

Record-breaking pigment production at LANXESS

- **Investment of EUR 20 million planned for 2010**
- **All plants worldwide running at full capacity**
- **Capacity expansion at all sites**
- **Competitive edge thanks to eco-friendly production**

Leverkusen – Specialty chemicals group LANXESS is responding to the strong rise in worldwide demand for iron oxide pigments by launching an investment program. This year, LANXESS plans to invest around EUR 20 million in expanding its capacities at all three production sites in Brazil, Germany and China. LANXESS currently has global synthesis capacities of more than 350,000 metric tons a year for the production of Bayferrox products.

At around 25,000 metric tons, the amount of Bayferrox manufactured by LANXESS at its Krefeld-Uerdingen site in Germany in May was higher than in any previous month. This is the highest ever volume produced since the company started manufacturing iron oxide pigments in Krefeld-Uerdingen in 1926. Some 85 percent of the pigments produced were earmarked for export.

The amount of iron oxide pigments produced in Krefeld-Uerdingen from January to May 2010 exceeded the production volume in the same period of the previous year by more than a third. With an annual production volume of 280,000 metric tons, the production facility is the largest of its kind in the world. The plant in Krefeld-Uerdingen is currently running at full capacity.

“Over the past few months, we have been able to expand our market share and win new customers worldwide. This success is primarily down to the environmentally friendly production methods that we employ at all our sites,” explained Rainier van Roessel, member of the LANXESS Board of Management.

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“In many countries, legislators are now taking a hard line when technically demanding pigment production methods break environmental specifications. In China, for example, hundreds of companies have been closed down in the last 12 months for not complying with the country’s strict environmental guidelines,” added van Roessel.

He continued: “Thanks to decades of experience in the production of iron oxide pigments and our in-house technology that fully satisfies the requirements for environmentally friendly production, we have a key competitive edge in this area.”

Effective immediately, iron oxide yellow pigment production at the Jinshan plant in China can now run at its full capacity of 28,000 metric tons a year. Opened in 2007, this LANXESS site is now the biggest production facility of its kind in Asia. *LANXESS’ pigment production in Brazil is based in Porto Feliz and has an annual capacity of 36,000 metric tons.*

The iron and chrome oxide pigments produced by LANXESS are used, for example, to color concrete parts, roofing tiles, paints and coatings, plastics, paper and special pigments for toners and other applications.

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 42 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

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these forward-looking statements or to conform them to future events or developments.

Information for editors:

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

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