News Release

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Saltigo: Optimized project and cost management for the benefit of the customer



Saltigo GmbH

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Langenfeld – Saltigo GmbH, a company of the specialty chemicals group LANXESS, will showcase itself at the Informex chemical exhibition in San Francisco from February 16 – 19, 2010. The globally active custom synthesis specialist will demonstrate the comprehensive portfolio of services offered by its Pharma and Agro & Specialty Chemicals business lines for the entire value chain – from laboratory-scale to full-scale production. "Particularly for companies focusing on custom manufacturing in this challenging market environment, our strategy of serving many different branches of industry and optimizing costs has once again been an extremely valuable initiative," says Saltigo's Managing Director Wolfgang Schmitz.

"About a year and a half ago, we launched the 'Saltigo Way Forward' project," explains Schmitz, "and we already recorded positive results in 2009 with respect to project procedures and their economic efficiency." Through customer surveys and with the help of internal and external consultants, it has been possible to consistently optimize project management and production planning and preparation. This approach has provided us with a strong foundation for the systematic optimization of the projects at Saltigo with the clear objective of reducing costs while maintaining the same high level of service. This resulted not least in the company again winning the prestigious "Agro Award 2009" from the Agrow trade journal , thus defending its title as "Best Supplier".

For Dr. Andreas Stolle, head of the Pharma business line, the priority is on cost optimization of the projects. "Especially today, with pharmaceutical companies adopting a policy of conservative cash management, stringent inventory management and budget restrictions, Saltigo can play out its strengths." Parallel improvement initiatives have been launched based on findings from the "Saltigo Way Forward" project to meet customers' targets in both the short and the long term. The improvement targets go beyond any conventional optimization of chemistry and technology. The project looks at the aspect of Supply Management from start to

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finish. "It has enabled us to achieve significant cost reductions for our customers as projects progress from clinical development to commercial production," says Stolle. For the production of fairly large quantities in particular, as are needed after a successful market launch in the pharmaceutical and chemical industries, and also in many non-life science segments, Saltigo can call on a wide variety of equipment and technologies plus extensive expertise in synthesis optimization and process development at its integrated site in Leverkusen, Germany.

For cooperation with U.S. pharmaceutical companies, the site in Redmond near Seattle in the U.S. State of Washington plays a key role. LANXESS Corporation opened this site in 2008 to strengthen Saltigo's pharmaceutical business. The CGMP-compliant facilities there consist of kilogram lab systems along with a pilot plant including a low-temperature unit for the production of active pharmaceutical ingredients for early clinical testing through to Phase IIa. "We are proud to say that our services from Redmond have been readily received by the market," says Stolle. "An increasing number of regular customers requiring repeat business coupled with more and more projects from advanced clinical development show that our team in Redmond offers precisely what the customer wants: flexibility, adherence to the agreed costs and time schedules, plus excellent, experienced employees."

At Informex, Dirk Sandri, head of Marketing & Sales in the Agro & Specialty Chemicals business lines, will speak on February 16 about the company's main areas of business in a showcase entitled, "Service Offerings of Saltigo". His presentation will focus on the company's extensive range of services that offer advantages to customers in the pharmaceutical and agrochemical industries and beyond. Sandri says: "We also want to attract the attention of new customers from the non-life science segments, since here, too, we have experience in the field of custom manufacturing. We have, after all, already successfully completed a number of projects, for example for the production of polymer additives as well as photovoltaic and cosmetic intermediates."

Saltigo GmbH is a leading supplier in the field of custom synthesis. The company of specialty chemicals group LANXESS belongs to the Advanced Intermediates segment, which achieved total sales in 2008 of EUR 1,310 million. Saltigo, headquartered in Langenfeld and with production facilities in Leverkusen and Dormagen, employs around 1,400 staff worldwide. LANXESS Corporation also operates a further site for Saltigo in Redmond, Washington, United States.

Detailed information about the company can be found on the internet at <u>http://www.saltigo.com</u>.

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<u>Information for editors:</u> All Saltigo news releases and their accompanying photos can be found at <u>http://corporate.lanxess.de/en/media/press-releases/</u>.

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

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Forward-looking statements

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