody by the Disbursing Agent since their acquisition. The Disbursing Agent will provide for the set-off of losses with current investment income and capital gains from other securities. If custody has changed since the acquisition and the acquisition data is not or can not be proven as required by Sec. 43a para. 2 German Income Tax Act, the tax rate of 25 per cent. (plus 5.5 per cent. solidarity surcharge thereon and, if applicable, church tax) will be imposed on an amount equal to 30 per cent. of the proceeds from the sale, assignment or redemption of the Notes.

If the Notes are not kept in a custodial account with a Disbursing Agent, the flat withholding tax will apply on interest paid by a Disbursing Agent upon presentation of a coupon (whether or not presented with the Note to which it appertains) to a holder of such coupon (other than a non-German bank or financial services institution) (*Tafelgeschäft*). In this case proceeds from the sale, assignment or redemption of the Notes will also be subject to the flat tax.

In general, no flat tax will be levied if the holder of a Note filed a withholding exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent (in the maximum amount of the standard lump sum of EUR 801 (EUR 1,602 for married couples)) to the extent the income does not exceed the maximum exemption amount shown on the withholding exemption certificate. Similarly, no withholding tax will be deducted if the holder of the Note has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the competent tax office.

For private investors the withheld flat withholding tax is, in general, definitive. Private investors having a lower personal income tax rate may, upon application, include the capital investment income in their personal income tax return to achieve a lower tax rate. Investment income not subject to the flat withholding tax (e.g. since there is no Disbursing Agent) must be included into the personal income tax return and will be subject to the flat withholding tax rate of 25 per cent. (plus 5.5 per cent. solidarity surcharge thereon and, if applicable, church tax) upon assessment, unless the investor does not have a lower personal income tax rate and does not apply for such lower tax rate.

Business Investors

Interest payable on the Notes and capital gains or losses from the sale, assignment or redemption of the Notes are subject to corporation tax or income tax, as the case may be, (each plus solidarity surcharge thereon) in the hands of a business investor at the investor's personal tax rate and have also to be considered for trade tax purposes.

Withholding tax, if any, including solidarity surcharge are credited as prepayments against the investors' corporate or personal income tax liability and the solidarity surcharge in the course of the tax assessment procedure, i.e. the withholding tax is not definitive. Any potential surplus will be refunded. However, in general no withholding deduction will apply on the gains from the sale, assignment or redemption of the Notes if (i) the Notes are held by a corporation in terms of Sec. 43 para. 2 sentence 3 no. 1 German Income Tax Act or (ii) the proceeds from the Notes qualify as income of a domestic business and the investor notifies this to the Disbursing Agent by use of the officially required form according to Sec. 43 para. 2 sentence 3 no. 2 German Income Tax Act.

Non-Residents

Interest payable on the Notes, including Accrued Interest, if any, and capital gains are not subject to German taxation, unless (i) the Notes form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the holder of the Notes; or (ii) the interest income otherwise constitutes German-source income. In the cases (i) and (ii) a tax regime similar to that explained above under "*Tax Residents*" applies.

Non-residents of Germany are, as a rule, exempt from German withholding tax on interest and the solidarity surcharge thereon. However, where the interest is subject to German taxation as set forth in the preceding paragraph and Notes are held in a custodial account with a Disbursing Agent, withholding tax is levied as explained above under "*Tax Residents*". If Notes are not kept in a custodial account with a Disbursing Agent and interest or proceeds from the sale, assignment or redemption of the Notes are paid by the Issuer or a Disbursing Agent upon presentation of a coupon to a holder of such coupon (other than a non-German bank or financial services institution) (*Tafelgeschäft*) flat withholding tax will also generally apply. The flat withholding tax may be refunded based upon an assessment to tax or under an applicable tax treaty.

Inheritance and Gift Tax

No inheritance or gift taxes with respect to any Note will arise under the laws of Germany, if, in the case of inheritance tax, neither the decedent nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Note is not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this

rule apply to certain German expatriates.

Other Taxes

No stamp, issue, registration or similar taxes or duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax is not levied in Germany.

