

Foundation stone laid for "sugar cane" power plant in Porto Feliz, Brazil

LANXESS uses renewable raw material for energy generation

Inorganic Pigments business unit strengthens leadership position by sophisticated concept

Leverkusen – Specialty chemicals group LANXESS AG is building its own innovative, highly efficient cogeneration plant at its Brazilian site in Porto Feliz for the combined generation of steam and electricity. The new plant, which will have a capacity of 4.5 MW, will operate with bagasse, the fibrous components of sugar cane that are left over from sugar production. Through the use of this renewable, environmentally friendly raw material, energy generation becomes completely CO₂-neutral, which basically means that no more CO₂ is released into the atmosphere than has previously been absorbed by the sugar cane plants during growth. A start was made back in 2003 to gradually replace fossil fuels with renewable raw materials for the site's energy production. When the new power plant comes into operation, LANXESS will be able from 2010 to almost entirely eliminate its output of CO₂ at this site. Annual climate gas emissions will be around 44,000 metric tons less than in 2002.

A further benefit for LANXESS is that the new facility makes the site permanently independent of external energy supplies. "The new power plant will ensure the reliable and long-term supply of our production facilities with affordable energy – and it will safeguard our competitiveness at the same time. Over and above that, the system is also extremely environmentally friendly," says Joerg Hellwig, head of the LANXESS Inorganic Pigments business unit, which owns the plant in Porto Feliz. 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 AG

Contact: Michael Fahrig
Corporate Communications
Market Communications
Trade & Technical Press
51369 Leverkusen
Germany

Phone +49 214 30-45041
Fax +49 214 30-44865
michael.fahrig@lanxess.com

With the laying of the foundation stone today for a modern facility, which will have an efficiency level of up to 90 percent, LANXESS is documenting its commitment to sustainable and environmentally friendly process technology. "The deployment of resource-conserving, environmentally friendly production processes is an important part of our global sustainability strategy. With the construction of this new power plant, we are establishing an ideal link between ecological and economic factors," says Werner Breuers, a member of the Board of Management of LANXESS AG. The group is to invest around EUR 7 million in the construction of the plant, which is due to go on stream in 2010. The investment is to be partly financed by the sale of CO₂ allowances. 12 new jobs will thereby be created at the Porto Feliz site.

The LANXESS Inorganic Pigments business unit is one of the world's leading manufacturers of iron oxide pigments, producing around 350,000 metric tons of iron and chrome oxide pigments a year at its sites in the United States, Brazil, Australia, Asia and Europe. With its plants in Krefeld, Germany; Jinshan, China; and Porto Feliz, Brazil, LANXESS operates the world's largest facilities for the production of iron oxide pigments. The pigments, which are marketed under the trade name Bayferrox, have proven themselves in practice in the coloring of a great variety of products for decades. They are characterized by high quality and easy processability which meets the required standards and is environmentally friendly. The most important customers are the construction industry followed by the surface coatings industry and the plastics and paper industries. Some 300 people work at Porto Feliz in this sector, serving primarily the North and South American markets.

The Inorganic Pigments business unit belongs to the Performance Chemicals segment, which achieved total sales in 2007 of EUR 1.97 billion.

LANXESS is a leader in specialty chemicals with sales in 2007 of EUR 6.61 billion and currently around 15,100 employees in 21 countries. The company is represented at 44 production sites worldwide. The core business of LANXESS is the development, manufacture and sale of plastics, rubber, intermediates and specialty chemicals.

Information for editors:

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

All LANXESS news releases and accompanying photo, video and audio material can be found on <http://press.lanxess.com>.

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Trade & Technical Press
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Germany

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Fax +49 214 30-44865
michael.fahrig@lanxess.com

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Forward-Looking Statements

This news release contains 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.

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