

Evonik Cyro To Restructure North American Operations Initiatives Address Weak Markets, Strengthen Long-Term Competitiveness

PARSIPPANY, N.J., June 16, 2009 – Evonik Cyro LCC has announced a series of cost saving initiatives to improve efficiency and competitiveness at its North American operations.

The initiatives seek savings in the range of \$9 million annually and are part of Evonik Industries' global cost savings program announced in May 2009 which targets savings of \$690 million annually by 2012.

"To compete effectively we must continually strive to adapt our operations to the changing market conditions," said John Rolando, President of Evonik Cyro. "Our business and industry are challenged by a dramatic fall in demand for our products in the automotive, construction and retail display industries. We also face volatile energy and raw material costs, as well as pressure from globalization as customers move manufacturing offshore. We are acting to address these issues and to improve our competitiveness but regrettably these measures will involve job losses."

In connection with the restructuring, the company will eliminate 35 positions at the Sanford, Maine, site, which currently employs approximately 200. An additional 21 positions will be lost from other North American operations. These reductions are based on current and future expected demand across our product portfolio.

Drew Scott, Plant Manager of Evonik Cyro's Sanford site, added that by taking these steps now to improve the efficiency of the Sanford site, "We will improve our competitiveness and help ensure the long-term future of the facility and protect the remaining jobs. The action announced today is not an easy one and in no way reflects on the performance of the Sanford team. We recognize that this decision will impact our employees and the community and are committed to minimize the impact."

Evonik's challenge is to not only weather the recession and wait for the recovery; the company's goal is to emerge from the downturn stronger, faster and more agile, Rolando said. "As we do so, we remain focused on providing innovative solutions and exceptional service to our customers," he added. "Our commitment to safety, environment, health, and quality also remains absolute."

Company Information

Evonik Cyro LLC is an Evonik Degussa Corporation group company. Headquartered in Parsippany, N.J., Evonik Cyro is a leading manufacturer of acrylic sheet and molding compounds, and bulk and performance monomers. Cyro manufactures and markets its acrylic sheet and polymer products under the ACRYLITE® trade name in the Americas. These same products are manufactured and marketed under the PLEXIGLAS® trade name on the European, Asian, African and Australian continents.

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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