

Evonik Acquires Lilly's Tippecanoe Laboratories Operations

Company's Investment Supports Employment; Benefits Local Community

LAFAYETTE, Ind., January 6, 2010 – Evonik Industries today celebrated the purchase of the Tippecanoe Laboratories site from its former owner, Eli Lilly and Company, saving more than 650 jobs that might have otherwise been lost.

At a midmorning ceremony marking the event, officials unveiled the Evonik logo for the first time at the entrance to the Tippecanoe facility.

“We work extremely hard to recruit new business so anytime we can welcome a preeminent, global company to our state it is a great day,” said Indiana Governor Mitch Daniels, who was one of about a dozen dignitaries attending the hour-long ceremony here. “Evonik has tremendous future growth potential and today is just the beginning of what I expect to be a very fruitful relationship.”

The purchase of the site strengthens Evonik's Exclusive Synthesis business in America and adds capacity for additional market growth. In addition to buying the plant, Evonik has agreed to become a key supplier for Eli Lilly per a multi-year agreement.

Dr. Reiner Beste, Head of Evonik's Health and Nutrition Business Unit, noted that the Tippecanoe facility manufactures active pharmaceutical ingredients (API) and precursor materials for the pharmaceutical industry.

“This strategic investment represents a significant step forward for the business by enlarging our market position in the global pharmaceutical industry,” said Beste. “We believe that over the next few years, there will be growing demand for intermediates and active pharmaceutical ingredients which will greatly benefit Evonik's global Exclusive Synthesis business.”

Thomas Bates, Evonik Regional President, added that Evonik not only preserved jobs at the site, but also a well-operated pharmaceutical facility. He cited the business-friendly atmosphere in Indiana, praising Governor Daniels efforts to attract and retain business to the Hoosier State.

“We greatly value the skilled workforce here in Lafayette,” said Bates. “The tremendous success here is a testament to Mitch Daniels' extensive efforts as well as the excellent work of Plant Manager Larry McShane, and his entire Tippecanoe team. This is good for the community, for the employees and for the region.”

Tippecanoe will produce ingredients for Lilly and ultimately other pharmaceutical companies in accordance with the exacting Good Manufacturing Practices (GMP) quality standards, said Dr. Hans-Josef Ritzert, Evonik Senior Vice President, Business Line Exclusive Synthesis & Amino Acids. “Our customers benefit from the technology portfolio as well as from our expertise in the production of pharmaceutical intermediates,” he added. “The global production and research network of the business line offers a seamless service portfolio, ranging from the co-development of synthesis together with customers on the laboratory scale to commercial production in U.S. Food and Drug Administration (FDA)-certified facilities,” he added.

General Manager Larry McShane said the transition of ownership to Evonik has been seamless, adding that Tippecanoe will focus on refining intermediates and patented active pharmaceutical

ingredients. "We have an educated, experienced, loyal, and dedicated workforce here at Tippecanoe," said McShane. "Day in and day out, our team strives to work safely and diligently to satisfy the needs of our customers. They do what is expected of them – and more."

Evonik's Exclusive Synthesis & Amino Acids Business Line - part of the company's Health & Nutrition Business Unit - focuses on the customized production of pharmaceutical intermediates, active pharmaceutical ingredients, amino acids, and high-quality derivatives.

For additional information about Evonik Industries in North America, please visit our website: www.evonik.com/north-america.

Company information

Evonik Industries is the creative industrial group from Germany which operates in three business areas: Chemicals, Energy and Real Estate. Evonik is a global leader in specialty chemicals, an expert in power generation from hard coal and renewable energies, and one of the largest private residential real estate companies in Germany. Our strengths are creativity, specialization, continuous self-renewal, and reliability. Evonik is active in over 100 countries around the world. In its fiscal year 2008 about 41,000 employees generated sales of about Euro 15.9 billion and an operating profit (EBITDA) of more than Euro 2.2 billion.

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For more information, contact:

Jonathan Evans
Evonik Degussa Corporation
Tel: 973-541-8106
Cell: 973-477-6532
E-mail: Jonathan.Evans@evonik.com

Mike Sheridan
Evonik Degussa Corporation
Tel: 973-541-8812
Cell: 973-349-2000
E-mail: mike.sheridan@evonik.com