



LANXESS
Energizing Chemistry

UNITEX

LANXESS acquires Unitex – Leveraging the phthalate-free plasticizers trend

Leverkusen, October 12, 2011

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LANXESS acquires Unitex – adding technology and capacity to leverage existing plasticizer business

US producer of phthalate-free plasticizers

Sales: ~\$30 m in 2010

Transaction to close October 2011

Financing out of existing liquidity

EPS accretive in 2012

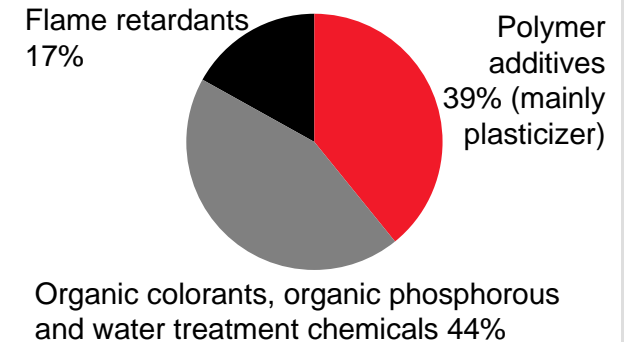


BU FCC - established solution provider for products meeting new regulatory requirements

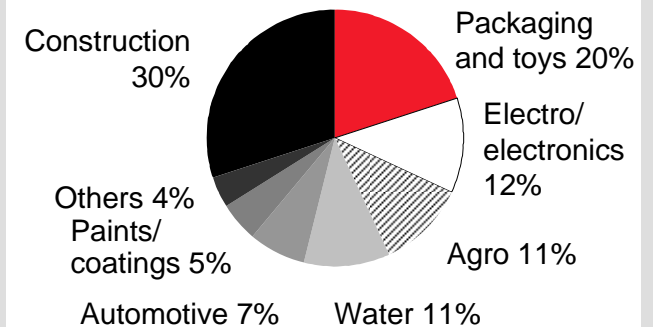
LANXESS BU Functional Chemicals – quick facts

- Business Unit Functional Chemicals is part of Performance Chemicals
- Sales: €200 - €500 m
- Production sites: Leverkusen and Krefeld-Uerdingen, Germany
- Headcount: ~450
- Major global manufacturer of:
 - Organic colorants, organic phosphorous and water treatment chemicals;
~4% CAGR
 - Polymer additives (mainly phthalate-free plasticizers);
~7% CAGR
 - Flame retardants;
~9% CAGR

Product split



End uses*



* based on BU sales 2010

UNITEX – manufacturer of phthalate-free plasticizers

UNITEX – Focusing on phthalate-free plasticizers

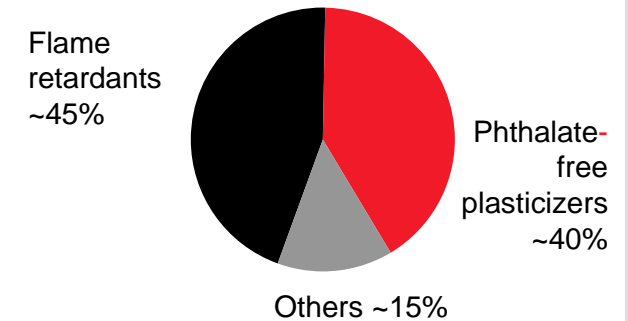
Overview:

- Privately owned company, founded in 1973
- Based in Greensboro, NC, US
- State-of-the-art production facility
- Headcount: ~40
- Producer of phthalate-free plasticizers and flame retardants as specialty chemicals
- Plant ISO 9001 quality management certified

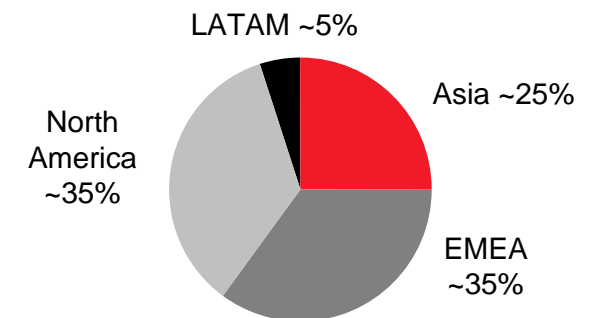
Business:

- Sales: ~USD30 m in 2010
- 85% of acquired portfolio compliments FCC business
- ~40% of sales serving phthalate-free plasticizer applications
- CAGR of phthalate-free plasticizer market: ~7% globally**

Product split



Phthalate-free plasticizer market split*



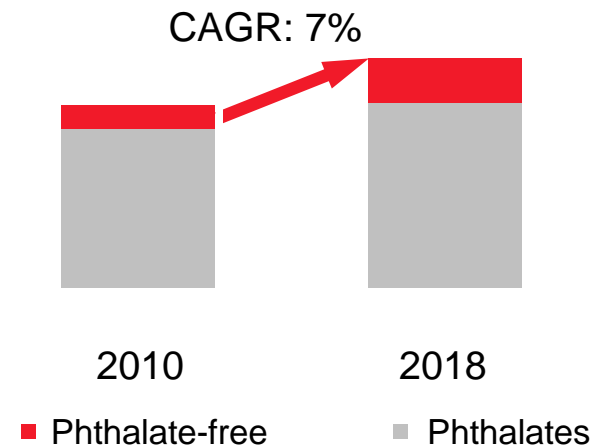
* Plasticizer market split is 2010 estimate w/o phthalates; **LANXESS estimate

