

LANXESS to acquire DSM Elastomers

Leverkusen – LANXESS and Dutch company Royal DSM N.V. have reached an agreement in principle involving the sale of DSM Elastomers to LANXESS for EUR 310 million on a cash and debt-free basis. DSM Elastomers produces the synthetic rubber ethylene propylene diene monomer (EPDM) under the brand name Keltan.

The price for the DSM Elastomers business represents an EBITDA multiple of roughly 6 based on the expected EBITDA of 2010. The acquisition will be financed by LANXESS out of existing liquidity and is expected to be EPS accretive as of 2011.

The transaction contracts will be finalized once a consultation process with the employees' representatives of DSM in the Netherlands has been completed. The transaction is subject to approval from antitrust authorities. Closing is expected in the first months of 2011.

Sittard-Geleen-based DSM Elastomers has approximately 420 employees worldwide and is expected to achieve sales of about EUR 380 million in 2010. DSM operates an EPDM plant in Sittard-Geleen, the Netherlands, with an annual production capacity of 160,000 metric tons. DSM's other EPDM plant is based in Triunfo, Brazil, with an annual capacity of 40,000 metric tons. LANXESS plans to base the headquarters of the combined EPDM businesses in Sittard-Geleen.

LANXESS' Technical Rubber Products business unit (TRP) sells EPDM under the brand name Buna EP. LANXESS produces EPDM in Marl, Germany, and Orange, United States, with a combined annual capacity of 120,000 metric tons.

The global rubber market for ethylene propylene diene monomer (EPDM) is expected to show single-digit percentage growth per

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annum in the next ten years, driven by rising demand in China and Brazil.

Through the transaction, LANXESS plans to strengthen its technology base by gaining access to the ACE technology. DSM is in the process of implementing this technology on a larger scale at its site in Sittard-Geleen. In comparison to conventional technology, ACE reduces the energy and production costs for EPDM and at the same time broadens the application possibilities of the rubber. LANXESS will evaluate implementing ACE technology into its existing plants.

EPDM is used above all in the automobile industry but also in the plastics modification, cable and wire, construction and oil additives industries. Its properties include very low density, good resistance to heat, oxidation, chemicals and weathering as well as good electrical insulation properties.

Leverkusen, December 14, 2010

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.

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