

Environmentally friendly generation of energy for the production of iron oxide pigments in Brazil

LANXESS starts up “sugar cane” power plant

Sustainability – a matter of principle

Leverkusen – Specialty chemicals group LANXESS has started up a new on-site power plant at its location in Porto Feliz in Brazil. This will increase the efficiency and environmental compatibility of the on-site production of iron oxide pigments, which are marketed globally as Bayferrox and regionally as Po Xadrez. The innovative, highly efficient cogeneration plant for the production of electricity and steam has a capacity of 4.5 MW and achieves an efficiency of up to 90 percent. It is powered by bagasse, a fibrous component of sugar cane that is left over after sugar production. Thanks to the use of this renewable, environmentally friendly raw material, energy can be produced on a CO₂-neutral basis. The amount of CO₂ released is exactly the same as that previously absorbed by the sugar cane crops during growth.

The project, which was launched in 2008 and cost around EUR 8 million, was completed as planned notwithstanding the global economic crisis. The start-up of the new cogeneration plant is enabling the company to cut CO₂ emissions at the site significantly. Annual climate gas emissions will be around 44,000 metric tons of CO₂ equivalents less than in 2002. LANXESS's Inorganic Pigments business unit is thus documenting its commitment to sustainable and environmentally friendly process technology. “The deployment of resource-conserving, environmentally production processes is an important part of our global sustainability strategy, and the new power plant in Porto Feliz is another decisive milestone,” says Joerg Hellwig, head of the Inorganic Pigments business unit. “For us, economic and ecological sustainability go hand in hand. For example, we comply with the latest safety standards at all our sites. We avoid emissions whenever we can or, if this is impossible, we neutralize

LANXESS AG

Contact: Udo Erbstößer
Corporate Communications
51369 Leverkusen
Germany

Phone: +49 214 30-54529
Fax: +49 214 30-44865
udo.erbstoesser@lanxess.com

Page 1 of 3

them. At the same time we want to supply our customers with added value. We want to be a reliable partner for them and enable them to manage their business sustainably too. This is our business philosophy for long-term success.”

Some 250 people work at Porto Feliz producing iron oxide pigments, primarily serving the North and South American markets. With this power plant project LANXESS has created 12 new jobs. The São Paulo region in which the site is located is also one of the most important areas for sugar cane cultivation in the whole of Brazil. This results in a high availability of this cellulose-containing raw material in the immediate vicinity of the Porto Feliz site.

LANXESS's Inorganic Pigments business unit is one of the world's leading manufacturers of inorganic pigments, with a broad and innovative product range and high technical competence and consulting expertise. The largest iron oxide production plant in the world is in operation at the main site in Krefeld-Uerdingen in Germany. Together with the plants in Jinshan in China and Porto Feliz in Brazil, LANXESS has a synthesizing capacity of more than 350,000 metric tons. With additional mixing and grinding sites in Australia, Spain, the United Kingdom and the U.S.A., the Inorganic Pigments business unit with its global workforce of around 1,500 employees is close to its customers. The Bayferrox pigments have proven themselves in practice in the coloring of a great variety of products for decades. They are characterized by a high quality and simple and environmentally compatible processability which meets the required standards. The most important customers are the construction industry, followed by the paints and coatings sector and the plastics and paper industries. Iron oxide is also used, for example, in brake pads and airbags or to turn well water into safe drinking water.

The Inorganic Pigments business unit belongs to the LANXESS Performance Chemicals segment, which achieved total sales in fiscal 2008 of EUR 1.93 billion.

LANXESS AG

Contact: Udo Erbstößer
Corporate Communications
51369 Leverkusen
Germany

Phone: +49 214 30-54529
Fax: +49 214 30-44865
udo.erbstoesser@lanxess.com

LANXESS is a leading specialty chemicals company with sales of EUR 6.58 billion in 2008 and currently about 14,600 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, März 09, 2010
fah (2010-00027e)

LANXESS AG

Contact: Udo Erbstößer
Corporate Communications
51369 Leverkusen
Germany

Phone: +49 214 30-54529
Fax: +49 214 30-44865
udo.erbstoesser@lanxess.com

Page 3 of 3

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://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>.