

LANXESS invests in U.S. biofuel & biochemical company

- **USD 10 million investment in Gevo**
- **Step toward securing alternative raw material supply**
- **Strengthening of ‘Green Chemistry’ activities**

Leverkusen – LANXESS, the world’s largest producer of synthetic rubber, has invested in U.S. biofuel & biochemical company Gevo, Inc. as part of a proposed cooperation to produce isobutene from renewable resources. The companies aim to find an alternative route to source isobutene – a key raw material needed in the manufacturing of butyl rubber.

Isobutene is conventionally produced in steam crackers, which use petroleum derivatives as a feedstock. Alternatively, Gevo is developing a fermentation process to produce the organic compound isobutanol from the fermentable sugars in biomass, starting with corn. Isobutanol is a fundamental building block for making biodiesel, bio jet fuel as well as plastics, rubber and fibers.

Gevo and LANXESS intend to use their technical know-how to produce isobutene by dehydrating isobutanol. Researchers from LANXESS’ innovation department and the Butyl Rubber business unit are working together to optimize the dehydration process, which has proven successful in the laboratory.

“This investment and the proposed cooperation broaden our future supply options against the background of volatile raw material prices and consolidation within the petrochemical industry,” said Axel C. Heitmann, Chairman of the LANXESS Board of Management. “This investment also underpins our commitment to ‘Green Chemistry’, which is becoming more important to all stakeholders.”

LANXESS has invested USD 10 million in the Denver, Colorado-based company. In exchange, it has received a minority shareholding

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in Gevo and a seat on the Director's Board, which will be filled by Ron Commander, head of the company's Butyl Rubber Business Unit.

"We are extremely pleased to have LANXESS make a strategic investment in Gevo and appreciate their confidence in our isobutanol platform," said Patrick Gruber, CEO of Gevo. "We expect this renewable hydrocarbon feedstock will have many applications in a variety of chemical markets."

Other noteworthy investors in Gevo are the French oil and gas group Total SA and airline-founder Richard Branson's Virgin Green Fund – a leading investor in the cleantech industry. Gevo has 55 employees and works closely with a number of world-renowned institutions including the University of California, Los Angeles (UCLA) and the California Institute of Technology. The company was founded in 2005.

LANXESS is the world's second largest producer of butyl rubber and has plants in Sarnia, Canada, and Zwijndrecht, Belgium. In addition, the company is investing a record EUR 400 million in a new butyl rubber plant in Singapore, which will start up in the first quarter of 2013.

'Green Chemistry' initiatives

Since its inception in 2005, LANXESS has been focusing on sustainable technologies and processes. For example, the company has reduced its direct climate gas emissions globally by more than 50 percent over the last two years. In addition, the goal set for Germany of reducing climate gas emissions by 80 percent by 2012 compared to 2007 was already reached last year. A key contributor to this achievement has been LANXESS' nitrous oxide (N₂O) reduction unit in Krefeld-Uerdingen, Germany. The new facility neutralizes around 5,000 metric tons of nitrous oxide per year. This corresponds to

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approximately 1.5 million metric tons of CO₂ equivalents in comparison to 2007.

LANXESS has developed synthetic rubber and rubber additives that improve the fuel efficiency of high-performance tires, while at the same time not compromising on safety. The reduction in fuel consumption cuts down the discharge of CO₂ and lowers the impact on the environment.

Clean drinking water has become a precious resource in many emerging countries in view of growing populations and climate change. LANXESS plays a leading role here by developing innovative ion exchange resins that help remove toxic impurities from drinking water, such as heavy metals and other harmful substances including arsenic.

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.

This news release may contain forward-looking statements based on current assumptions and forecasts made by LANXESS AG management. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.

Information for editors:

All LANXESS news releases and their accompanying photos can be found at <http://press.lanxess.com>. Recent photos of the Board of Management and other LANXESS image material are available at <http://photos.lanxess.com>. The latest TV footage, audiofiles and podcasts can be found at <http://corporate.lanxess.com/en/media/audio-video/>.

You can find further information concerning LANXESS chemistry in our WebMagazine at <http://webmagazine.lanxess.com>.

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