

LANXESS to build new production plant for high-performance plastics in Krefeld-Uerdingen, Germany

- **Investment volume in the mid double-digit million euro range**
- **Around 20 new jobs in Krefeld-Uerdingen, Germany**
- **Start of production in the second half of 2019**

Cologne – Specialty chemicals company LANXESS is continuing to invest in its global production network for high-performance plastics and is building another compounding facility at its Krefeld-Uerdingen site, Germany, for a mid double-digit million euro amount. Starting in the second half of 2019, LANXESS will produce Durethan and Pocan engineering plastics, which are used primarily in the automotive as well as the electrical and electronics industry. In addition, a warehouse and a silo facility will be built. Construction will begin in the fourth quarter of 2018 and the investment will create around 20 new jobs at the Krefeld-Uerdingen site.

"The high-performance plastics business is a central pillar of our growth strategy. By expanding capacity, we are further strengthening our position as a provider of innovative product solutions for modern mobility. At the same time, we are making even better use of the potential of our integrated value chain for these products," said Hubert Fink, Member of the LANXESS Board of Management. "The investment also shows that we are strongly committed to North Rhine-Westphalia as a business location."

LANXESS already operates a polymerization and compounding plant for high-performance plastics in Krefeld-Uerdingen. It was only in March 2018 that the company put a new line for the production of specialty compounds into operation there. With the new investment, LANXESS is once again strengthening the importance of the site for the company.

"Krefeld-Uerdingen is our central production platform for high-performance plastics, especially for the European markets. The expansion will enable us to better serve the continuing high demand

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from this market region in the future," said Michael Zobel, head of LANXESS' High Performance Materials business unit.

The new plant in Krefeld-Uerdingen will be designed so that LANXESS can expand its operations in the coming years, in line with demand.

Lightweight solutions for modern mobility

LANXESS' high-performance plastics allow the construction of components that replace metal parts in motor vehicles and thus contribute to reducing weight, fuel consumption and emissions. The innovative materials are used, for example, in engine applications, door structures, pedals, front ends and cockpit cross members. Depending on the part, the lightweight construction can make a weight-saving of up to 50 percent.

There are also many applications for LANXESS plastics in hybrid and electric vehicles, some of which are already successful in mass production. These include components for charging systems, carriers and cell holders for battery systems as well as sensors and housing parts for electric motors. The materials also have great potential in electro mobility infrastructure, such as in housing, switches and terminal clips for charging stations.

Expansion for high-performance plastics in full swing

LANXESS is highly backward integrated in the value chain of high-performance plastics. The company produces the precursors for its engineering plastics, like glass fibers for the PA and PBT compounds and the polyamide 6 monomer caprolactam, all in its own plants.

In recent years, LANXESS has continuously expanded its compounding capacities so that the company can process most of the intermediates it produces into high-performance plastics itself in its global plant network. The specialty chemicals company is currently also building a new compounding plant in Changzhou, China, which is scheduled to come on stream in the second quarter of 2019.

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Global production network

The business unit High Performance Materials operates a global production network at the following locations: Dormagen (Research & Development), Krefeld-Uerdingen (PA 6 Polymerization, Compounding), Hamm-Uentrop (PBT Polymerization, Compounding), Brilon (Tepex Production and Development), all Germany; Antwerp, Belgium (PA 6 Polymerization); Wuxi, China (Compounding); Jhagadia, India (Compounding); Gastonia, USA (Compounding); and Porto Feliz, Brazil (Compounding).

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LANXESS is a leading specialty chemicals company with sales of EUR 9.7 billion in 2017 and about 19,200 employees in 25 countries. The company is currently represented at 74 production sites worldwide. The core business of LANXESS is the development, manufacturing and marketing of chemical intermediates, additives, specialty chemicals and plastics. LANXESS is listed in the leading sustainability indices Dow Jones Sustainability Index (DJSI World and Europe) and FTSE4Good.

Cologne, September 19, 2018

Forward-Looking Statements

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