

LANXESS at Chinaplas 2010
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LANXESS expands capacities for high-tech plastics in China

- **Investment in additional production line at Wuxi site**
- **LANXESS showcasing 'Quality & Expertise' solutions at Chinaplas 2010**

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Shanghai/Leverkusen – LANXESS will expand capacities at its state-of-the-art compounding plant for high-tech plastics in Wuxi, China. The German specialty chemicals company will invest in a third production line at the plant, which will increase compounding capacities by nearly 50 percent and is scheduled to go on stream mid-2011. After the expansion, the plant will have a capacity of approximately 60,000 metric tons per year.

“This investment will serve the growing demand from Chinese and Asian customers for premium, high-performance engineering plastics, mainly driven by the booming automotive industry,” said Axel C. Heitmann, LANXESS Chairman of the Board of Management. He added that LANXESS was considering further investments in Wuxi in the near future.

LANXESS at Chinaplas 2010

The expansion was announced today during Chinaplas, Asia's largest and most important plastics and rubber trade fair, where LANXESS is showcasing its high-quality and reliable solutions.

Increased domestic consumption and the growing purchasing power of China's burgeoning middle class are currently supporting the growth path of the Chinese economy. The mega-trends of mobility and urbanization are key pillars of this growth. As segments of the

population shift from rural to urban areas, the result is a greater demand for automobiles and modern urban housing.

As a result of this rapid development, China is now the world's largest automotive market with unit sales projected to rise by eight percent to more than 14 million vehicles in 2010. This has led to a significant increase in demand for LANXESS engineering plastics and high-performance rubbers.

Also in the increasing urbanization trend, LANXESS is an active participant. Urban planners predict that the population of China's cities will reach one billion by 2030 and that 70 percent of China's citizens will be living in urban areas by 2035. As a result, there is an urgent requirement for the rapid development and upgrade of infrastructure.

Thus products made by LANXESS such as inorganic pigments will benefit from these shifts. Builders require effective and reliable products for the coloration and beautification of concrete applications in the construction industry. To meet the increasing demand, the company's local production sites in Shanghai for inorganic pigments are currently being expanded. A new facility for black iron oxide is planned to go on stream in October 2010.

LANXESS in Greater China

Greater China is a key pillar of the company's BRIC strategy and accounts with approximately 1,000 employees for sales of EUR 584 million in 2009. In a year when the China Petrochemical Industry Association (CPCIA) reported an average industry growth slightly less than 10 percent, LANXESS' sales significantly outperformed the Greater China chemical industry with an increase of 15 percent year-on-year.

"LANXESS' positive growth is clearly continuing in 2010," said CEO Heitmann. "Thanks in large part to continued growth in China, our

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Group earnings for 2010 are expected to be significantly higher than in 2009. The first months of 2010 already have shown strong double-digit growth for sales in China. Our outlook remains positive as customers continue to place substantial orders.”

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 43 production sites worldwide. The core business of LANXESS is the development, manufacturing and marketing of plastics, rubber, intermediates and specialty chemicals.

Leverkusen, April 20, 2010
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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:

The latest news from LANXESS direct to your mobile phone: **mobile.lanxess.com**.

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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