

### **LANXESS acquires Syngenta's Material Protection business**

- **LANXESS to become a leading biocide supplier for construction materials**
- **Long-term strategic partnership between both companies**
- **LANXESS strengthens focus on megatrend urbanization**

**Leverkusen, Basel** – LANXESS has agreed to acquire the Material Protection business of Switzerland's Syngenta. As a result, the German specialty chemicals company will become one of the leading suppliers of biocides for construction materials. The transaction is expected to close in April 2011. Both parties have agreed not to disclose the acquisition price.

LANXESS will gain access to a broad range of fungicidal and insecticidal active ingredients as well as application technologies used to protect construction materials such as wood, wallboards and coatings from being discolored and damaged.

Syngenta's Material Protection business had sales of around EUR 19 million in 2010. Some 90 percent of sales is generated in Europe and North America. LANXESS will acquire the intellectual property, customer lists, supply contracts and registrations for the Syngenta products. Employees and fixed assets are not part of the transaction. The transaction will be financed from existing liquidity.

The acquisition is also the starting point for a long-term strategic partnership between both companies. LANXESS will gain access to active ingredients and technologies developed by Syngenta in the future, for use in material protection.

"We are delighted to be once again cooperating with one of world's top innovators for active ingredients, which will ultimately benefit our customers," said Rainier van Roessel, Board Member at LANXESS. "The deal also strengthens our focus on the megatrend urbanization.

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Page 1 of 3

This trend offers enormous potential for our products that reliably protect construction materials.”

The Material Protection Products (MPP) business not only offers products for the preservation of construction materials but also active ingredients for disinfectants and stabilizers for non-alcoholic beverages and wine. MPP has production sites in Krefeld-Uerdingen and Dormagen (Germany), Wuxi (China) as well as Madurai (India). The business, headed by Torsten Derr, has annual sales of less than EUR 200 million.

In 2010, LANXESS' fine chemicals division Saltigo agreed on a long-term cooperation with Syngenta - one of the world's leading agrochemical companies. The Basel-based company is investing some EUR 50 million in expanding several Saltigo facilities in Leverkusen to significantly enhance its capacity for synthesizing active ingredients for crop protection agents. Saltigo produces the active ingredients and intermediates at these facilities exclusively for Syngenta and is one of the Swiss company's strategic partners throughout the world.

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.

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Page 2 of 3

## News Release

**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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