European Directive on the Taxation of Savings Income

Germany has implemented the EU Savings Tax Directive into national legislation by means of an Interest Information Regulation (*Zinsinformationsverordnung, ZIV*) in 2004. Starting on 1 July 2005, Germany has therefore begun to communicate all payments of interest on the Notes and similar income to the beneficial owners Member State of residence if the instruments have been kept in a custodial account with a Disbursing Agent.

EU Savings Tax Directive

Under the EU Savings Tax Directive each EU Member State must require paying agents (within the meaning of the EU Savings Tax Directive) established within its territory to provide to the competent authority of this state details of the payment of interest made to any individual resident in another EU Member State as the beneficial owner of the interest. The competent authority of the EU Member State of the paying agent is then required to communicate this information to the competent authority of the EU Member State of which the beneficial owner of the interest is a resident.

For a transitional period, Austria, Belgium and Luxembourg may opt instead to withhold tax from interest payments within the meaning of the EU Savings Tax Directive at a rate of 20 per cent. since 1 July 2008, and of 35 per cent. from 1 July 2011.

SUBSCRIPTION AND SALE

The Issuer has agreed in an agreement to be signed prior to the Issue Date to sell to the Managers, and the Managers have agreed, subject to certain customary closing conditions, to purchase, the Notes on the Issue Date. The Issue Price will be published in the Pricing Notice. Proceeds to the Issuer will be net of commissions of up to 0.85 per cent. of the principal amount of the Notes payable to the Managers. The Issuer has furthermore agreed to reimburse the Managers for certain expenses incurred in connection with the issue of the Notes.

The Managers are entitled, under certain circumstances, to terminate the agreement reached with the Issuer. In such event, no Notes will be delivered to investors. Furthermore, the Issuer has agreed to indemnify the Managers against certain liabilities in connection with the offer and sale of the Notes.

Offer of the Notes

Offer Period and determination of Pricing Details

The Notes will be offered to investors by the Joint Lead Managers during an offer period which will commence on 6 October 2009 and which will end on 14 October 2009, subject to any shortening or extension of the offer period (the "**Offer Period**"). During the Offer Period, investors may submit orders to the Joint Lead Managers. On the basis of the orders received by the Joint Lead Managers, the Issue Price, the Rate of Interest, the number of Notes to be issued, the aggregate principal amount and the yield (based on the calculation as described under "*General Information - Yield*" above) (together, the "**Pricing Details**") will be determined on the pricing date which is expected to be on or around 6 October 2009 (the "**Pricing Date**") and such information will be published in the Pricing Notice. The Pricing Notice will be filed with the CSSF and published on the website of the Luxembourg Stock Exchange (www.bourse.lu) on or around the Pricing Date. Should the Issuer and the Joint Lead Managers determine any shortening or extension of the Offer Period, which could be the result of changing market conditions, such changes will be notified in the same manner as the Pricing Details will be published.

Notification and Public Offer

The Issuer has requested the CSSF for a Notification of the Prospectus into Germany, Austria and The Netherlands. The Issuer may request the CSSF to provide competent authorities in additional host member states within the European Economic Area with a Notification.

The Notes will be sold to institutional investors and retail investors in compliance with the public offer restrictions in force. A public offer will be made in Luxembourg, Germany, The Netherlands and Austria following the effectiveness of the Notification of the Prospectus by the CSSF.

Conditions and technical details of the Offer

The following sets out details of the offer which is required to comply with the requirements of the applicable prospectus regulation. There are no conditions to which the offer is subject. Any offer to purchase Notes to investors will be made through, and investors may submit their offers to buy Notes, using the information system Bloomberg or any other commonly used information systems. The Joint Lead Managers will offer the Notes upon request through banking institutions in Luxembourg, Germany, The Netherlands and Austria.

Subscription rights for the Notes will not be issued. Therefore, there are no procedures for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised.

