

LANXESS to invest EUR 40 million at Newcastle site in South Africa

- **New CO₂ concentration unit supports future growth of Sodium Dichromate production**
- **CO₂ emissions to be cut down by 25 percent**
- **Further strengthening of LANXESS value creation chain in South Africa**

Newcastle – German specialties chemicals group LANXESS is investing EUR 40 million to build a CO₂ concentration unit at its South African site in Newcastle. At this site, the group operates a highly modern plant, that mainly produces Sodium Dichromate which is further processed into chrome tanning materials for the global leather industry. It is the only site of its kind in South Africa. The production technology requires permanent supply of highly concentrated CO₂.

“This investment in South Africa marks another step within our BRICS strategy,” says Rainier van Roessel, Member of the Board of Management at LANXESS. “It allows the best possible capacity utilization of our Newcastle plant and sets the basis for future expansion of our production.”

With its own CO₂ concentration unit, LANXESS will become independent of the delivery capacity of external suppliers who provided the CO₂ up to now. Construction of the new unit will start in the first quarter of 2012, and commissioning of the unit is planned for the second half of 2013. The investment will create up to 10 new jobs at the site.

LANXESS' Sodium Dichromate production is based on CO₂ pressure saturation, in which CO₂ is used to convert Sodium Monochromate into Sodium Dichromate. The new unit will capture and filter exhaust air from the sites' steam production process, concentrate the CO₂ level up to 99 percent and feed it into the production process.

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“By using our own exhaust air to cater for the CO₂ demand we cut down the CO₂ emissions of our Newcastle plant by around 25 percent,” says van Roessel. The overall capacity of the Newcastle plant is around 70.000 tonnes of Sodium Dichromate per year.

Complete value creation chain for chrome-based leather chemicals in South Africa

LANXESS is the world’s only company to cover the entire value creation chain for chrome-based leather chemicals. LANXESS operates a chrome ore mine in Rustenburg, making the company independent of external raw material suppliers. The chrome ore is processed in Newcastle into chrome chemicals, out of which high-grade tanning raw materials are made at the LANXESS site in Merebank, Durban, to serve the global leather industry.

“This investment further strengthens our unique value creation chain for chrome-based specialty chemicals here in South Africa and underlines our strong commitment to the country and the community of Newcastle,” says Karl Gassen, Managing Director of LANXESS (Pty) Ltd. in South Africa. Additionally, LANXESS runs a production site for rubber chemicals in Isithebe, north of Durban.

LANXESS (Pty) Ltd is headquartered in Johannesburg. The group has approximately 1000 employees in South Africa with 120 of them based at the Newcastle site.

LANXESS is a leading specialty chemicals company with sales of EUR 7.1 billion in 2010 and currently around 16,100 employees in 30 countries. The company is at present represented at 47 production sites worldwide. The core business of LANXESS is the development, manufacturing and marketing of plastics, rubber, intermediates and specialty chemicals. LANXESS is a member of the leading sustainable 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>. The latest TV footage, audiofiles and podcasts can be found at <http://corporate.lanxess.com/en/media/audio-video/>.

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

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