



LANXESS
Energizing Chemistry

syngenta

LANXESS acquires Syngenta's Material Protection business – Strengthening focus on megatrend urbanization

Leverkusen, March 1, 2011

LANXESS strengthens its position as a leading biocide supplier for construction materials



Material Protection Products

- Business Unit Material Protection Products part of the Performance Chemicals segment
- Strong expertise in global regulatory affairs, technical support and formulations
- Sales: < €200 m

MPP business structure

Beverage technology

X **Velcorin**

Disinfection

X **Preventol**



Biocides

X **Preventol**



Material Protection

- Syngenta markets active ingredients and formulations for Crop- and Material Protection applications with different registration requirements
- Syngenta's Material Protection business consists of a broad variety of actives including relevant IP
- End uses: Wood protection, coatings, wallboard
- Sales 2010: ~€19 m
- Business to be integrated into LANXESS MPP's Business Line Biocides

Deal rationale: stable high margin business with long-term access to Syngenta's R&D pipeline

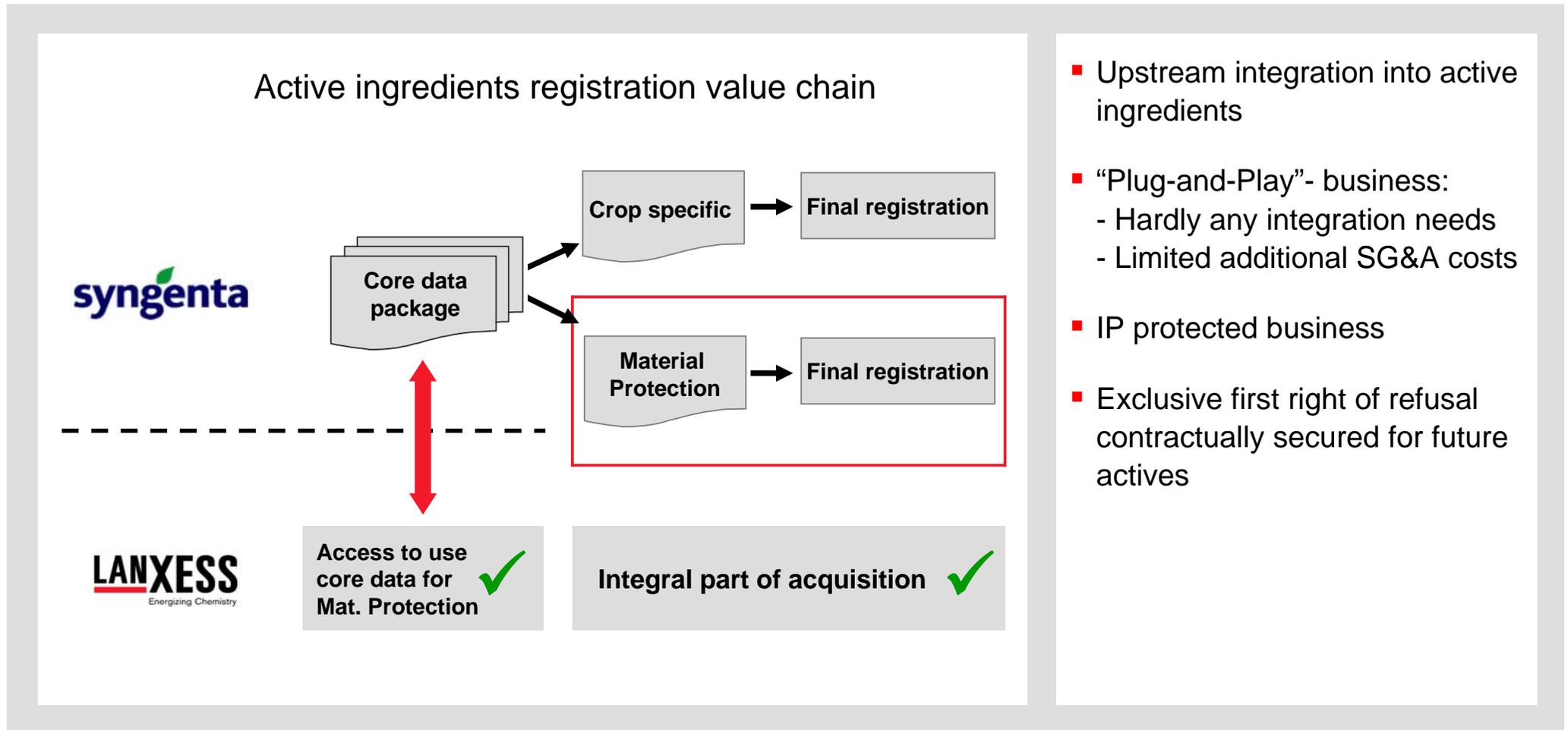


Chart 3

A value enhancing acquisition

Transaction structure

- LANXESS acquires:
 - intellectual property
 - customer lists
 - supply contracts
 - existing product registrations
- Exclusive supply agreement for actives
- Cooperation and licensing agreement for future actives
- No employees or fixed assets to be transferred

Treatment in the accounts

- Balance sheet:
 - transaction structured as asset deal
- P&L:
 - Sales
 - COGS (supply agreement with Syngenta for actives)

Attractive financials

- Sales 2010: ~€ 19m
- EBITDA margin: above avg. segment margin
- Transaction expected to close in April 2011
- Financing out of existing liquidity
- Purchase price not disclosed

Access to complementary portfolio and future actives pipeline of Syngenta

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