Any investor who has submitted an order in relation to the Notes whose order is accepted will receive a confirmation by electronic mail, fax or through commonly used information systems relating to the respective allotment of Notes. Before an investor receives a confirmation from the Joint Lead Managers or from a person acting on behalf of the Joint Lead Managers that its purchase order for the Notes has been accepted, the investor may reduce or withdraw its purchase orders. Any investor will receive relating to the respective allotment of the Notes a confirmation relating to

the results of the offer. There is no minimum or maximum amount of Notes to be purchased. Investors may place offers to purchase Notes in any amount.

Confirmation in relation to an order and allotments

Following the pricing of the Notes and confirmation which orders have been accepted and which amounts have been allotted to particular investors, the Issue Date, which is expected to be 14 October 2009, will be determined and included in the Pricing Notice. Delivery and payment of the Notes will be made within six business days after the Pricing Date of the Notes and the confirmation of the allotment to investors.

Charges and costs relating to the Offer

The Issuer will not charge any costs, expenses or taxes directly to any investor. Investors must inform themselves about any costs, expenses or taxes in connection with the Notes which are generally applicable in their respective country of residence, including any charges their own depository banks charge them for purchasing or holding securities.

SELLING RESTRICTIONS

General

Each of the Managers has agreed not to take any action and will not take any action in any jurisdiction that would permit a public offering of the Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required, except as provided below. Each of the Managers will comply, to the best of its knowledge and belief, with all applicable laws and regulations (including any amendments, changes or modifications thereto from time to time) in each country or jurisdiction in which it purchases, offers, sells or delivers the Notes or has in its possession or distribute such offering material and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it in each such country or jurisdiction, in all cases at its own expense, and the other Managers shall have no responsibility therefor. The Managers have not represented that the Notes may at any time lawfully be sold in compliance with any applicable laws and regulations in any jurisdiction, or pursuant to any exemption thereunder, or assume any responsibility for facilitating such sale.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act ("**Regulation S**").

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

The Managers have agreed that, they will not offer, sell or deliver the Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Issue Date within the United States or to, or for the account or benefit of, U.S. persons and that they will have sent to each dealer to which they sell any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering, an offer or sale of the Notes within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

The Notes will be issued in accordance with the provisions of U.S. Treasury Regulation Section 1.163-5 (c) (2) (i) (D) (the "**D Rules**"). Each Manager has represented and agreed that:

- (i) except to the extent permitted under the D Rules, (i) it has not offered or sold, and during a 40-day the restricted period will not offer or sell, Notes in bearer form to a person who is within the United States or its possessions or to a United States person, and (ii) such Manager has not delivered and will not deliver within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period;
- (ii) it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;

- (iii) if such Manager is a United States person, it has represented that it is acquiring the Notes in bearer form for purposes of resale in connection with their original issuance and if such Manager retains Notes in bearer form for its own account, it will only do so only in accordance with the requirements of U.S. Treasury Regulation Section 1.163-5 (c) (2) (i) (D) (6); and
- (iv) with respect to each affiliate that acquires Notes in bearer form from such Manager for the purposes of offering or selling such Notes during the restricted period, such Manager either (a) has repeated and confirmed the representations and agreements contained in sub-clauses (i), (ii) and (iii) on such affiliate's behalf or (b) has agreed that it will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in sub-clauses (i), (ii) and (iii).

Terms used in the above paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the D Rules.

Public Offer Selling Restriction Under the Prospectus Directive

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Manager has represented and agreed that with effect from, and including, the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of the Notes to the public in that Relevant Member State, except that it may, with effect from, and including, the Relevant Implementation Date, make an offer of the Notes to the public in that Relevant Member State:

- (a) if the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State in accordance with the Prospectus Directive;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than Euro 43,000,000 and (3) an annual net turnover of more than Euro 50,000,000, as shown in its last annual or consolidated accounts; or
- (d) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Manager or Managers nominated by the Issuer for any such offer; or
- (e) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (e) above shall require an Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression "**offer of the Notes to the public**" in relation to the Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that member state by any measure implementing the Prospectus Directive in that member state and the expression "**Prospectus Directive**" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Selling Restrictions Addressing Additional United Kingdom Securities Laws

Each Manager has represented and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21 (1) of the FSMA does not apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Selling Restrictions Addressing Italian Securities Laws

This Prospectus has not been submitted for approval by *Commissione Nazionale per le Società e la Borsa* ("**Consob**", the Italian Securities Regulator) pursuant to Italian securities legislation and, accordingly, each Manager has represented and agreed that it has not offered or sold, and will not offer or sell, any Notes in the Republic of Italy in a solicitation to the public, and that sales of the Notes in the Republic of Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation.

