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Rhein Chemie wins Global New Product Innovation Award in the Bioplastic Additives Market

BioAdimide™: New additive line of bio-based polyesters

Mannheim, Germany – Rhein Chemie was honored with the Global New Product Innovation Award 2011 in the Bioplastic Additives Market for its new product BioAdimide™. This innovative additive product has been specifically formulated for bioplastics and is poised to widen the applications of poly lactic acid (PLA) plastic.

"The inherent deficiencies of bioplastics, such as poor processing characteristics and insufficient physical and mechanical properties, have limited the opportunities for their expansion into advanced application arenas," notes Frost & Sullivan Industry Analyst Deepan Kannan. "However, with the incorporation of BioAdimide™ as an additive in the bioplastic formulation, these challenges can be avoided, facilitating their use in high end applications." PLA is a biopolymer that typically lacks hydrolytic stability and has low melt stability.

"We are very pleased that Frost & Sullivan selected us for this award from many strong competitors. They recognized the innovation of the new BioAdimide™ product line which enables the production of renewable, bio-based polymers for durable applications with a lower environmental impact – that's a real innovation for the third generation of bioplastics," emphasized Fei Tan, Head of Global Business Development, Engineering Plastics Division.

The New Product Innovation Award is presented to the company that has excelled in the following areas: innovative element of the product; leveraging leading edge technologies

in product; value-added features/benefits; increased customer ROI (small change) and for customer acquisition/penetration potential.

The new product line under the trade name BioAdimide™ of the Rhein Chemie's Engineering Plastics Division enables the production of renewable, bio-based polymers for durable applications with a lower environmental impact. BioAdimide™ additives are specially suited to improve the hydrolysis resistance of bio-based polyester, specifically polylactide (PLA), and to expand its range of applications.

Learn more about BioAdimide™: www.bioadimide.com and www.frost.com

About Engineering Plastics Division

Additives from the Engineering Plastics Division are used to protect polymers from hydrolysis and the premature aging associated with this process. The company's product portfolio also includes catalysts and activators for the manufacture of cast nylon and modifiers that improve the impact resistance of polyamides. In addition, highly developed catalysts, crosslinking agents and stabilizers from Rhein Chemie are used in the manufacture of flexible and rigid polyurethane foams.

About Rhein Chemie:

Rhein Chemie develops, produces and sells additives, specialty chemicals and service products for the rubber, lubricant and plastics industries. Rhein Chemie has approximately 1,000 employees worldwide. The company is headquartered in Mannheim, Germany and has production facilities in Europe, Asia and North and South America. Rhein Chemie is a wholly owned subsidiary of the specialty chemicals group LANXESS, Leverkusen, Germany.

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Forward-Looking Statements

This news release contains forward-looking statements based on current assumptions and forecasts made by the management of Rhein Chemie Rheinau GmbH. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of our sole stockholder LANXESS Deutschland GmbH and the estimates given here. These factors include those discussed in LANXESS AG's reports to the Frankfurt Stock Exchange. LANXESS AG and Rhein Chemie Rheinau GmbH assume no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.