

LANXESS to build new pigment plant in China

- **Investment of EUR 55 million**
- **150 new jobs**
- **Global pigment production network expanded**
- **Urbanization as growth driver**
- **Sustainable due to innovative production process**

Leverkusen/Ningbo – German specialty chemicals company LANXESS is expanding its global production network for inorganic pigments in China. A new high-tech facility for premium iron oxide red pigments is being constructed at the Ningbo Chemical Park on the Chinese East Coast.

The plant, with highly modern environmental standards, will initially have an annual capacity of 25,000 metric tons. The investment of about EUR 55 million will create 150 new jobs. Construction will begin in the second quarter 2013. The production startup is scheduled for the first quarter of 2015.

“We are committed to support our customers’ growth plans by ensuring a secure supply of an extended range of innovative pigments based on leading German technology,” said Rainier van Roessel, Member of the LANXESS’ Board of Management. “This investment also underlines LANXESS’ position as a key supplier of innovative products for the megatrend urbanization.”

The megatrend urbanization has created an increasing demand for high quality, sustainably produced pigments throughout the world.

Ningbo, located in the coastal province of Zhejiang, is China's second largest cargo port. The location for the new plant is the Ningbo Petrochemical Economic & Technological Development Zone (NPEDZ). The new LANXESS site will initially cover roughly seven hectares. A further plot of similar size has been reserved for potential

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expansion. The highlights of the industrial area are the outstanding infrastructure and logistical links. The largest terminal for liquid chemicals in China is located there.

LANXESS will manufacture high quality iron oxide red pigments at the new plant using an improved and highly sustainable Penniman process. "With our advanced and innovative production process, we are raising the bar for the production of iron oxide pigments worldwide especially in terms of water treatment, waste gas cleaning and energy consumption," said Joerg Hellwig, Head of the Inorganic Pigments business unit. "In addition, the new plant will strengthen our global production network of existing plants in Germany, China and Brazil," he added.

The company will market their yellow shaded red pigments globally under the well-known brand Bayferrox. Key customers are manufacturers of paints and coatings. Furthermore the construction and plastics industries will be supplied.

LANXESS already operates one of China's largest and most modern plants for iron oxide pigments in Jinshan, Shanghai. This plant has an annual capacity of 38,000 metric tons of high-quality iron oxide yellow and black pigments each year.

With an annual capacity of more than 350,000 metric tons, the LANXESS Inorganic Pigments (IPG) business unit is one of the world's leading manufacturers of inorganic iron oxide and chromium oxide pigments. The heart of global production is located in Krefeld-Uerdingen, Germany. The business unit has close to 1,300 employees and is part of LANXESS' Performance Chemicals segment.

China plays a key role in LANXESS' global growth strategy. All 14 LANXESS business units are represented with a total of around 1,000 employees at the 10 sites in Greater China. It represents about 10 percent of LANXESS' Group sales.

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News Release

LANXESS is a leading specialty chemicals company with sales of EUR 8.8 billion in 2011 and currently around 17,100 employees in 31 countries. The company is currently represented at 48 production sites worldwide. The core business of LANXESS is the development, manufacturing and marketing of plastics, rubber, intermediates and specialty chemicals. LANXESS is a member of the leading sustainable indices Dow Jones Sustainability Index (DJSI) World and FTSE4Good as well as the Carbon Disclosure Leadership Index (CDLI).

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Forward-Looking Statements.

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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://multimedia.lanxess.com>.

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

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