Each of the Managers has represented and agreed that it will not offer, sell or deliver any Notes or distribute copies any document relating to the Notes in the Republic of Italy except:

- (a) to "qualified investors" (qualifying as *clienti professionali and investitori qualificati*), pursuant to Annex 3 to CONSOB Regulation No. 16190 of 29 October 2007, as amended (the "**Intermediaries Regulation**") and pursuant to Article 100, paragraph 1, *lit. a*) and Article 30, paragraph 2 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Italian Financial Services Consolidation Act**") and Article 2.1 of the Prospectus Directive; or
- (b) in any other circumstances where an express exemption from compliance with the solicitation restrictions applies, as provided under the Italian Financial Services Consolidation Act or Regulation No. 11971 of 14 May 1999, as amended.

Furthermore and subject to the foregoing, each Manager has represented and agreed, that any such offer, sale or delivery of the Notes or distribution of this Prospectus or any other document relating to the Notes must be made by:

- (i) a bank, investment firm or financial company enrolled in the special register provided for under Article 107 of the Legislative Decree No. 385 of 1 September 1993, as amended (the "**Italian Banking Act**"), to the extent duly authorised to engage in the placement and/or underwriting of financial instruments in Italy in accordance with the Italian Banking Act, the Italian Financial Services Consolidation Act and the Intermediaries Regulation;
- (ii) to the extent applicable, in compliance with Article 129 of the Italian Banking Act and the relevant regulations of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request post-offering information on the issue or the offer of securities in the Republic of Italy, save where an express exemption to the notification duties applies; and
- (iii) in compliance with any requirement or limitation which may be imposed from time to time, *inter alia*, by Consob or the Bank of Italy.

Investors should also note that, in any subsequent distribution of the Notes in the Republic of Italy, Article 100-*bis* of the Italian Financial Services Consolidation Act may require compliance with the law relating to public offers of securities. Furthermore, where the Notes are placed solely with professional investors and are then systematically resold on the secondary market at any time in the 12 months following such placing, purchasers of Notes who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and to claim damages from any authorised person at whose premises the Notes were purchased, unless an exemption provided for under the Italian Financial Services Consolidation Act applies.

**UNAUDITED CONSOLIDATED SEMI-ANNUAL FINANCIAL STATEMENT OF THE COMPANY
FOR THE PERIOD ENDING JUNE 30, 2009**

**Consolidated interim financial statements of Evonik Industries AG, Essen
as of June 30, 2009**

Consolidated interim financial statements:

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Income statement for the Evonik-Group

in € million	1st half	
	2009	2008
Sales	6,281	7,933
Cost of sales	-4,860	-6,022
Gross profit on sales	1,421	1,911
Selling expenses	-513	-605
Research and development expenses	-147	-152
General administrative expenses	-322	-357
Other operating income	511	609
Other operating expenses	-579	-576
Income before financial result and income taxes, continuing operations	371	830
Interest income	25	34
Interest expense	-272	-305
Result from investments recognized at equity	25	35
Other financial income/expense	6	10
Financial result	-216	-226
Income before income taxes, continuing operations	155	604
Income taxes	-79	-183
Income after taxes, continuing operations	76	421
Income after taxes, discontinued operations	-4	143
Income after taxes	72	564
thereof attributable to		
Non-controlling interests	29	44
Shareholders of Evonik Industries AG (net income)	43	520
Earnings per share (basic and diluted) in €	+0.09	+1.12

