

LANXESS to consolidate global production of lubricant precursors

- **Base oil production to be pooled at Elmira site in Canada**
- **LANXESS intends to terminate production at its Ankerweg site in the Netherlands**

Cologne – Specialty chemicals company LANXESS intends to cease production at its Ankerweg site in Amsterdam, Netherlands, where it produces base oils for industrial lubricants. Operations shall be terminated latest in November 2018. LANXESS took over the production site and its roughly 100 employees when it acquired U.S. chemicals group Chemtura. LANXESS also produces active ingredients at the Ankerweg site under a contract manufacturing agreement for a customer in the agrochemicals industry.

“We carefully analyzed the site and came to the conclusion that we cannot run production there on a competitive basis,” says Anno Borkowsky, head of the Additives business unit at LANXESS. LANXESS can produce the volume of base oils it needs to cover its own demand for the production of high-performance lubricants as well as market demand at its Elmira site in Canada. Additionally, the contract manufacturing agreement for agricultural active ingredients, that represents a substantial part of the activities at the Ankerweg site, will end latest in November 2018.

Borkowsky adds: “Our priority now is to work with employee representatives to find responsible solutions for the employees concerned by the intended shut down.” To this end, the company is already engaged in constructive negotiations with union representatives.

LANXESS acquired the U.S. company Chemtura, one of the leading suppliers of flame retardant and lubricant additives, and its 2,500 employees in April 2017. As part of the integration process,

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LANXESS launched a detailed analysis of the former Chemtura production sites so as to further optimize global positioning and the individual processes and technologies. From the acquisition of Chemtura the company expects in total about EUR 100 million in synergies by 2020. An estimated EUR 140 million in associated one-time costs will be incurred for this.

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.

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Forward-Looking Statements

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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://globe360.net/broadcast.lanxess/>.

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

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News Release



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