Increasing demand for phthalate-free plasticizers due to stricter health and safety regulations

Phthalate-free plasticizers

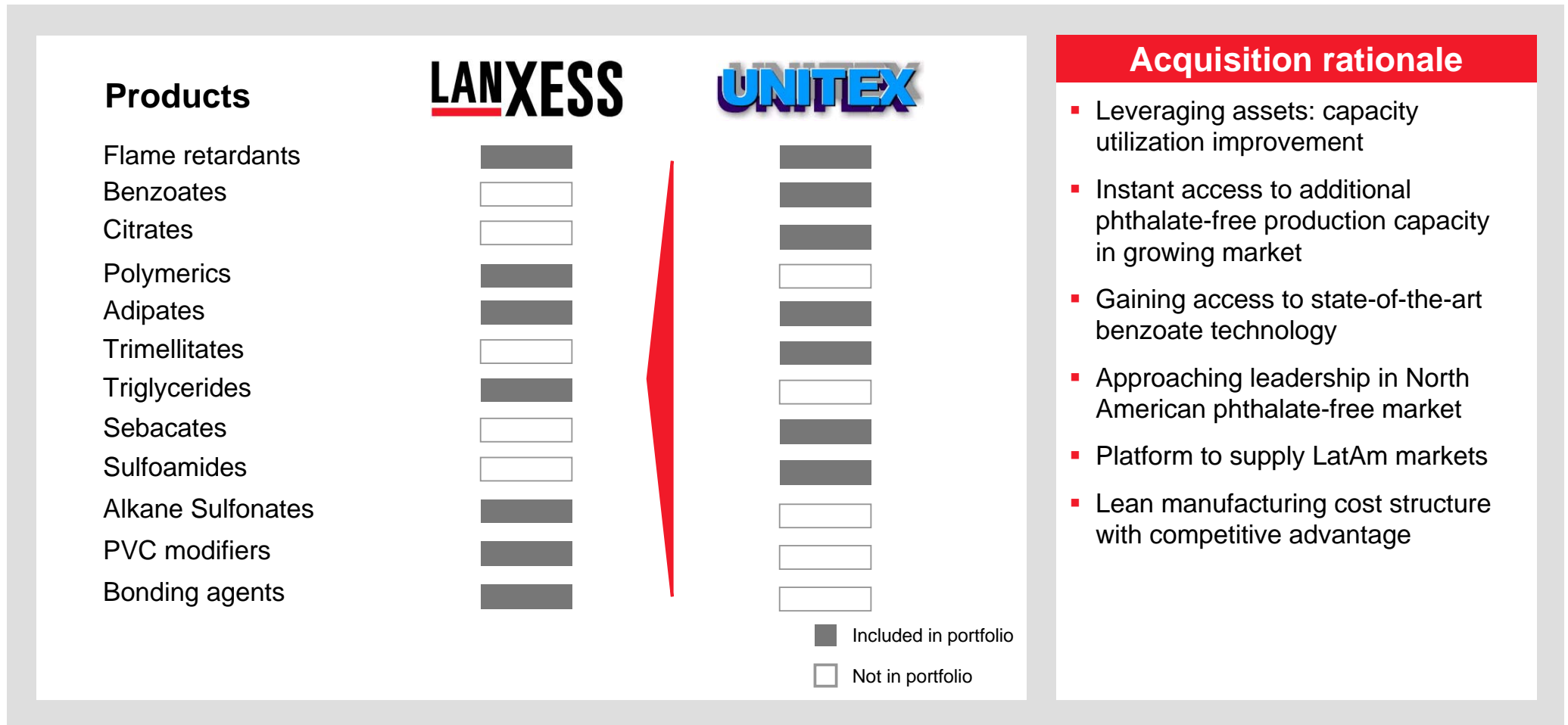
- Plasticizers used as plastics additives
 - to improve processability
 - to influence property of final product
- Regulation-pressure as exceptional growth driver in US, Western Europe and Japanese markets
- Over the last three years, phthalates continued to be substituted by non-phthalate alternatives
- Alternative phthalate-free plasticizers are e.g. Benzoates, Citrates and Adipates
- Phthalates market currently undergoing consolidation
- Size for phthalate-free plasticizer market estimated at ~ €1.3 bn

Global plasticizer market development



- Substitution currently affected by limited capacity for phthalate free plasticizers
- Substitution trend expected to last 10-15 years

Acquisition of UNITEX strengthens FCC technology portfolio



Acquisition rationale

- Leveraging assets: capacity utilization improvement
- Instant access to additional phthalate-free production capacity in growing market
- Gaining access to state-of-the-art benzoate technology
- Approaching leadership in North American phthalate-free market
- Platform to supply LatAm markets
- Lean manufacturing cost structure with competitive advantage

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