Prior-year figures restated

Statement of comprehensive income for the Evonik-Group

in € million	1st half	
	2009	2008
Income after taxes	72	564
thereof attributable to		
Non-controlling interests	29	44
Shareholders of Evonik Industries AG (net income)	43	520
Unrealized gains/losses on available-for-sale securities	-6	1
Unrealized gains/losses on hedging instruments	76	22
Currency translation adjustment	46	-218
Deferred taxes	-20	-5
Other comprehensive income	96	-200
thereof attributable to		
Non-controlling interests	-7	-8
Shareholders of Evonik Industries AG	103	-192
Total comprehensive income	168	364
thereof attributable to		
Non-controlling interests	22	36
Shareholders of Evonik Industries AG	146	328

Prior-year figures restated

Balance sheet for the Evonik-Group

in € million	Jun. 30, 2009	Dec. 31, 2008
Intangible assets	4,020	4,086
Property, plant and equipment	5,615	5,696
Investment property	1,542	1,502
Investments recognized at equity	574	604
Financial assets	1,255	1,385
Deferred tax assets	347	364
Other income tax assets	34	36
Other receivables	63	73
Non-current assets	13,450	13,746
Inventories	1,796	2,196
Other income tax assets	170	130
Trade accounts receivable	1,883	2,572
Other receivables	376	399
Financial assets	394	330
Cash and cash equivalents	452	536
	5,071	6,163
Assets held for sale	183	206
Current assets	5,254	6,369
Total assets	18,704	20,115
Issued capital	466	466
Reserves	4,352	4,208
Equity attributable to shareholders of Evonik Industries AG	4,818	4,674
Equity attributable to non-controlling interests	488	481
Total equity	5,306	5,155
Provisions for pensions and other post-employment benefits	3,988	3,953
Other provisions	1,058	1,064
Deferred tax liabilities	687	687
Other income tax liabilities	133	120
Financial liabilities	3,663	4,394
Other payables	367	384
Non-current liabilities	9,896	10,602
Other provisions	970	1,272
Other income tax liabilities	216	197
Financial liabilities	1,023	1,008
Trade accounts payable	819	1,463
Other payables	389	332
	3,417	4,272
Liabilities associated with assets held for sale	85	86
Current liabilities	3,502	4,358
Total equity and liabilities	18,704	20,115

Prior-year figures restated

Statement of changes in equity for the Evonik-Group

	Issued Capital	Reserves		Attributable to share- holders of Evonik Industries AG	Attributable to non- controlling interests	Total equity	
	Capital reserve	Accumulated income/loss after taxes	Accumulated other comprehensive income				
in € million							
as of January 1, 2008	466	1,165	3,281	-311	4,601	437	5,038
Capital increases/decreases					0	1	1
Dividend distribution					0	-33	-33
Total comprehensive income			520	-192	328	36	364
Other changes				-1	-1	-22	-23
as of June 30, 2008	466	1,165	3,801	-504	4,928	419	5,347
as of January 1, 2009	466	1,165	3,562	-519	4,674	481	5,155
Capital increases/decreases					0	6	6
Dividend distribution					0	-21	-21
Total comprehensive income			43	103	146	22	168
Other changes				-2	-2		-2
as of June 30, 2009	466	1,165	3,605	-418	4,818	488	5,306

Prior-year figures restated

Cash flow statement for the Evonik-Group

in € million	1st half	
	2009	2008
Income before financial result and income taxes, continuing operations	371	830
Depreciation, amortization, impairment losses/reversal of impairment losses on non-current assets	414	409
Gains/losses on disposal of non-current assets	-7	-107
Other non-cash income/expense	-	35
Change in inventories	395	-183
Change in trade accounts receivable	670	-291
Change in trade accounts payable and current advance payments received from customers	-609	141
Change in provisions for pensions and other post-employment benefits	-86	-86
Change in other provisions	-342	-167
Change in miscellaneous assets/liabilities	107	-233
Cash outflows for interest	-88	-93
Cash inflows from interest	5	6
Cash inflows from dividends	60	31
Cash outflows for income taxes	-81	-117
Cash flow from operating activities, continuing operations	809	175
Cash flow from operating activities, discontinued operations	-	8
Cash flow from operating activities	809	183
Cash outflows for investments in intangible assets, property, plant and equipment, investment property	-303	-442
Cash outflows for investments in shareholdings	-8	-40
Cash inflows from divestments of intangible assets, property, plant and equipment, investment property	42	90
Cash inflows from divestments of shareholdings	27	290
Cash inflows/outflows relating to securities, deposits and loans	-	252
Cash flow from investing activities	-242	150
Cash inflows/outflows relating to capital contributions	6	1
Cash outflows for payments to non-controlling interests 1)	-12	-33
Cash outflows for dividends/profit transfer for prior year 2)	-	-345
Cash inflows from the addition of financial liabilities	254	283
Cash outflows for repayment of financial liabilities	-894	-165
Cash flow from financing activities	-646	-259
Change in cash and cash equivalents	-79	74
Cash and cash equivalents as of January 1	542	349
Change in cash and cash equivalents	-79	74
Changes in exchange rates and other changes in cash and cash equivalents	-4	-15
Cash and cash equivalents as of June 30	459	408
Cash and cash equivalents included in assets held for sale	-7	-1
Cash and cash equivalents as reported on the balance sheet as of June 30	452	407

