

### **LANXESS closes acquisition of Chemours' Clean and Disinfect business**

- **Antitrust authorities approve LANXESS' first acquisition following realignment**
- **Established Virkon disinfectants as core product line**
- **Annual EBITDA contribution of EUR 20 million initially, rising gradually to EUR 30 million by 2020**
- **Strengthens business in the North America region**

**Cologne** – Specialty chemicals company LANXESS closed the acquisition of the Clean and Disinfect business of U.S.-based chemicals company Chemours on August 31, 2016. All relevant antitrust authorities have approved the transaction.

LANXESS has paid around EUR 210 million for the Clean and Disinfect business, which comprises various active ingredients and specialty chemicals especially for disinfection and hygiene solutions. The company has financed this first post-realignment acquisition from existing liquidity.

“The acquisition is the first milestone on our path of growth and a further step toward strengthening our business in North America,” said Matthias Zachert, Chairman of the Board of Management of LANXESS AG. “The successful integration of the new business now has absolute priority so we can quickly benefit from this expansion of our specialty chemicals portfolio.”

The acquisition will be accretive to the company's earnings per share (EPS) in the first fiscal year. The acquired business is expected to deliver an annual EBITDA contribution of around EUR 20 million, which will be gradually increased by synergy effects to about EUR 30 million by 2020.

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The new business is to be integrated into LANXESS' Material Protection Products business unit, not only expanding its active ingredients portfolio but also extending the value chain in the veterinary disinfection segment through to the end market. The acquired business has three production sites in Memphis and North Kingstown in the United States and Sudbury in the United Kingdom. It achieved 2015 sales of around EUR 100 million, with about half accounted for by the United States. The business comprises three product lines: disinfectants, potassium monopersulfate and chlorine dioxide.

The disinfectants are marketed for biosecurity applications in the veterinary segment. The core product brand is Virkon S, the world's leading powder disinfectant with proven performance against a broad range of viruses, bacteria and fungi. It is used, for example, to combat Foot-and-Mouth disease and Avian Influenza.

The second segment focuses on the production and marketing active ingredient potassium monopersulfate with its core brand Oxone. It is used in pool and spa applications, personal hygiene products and electronics applications and as active ingredient in the formulation of disinfection products, especially in Virkon branded products.

Thirdly, chlorine dioxide is a proven package solution provider for industrial water treatment applications.

### **Material protection solutions from LANXESS**

The LANXESS Material Protection Products business unit currently has a workforce of around 350, with production sites in Krefeld-Uerdingen and Dormagen (Germany), Pittsburgh (United States), Jhagadia (India), Changzhou (China) and Singapore. It is part of the Performance Chemicals segment, which posted 2015 sales of around EUR 2.1 billion.

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The business unit's products are used worldwide in many different applications. With its broad portfolio of antimicrobial active ingredients and preservatives, the business unit offers tailored solutions for customers in many industrial sectors. In addition to disinfection, these include the wood protection industry, the paint and coatings industry as well as the construction sector and the beverage industry. Material Protection Products also offers extensive technical service, regulatory support and project-specific research and development.

Note: Financial data are based on a USD/euro exchange rate of 1.10. All references to EBITDA are pre exceptionals.

LANXESS is a leading specialty chemicals company with sales of EUR 7.9 billion in 2015 and about 16,600 employees in 29 countries. The company is currently represented at 52 production sites worldwide. The core business of LANXESS is the development, manufacturing and marketing of chemical intermediates, specialty chemicals and plastics. Through ARLANXEO, the joint venture with Saudi Aramco, LANXESS is also a leading supplier of synthetic rubber. LANXESS is listed in the leading sustainability indices Dow Jones Sustainability Index (DJSI World) and FTSE4Good.

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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>. TV footage can be found at <http://globe360.net/broadcast.lanxess/>.

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

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## News Release



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