

LANXESS invests EUR 40 million in Krefeld-Uerdingen site

- **Krefeld's mayor Gregor Kathstede attends groundbreaking ceremony for new formalin plant**
- **Expansion of menthol production announced**

Krefeld/Leverkusen – Specialty chemicals group LANXESS is strengthening its Krefeld-Uerdingen site by investing about EUR 40 million in two major projects for the Basic Chemicals (BAC) business unit. It is building a production plant for the formalin needed to make trimethylolpropane (TMP). The applications of this trivalent alcohol include numerous products used in the furniture, construction and automotive industries. In addition, LANXESS is responding to strong global demand for menthol by investing in the expansion of its existing menthol production facilities. Synthetic menthol is a key component of numerous aromas and pharmaceutical products.

“Our construction of a new formalin plant and expansion of menthol production is a positive development for the future of this site and the entire region,” said LANXESS AG Board of Management member Werner Breuers at the groundbreaking ceremony for the new formalin plant in Krefeld-Uerdingen. “LANXESS has strong roots in North Rhine-Westphalia and this will remain the case. The investments we are making here, at our second largest site worldwide, will play a key role in enabling us to continue producing competitive premium products for all the world markets.”

Krefeld's mayor Gregor Kathstede views the investments as a further clear commitment to the city. “I am delighted about the investments in Uerdingen and would like to thank LANXESS for its flexible, reliable and sustainable site policy and corporate strategy. This is another positive signal from LANXESS for the economy, the job market and, in particular, for Krefeld as a business location,” he said.

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Page 1 of 4

LANXESS to produce all the formalin it needs

LANXESS is a highly competitive manufacturer and supplier of TMP worldwide. Building its own formalin plant will reinforce this position and eliminate the need to purchase the TMP precursor from external suppliers. "What's more, we are giving the site a boost, saving on transport costs and improving our energy efficiency through process optimization measures," explained Hubert Fink, the new head of the Basic Chemicals business unit. LANXESS is also creating five additional jobs at the facility. In addition to the plant itself, new formalin and methanol tanks will also be built on a total area of 1,000 square meters. The new formalin plant is due to start up at the end of 2011.

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Page 2 of 4

Top-quality menthol production for Symrise AG

Synthetic menthol from LANXESS is a premium product and sets global standards for purity. This makes it the product of choice for many pharmaceutical applications. LANXESS' entire manufacturing process is coordinated with its contractual partner Symrise AG and the procedures this company uses. The specialty chemicals group supplies Symrise with menthol and the menthol precursor thymol in the full range of grades. Symrise turns these products into scents and flavorings for use in oral hygiene applications and products such as chewing gum and candy. High-grade menthol is also used in cosmetics and numerous pharmaceutical products – in sport balms that have a cooling effect in the event of painful injuries, for instance.

LANXESS – in collaboration with Symrise – is the world's leading manufacturer of synthetic menthol and thymol. Initial planning work on the expansion of the hydrogenation facility is already under way. The project is due to be completed during the first half of 2012. LANXESS is also planning to take on three new employees at this facility.

LANXESS products geared to global megatrends

By investing in formalin and menthol, LANXESS is responding to the megatrends of mobility, urbanization and nutrition – issues that will play a key role in our future lives all over the world. “LANXESS already has the products needed to respond to these megatrends and thus to the markets of the future,” said Breuers. The uses of TMP go beyond numerous products in the furniture, construction and automotive industries. One by-product of the production process is calcium formate – an additive that is in great demand. A recent addition to its impressive range of applications is its use as a foliar fertilizer in fruit crops.

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Page 3 of 4

Basic Chemicals at LANXESS

The Basic Chemicals business unit is part of LANXESS' Advanced Intermediates segment, which recorded sales of EUR 1.1 billion in 2009. It has production sites in Germany (Krefeld-Uerdingen, Dormagen, Leverkusen and Brunsbüttel), China (Liyang), India (Nagda) and the United States (Baytown in Texas). Some 1,000 of the business unit's total global workforce of around 1,500 work in Germany.

LANXESS is a leading specialty chemicals company with sales of EUR 5.06 billion in 2009 and currently around 14,700 employees in 24 countries. The company is represented at 45 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.

News Release

Information for editors:

All LANXESS news releases and their accompanying photos can be found at <http://corporate.lanxess.de/en/media/press-releases/>. Recent photos of the Board of Management and other LANXESS image material are available at http://fotos.lanxess.de/index_en.html. 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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