Prior-year figures restated

1) In 2009, €9 million of dividends to non-controlling interests were not paid out (2008: paid out in full)

2) Profit transfer for prior year without tax charge (stand-alone view) - -342

(1) Segment report for the Evonik-Group

Operating segments

in € million	Chemicals		Energy		Real Estate		Total reportable segments		Corporate, other operations, consolidation		Total Group (continuing operations)	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
External sales	4,560	5,873	1,452	1,713	184	177	6,196	7,763	85	170	6,281	7,933
Internal sales	69	67	101	112	-	-	170	179	-170	-179	-	-
Total sales	4,629	5,940	1,553	1,825	184	177	6,366	7,942	-85	-9	6,281	7,933
EBITDA (before non-operating result)	628	932	199	349	84	115	911	1,396	-72	-117	839	1,279
EBITDA margin (in %)	13,8%	15,9%	13,7%	20,4%	45,7%	65,0%	14,7%	18,0%			13,4%	16,1%
EBIT (before non-operating result)	318	607	146	301	63	93	527	1,001	-84	-128	443	873
Operating income	283	597	143	369	63	93	489	1,059	-87	-184	402	875
Capital employed (as of June 30)	8,954	9,415	3,448	3,217	1,798	1,735	14,200	14,367	139	56	14,339	14,423
Capital expenditures	200	276	78	139	27	17	305	432	5	5	310	437
Additions to financial assets	8	29	3	86	-	-	11	115	7	-70	18	45
Employees (as of June 30)	30,856	32,037	4,705	4,675	424	438	35,985	37,150	3,857	3,904	39,842	41,054

Regions

in € million	Germany		Rest of Europe		North America		Asia		Central and South America		Other		Total Group (continuing operations)	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
External sales	2,402	3,134	1,446	1,966	923	1,127	1,137	1,300	260	286	113	120	6,281	7,933
Goodwill 1)	2,089	2,114	549	554	291	262	215	184	25	22	20	18	3,189	3,154
Other intangible assets, property, plant and equipment, investment property 1)	6,009	6,018	580	737	586	623	700	525	92	102	21	23	7,988	8,028
Capital expenditures	201	294	26	25	21	33	57	83	2	1	3	1	310	437
Additions to financial assets	15	7	2	13	-	-	-	25	-	-	1	-	18	45
Employees (as of June 30)	26,466	26,828	3,584	3,973	3,618	3,776	5,468	5,761	466	464	240	252	39,842	41,054

Prior-year figures restated

1) Non-current assets according to IFRS 8.33 b)

(2) General information

Evonik Industries AG is an international corporation based in Germany operating in the Chemicals, Energy and Real Estate Business Areas. Evonik Industries AG is a subsidiary of RAG-Stiftung, Essen (Germany), which directly and indirectly holds 74.99 percent of the shares in Evonik Industries AG. Therefore, Evonik Industries AG and its subsidiaries are included at equity in the annual consolidated financial statements prepared by RAG-Stiftung in accordance with the German Commercial Code (HGB).

