

- Efficiency investments of roughly EUR 25 million in plastics production chain in 2017
- Caprolactam plant celebrates 50 years of production

Cologne – LANXESS announced plans to further strengthen its integrated production complex for polyamide and precursors for plastics in Antwerp. With an investment of roughly EUR 25 million in 2017, the specialty chemicals company will primarily implement measures to further enhance efficiency.

"Our integrated production complex in Lillo is the backbone of our global business for high-tech plastics. Given the trend toward lightweight construction in the automotive industry, for example, this is a major future market. Therefore we are continuously strengthening the competitiveness of this site. In total, our company has invested more than EUR 300 million in Lillo since 2004 – a sum that shows our firm commitment to this site," said Matthias Zachert, Chairman of the Board of Management at LANXESS.

The announcement was made on the occasion of the 50th anniversary of caprolactam production at the site. Caprolactam is a key precursor for the production of LANXESS's high-tech plastics. Besides the automotive industry, these plastics are also used in electrical and electronics applications.

In recent years LANXESS has focused on building a balanced value chain for its high-tech plastics production operations, which absorbs the lion's share of the intermediates produced for captive use. A milestone on that strategic path was the construction of a worldclass polymerization plant with an annual capacity of 90,000 metric tons connected directly to the caprolactam production facility. Since its start in summer 2014, the polyamide is shipped from Antwerp to

LANXESS AG

Contact: Ingo Drechsler Corporate Communications Head of External Relations 50569 Cologne Germany

Phone +49 221 8885-3790 ingo.drechsler@lanxess.com

Page 1 of 3





LANXESS's global network of compounding facilities, where it is further processed into the high-tech plastics.

An impressive history

Production at the site began half a century ago on April 24, 1967. The plant was a pioneer in the harbor area, which has developed into the largest integrated chemical cluster in Europe.

The complex had a capacity of 160,000 metric tons of caprolactam per year in 2004 when LANXESS was founded; current capacity is 220,000 metric tons per year. Since the plant came on stream 50 years ago, 6,252,000 metric tons of caprolactam have been produced.

LANXESS not only expanded capacity considerably, it also modernized the complex. One recent major step was the implementation of a virtually energy self-sufficient infrastructure.

LANXESS in Belgium

LANXESS has three production sites in the Antwerp docklands. Caprolactam and polyamide are produced in Lillo-Antwerp, glass fibers and rubber chemicals are manufactured in Kallo. ARLANXEO, a joint venture of LANXESS and Saudi Aramco, produces synthetic rubber at the site in Zwijndrecht. LANXESS has a total staff of roughly 1.250 in Belgium, including Zwijndrecht.

LANXESS is a leading specialty chemicals company with sales of EUR 7.7 billion in 2016 and about 19,200 employees in 25 countries. The company is currently represented at 75 production sites worldwide. The core business of LANXESS is the development, manufacturing and marketing of chemical intermediates, additives, specialty chemicals and plastics. Through ARLANXEO, the joint venture with Saudi Aramco, LANXESS is also a leading supplier of synthetic rubber. LANXESS is listed in the leading sustainability indices Dow Jones Sustainability Index (DJSI World) and FTSE4Good.

LANXESS AG

Contact: Ingo Drechsler Corporate Communications Head of External Relations 50569 Cologne Germany

Phone +49 221 8885-3790 ingo.drechsler@lanxess.com

Page 2 of 3

News Release



Cologne, April 25, 2017 idr (2017-00040e)

Forward-Looking Statements

This company release contains certain forward-looking statements, including assumptions, opinions, expectations and views of the company or cited from third party sources. Various known and unknown risks, uncertainties and other factors could cause the actual results, financial position, development or performance of LANXESS AG to differ materially from the estimations expressed or implied herein. LANXESS AG does not guarantee that the assumptions underlying such forward-looking statements are free from errors nor does it accept any responsibility for the future accuracy of the opinions expressed in this presentation or the actual occurrence of the forecast developments. No representation or warranty (expressed or implied) is made as to, and no reliance should be placed on, any information, estimates, targets and opinions, contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein, and accordingly, no representative of LANXESS AG or any of its affiliated companies or any of such person's officers, directors or employees accept any liability whatsoever arising directly or indirectly from the use of this document.

Information for editors:

All LANXESS news releases and their accompanying photos can be found at http://press.lanxess.com. Recent photos of the Board of Management and other LANXESS image material are available at http://photos.lanxess.com. TV footage can be found at http://photos.lanxess.com. TV footage can be found at http://photos.lanxess.com.

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

Follow us on Twitter, Facebook, Linkedin and YouTube:

http://www.twitter.com/LANXESS http://www.facebook.com/LANXESS http://www.linkedin.com/company/lanxess http://www.youtube.com/lanxess

LANXESS AG

Contact: Ingo Drechsler Corporate Communications Head of External Relations 50569 Cologne Germany

Phone +49 221 8885-3790 ingo.drechsler@lanxess.com

Page 3 of 3