News Release

Expansion of the aromatics network

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- **Expansion project in the Basic Chemicals business unit for monochlorobenzene, cresols and derivatives was completed on schedule in Q1 2010**
- **Some EUR 35 million invested in expanding the unique plant network**
- **Capacities will increase by up to 60 percent**

Leverkusen – With the completion of its "aromatics network", specialty chemicals group LANXESS has significantly strengthened its production site in Leverkusen. At a cost of around EUR 35 million, the Basic Chemicals business unit has significantly expanded its network of facilities – a network, which in fact, is the only one of its kind in the world. At three Leverkusen plants, production capacity has risen by up to 60 percent as a result of the project. For this, many new plant components have been installed in the last 18 months. The focus of the last expansion stage, which has now been completed, was on the expansion of capacities for chlorotoluenes and cresols. In a parallel operation, LANXESS has also increased the capacity of monochlorobenzene production.

"The expansion and continuous optimization of the aromatics network is a clear commitment not only to our largest global production site in Leverkusen, but also to Germany as a location for chemical production," says Werner Breuers, a member of the Board of Management of LANXESS AG. "This highly developed, complex network is superior to any grouping of individual plants because it offers substantial cost benefits in terms of energy consumption, logistics and infrastructure. The remarkable thing about it is that we successfully operate this global business from Germany. To be able to hold on to our world market position in future, it will be necessary to consistently continue increasing our productivity."

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Investment of around EUR 650 million in Germany since 2005

Since 2005, LANXESS has invested a total of around EUR 650 million in its German sites, around half of which was allocated to Leverkusen alone. In addition, the specialty chemicals group plans to invest a further EUR 150 million in Germany this year, of which EUR 60 million will go into its main Leverkusen site.

LANXESS' aim with this expansion of the aromatics network is to accompany the growth of the customers and to offer them reliability of supply. "Despite the economic problems last year, we have driven the expansion forward because contracts are in place to secure the sale of most of these additional volumes. For our customers, long-term reliability of supplies is hugely important," says Hans-Georg Schmitt, head of the Basic Chemicals business unit.

Plant network with more than 60 products

The LANXESS aromatics network comprises a total of seven large-scale plants – mostly in Leverkusen – with further finishing stages in Krefeld-Uerdingen, Dormagen and Brunsbüttel. The starting basis for the aromatics network comprises the petrochemical raw materials benzene and toluene, which are further processed through a variety of chemical reaction steps into a diversity of downstream products. These modules – more than 60 of them in total – play a major role in all areas of everyday life. They are used worldwide as key starting materials for, for example, active ingredients for pharmaceuticals and crop protection products, perfumes and flavorings, and also for polymers, paper chemicals, surface coatings and pigments. In addition, the Basic Chemicals business unit produces innovative stabilizers that provide the resource-conserving fuel biodiesel with the storage stability that is needed to make it available to the consumer. Products from the aromatics network are also used as antioxidants for rubber to increase the mileage of tires and thus save drivers money. Modern information technology would also be difficult to imagine without products from the aromatics network. In resins, they

play an important role in the production of mobile phones and computers. Products from the aromatics network also find their way into the production of Vitamin E, which is used, among other things, as an additive in animal feedstuffs, and for the production of menthol. Menthol is an important component of many aroma chemicals in the field of oral hygiene and chewing gum. It is also contained in many pharmaceutical products – such as are used, for example, to cool painful injuries.

Some 350 LANXESS employees work in the unique structure of the aromatics network, which manufactures nearly 300,000 metric tons of products a year. The particular advantage of this integrated plant network is that in Leverkusen all the plants are connected to each other via pipeline systems, leading to improved logistics and significant productivity advantages over competitors. The plants in Dormagen, Krefeld and Brunsbüttel are connected via rail and road transport. In addition to the materials network, the energy network also plays a major role in optimizing the deployment of energy. A large number of products in the aromatics network have already been registered under the new EU chemicals regulation REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals). This has enabled LANXESS to already establish a firm basis for the future production of basic chemicals at its German sites.

Modern technologies with aromatic compounds

Through the use of modern technologies in the field of aromatic compounds, LANXESS is in a position to use, process or market nearly all the molecules that are formed during the chemical processes. "Thanks to special catalysts, we have the technical capacity to control many reactions in such a way that almost only marketable products are formed," explains Schmitt. "In the marketing of these products, we can build on a global sales network and make full use of our wealth of industry know-how. This in-depth knowledge of the market is the basis for our success in the sale of all our products."

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The Basic Chemicals business unit belongs to the Advanced Intermediates segment, which achieved total sales in fiscal 2009 of EUR 1.1 billion. Its German production sites are located in Leverkusen, Krefeld-Uerdingen, Dormagen and Brunsbüttel. Of the business unit's workforce in Germany of around 1,000, 650 work in Leverkusen.

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LANXESS is a leading specialty chemicals company with sales of EUR 5.06 billion in 2009 and currently around 14,300 employees in 23 countries. The company is represented at 42 production sites worldwide. The core business of LANXESS is the development, manufacturing and marketing of plastics, rubber, intermediates and specialty chemicals.

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Forward-Looking Statements.
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