The present condensed and consolidated interim financial statements (“consolidated interim financial statements”) for Evonik Industries AG and its subsidiaries (referred to jointly as “Evonik” or the “Group”) have been prepared in accordance with the provisions of IAS 34 “Interim Financial Reporting” and in application of Section 315a Paragraph 3 of the German Commercial Code using the International Financial Reporting Standards (IFRS) and comply with these standards. The IFRS comprise the International Financial Reporting Standards and International Accounting Standards (IAS) adopted by the International Accounting Standards Board (IASB), London (UK) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the European Union.

The consolidated interim financial statements cover the period from January 1 to June 30, 2009 and are presented in euros. All amounts are stated in millions of euros (€ million) except where otherwise indicated. The basis for the consolidated interim financial statements comprises the consolidated financial statements for the Evonik-Group as of December 31, 2008, which should be referred to for further information.

(3) Accounting policies

The accounting and consolidation principles applied in these consolidated interim financial statements are the same as those used for the consolidated financial statements as of December 31, 2008. Exceptions are set out below.

The IASB has revised or issued a number of standards and interpretations that became mandatory for the first time in fiscal 2009 after adoption into European law. The principal impact of these on the consolidated interim financial statements comprised the retroactive application of IFRIC 14 “IAS 19: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction” and the change in the presentation of components of the financial statements prescribed by IAS 1 “Presentation of Financial Statements (revised 2007): A Revised Presentation”.

Further, as from fiscal 2009 the income statement is prepared using the cost of sales method instead of the total cost method. The Executive Board of Evonik Industries AG is of the opinion that it provides more relevant data by adopting this more customary international presentation.

(4) Performance of the business areas

Chemicals Business Area

Following a weak start to the year, demand picked up slightly in the second quarter. However, there is not yet any sign of a turnaround, merely an improvement in demand from certain industries and regions. Overall, sales slipped 22 percent to €4,560 million in the first six months of 2009.

EBITDA dropped 33 percent to €628 million. The principal downside factor affecting earnings in this business area was the sharp drop in demand, which led to far lower capacity utilization. We responded promptly to the reduction in output by reducing overtime and vacation credits and introducing short-time working. As of June 30, 2009 there were around 2,700 employees working short-time.

Energy Business Area

Sales declined by 15 percent to €1,452 million. The principal reason for this was a reduction of roughly two-thirds in coal prices, which led to lower electricity prices. Moreover, the volume of coal sold declined due to the cyclically induced reduction in power generation. The Energy Business Area's EBITDA was €199 million, down 43 percent compared with the first half of the previous year.

Real Estate Business Area

This business area grew sales 4 percent to €184 million. EBITDA was €84 million and thus below the high prior-year figure of €115 million.

(5) Notes on the segment report

The reporting based on operating segments reflects the Group's internal organizational and reporting structure. Evonik's three business areas are classified as reportable segments in compliance with IFRS 8 "Operating Segments". The operating activities are bundled in business units within these business areas.

The table provides a reconciliation from the total operating income of the reportable segments to income before income taxes from the continuing operations:

in € million	1st half 2009	1st half 2008
Total operating income, reportable segments	489	1,059
Total operating income, other operations	27	-5
Corporate Center and corporate activities	-112	-171
Consolidation	-2	-8
= Total operating income corporate, other operations, consolidation	-87	-184
= Total operating income Group, continuing operations	402	875
Net interest expense	-247	-271
Income before income taxes, continuing operations	155	604

(6) Related parties

The Group engages in business transactions with, among others, fellow subsidiaries of RAG-Stiftung. In the first six months of 2009 the volume of such transactions declined to €32 million (H1 2008: €87 million). Receivables were €19 million as of June 30, 2009 (December 31, 2008: €98 million). Goods and services received from fellow subsidiaries of RAG-Stiftung amounted to €153 million (H1 2008: €194 million).

(7) Events after the reporting date

The Annual Shareholders' Meeting on July 2, 2009 approved the proposed dividend payment of €280 million for fiscal 2008. The dividend was paid on July 3, 2009.

Essen, August 10, 2009

Evonik Industries AG
The Executive Board

Dr. Engel

Blauth

Dr. Colberg

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