

News Release

LANXESS and TSRC to create rubber joint venture in China

- **50 million USD joint investment in new plant**
- **Production of NBR to begin H1, 2012**
- **Chinese NBR market showing double-digit growth**
- **100 local jobs to be created**

Shanghai/Taipei/Leverkusen – Germany’s LANXESS and Taiwan’s TSRC Corporation will enter into a 50:50 joint venture in Greater China called LANXESS-TSRC (Nantong) Chemical Industrial Company Ltd. The two companies are jointly investing 50 million USD (approx. EUR 36 million) in a new plant that will produce Nitrile Rubber (NBR) in Nantong, northwest of Shanghai. The plant will have an initial capacity of 30,000 metric tons per year and serve the rapidly growing Chinese market with high-quality grades of NBR.

Groundbreaking is scheduled for September, 2010, and production is expected to start up in the first half of 2012. The marketing activities of the joint venture will begin in the summer of 2010. The joint venture will serve Chinese customers with NBR produced at LANXESS’ La Wantzenau site in France – the world’s largest NBR site – until the Nantong plant starts up.

“The Chinese NBR market is the fastest growing in the world, boasting double-digit growth rates,” said Werner Breuers, Member of LANXESS’ Management Board. “The partnership brings us a step closer to our customers and opens the door to further tie-ups in the emerging Asian market in the future.”

“The partnership is a win-win-combination. It brings together TSRC’s long-history of engineering and production know-how in China with LANXESS’ marketing and technical expertise in synthetic rubber,” said TSRC’s CEO Wei-Hua Tu.

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The Nantong Economic and Technological Development Zone is located in Jiangsu province and is the home to many chemical, textile and electronic companies. It is located alongside China's coastline and the estuary of the Yangtze River. The investment will create 100 local jobs at the NBR plant – the most modern of its kind in Asia. Up to 500 people will be working during the construction phase. Clearance for the joint venture from the relevant anti-trust authorities is expected by the end of July, 2010.

TSRC currently operates highly cost-efficient emulsion styrene-butadiene rubber (ESBR), polybutadiene rubber (BR) and thermoplastic elastomer (TPE) plants in Nantong and is one of the largest synthetic rubber producers in Asia. The products are sold under the tradename Taipol. TSRC posted sales of USD 700 million in 2009 and currently employs 1,100 people worldwide. In addition to its Nantong site, TSRC has production plants in Shanghai and Jinan in China as well as in Taiwan and Thailand.

LANXESS is the world's largest producer of synthetic rubber and NBR. Its products sold under the brand names Perbunan, Krynac, Baymod and Nanoprene are part of LANXESS' Technical Rubber Products business unit (TRP). The products have a higher resistance to oil than conventional rubbers. They also demonstrate a better resistance to ozone, UV light, hot air and long-term aging. NBR is used in a wide-range of applications such as seals, hoses for hydraulics and pneumatics, rubber gloves, elastic threads, as well as blankets for print cylinders and rolls.

TRP has production sites in Leverkusen, Dormagen, Marl (Germany), La Wantzenau (France), Orange (United States) and is part of LANXESS' Performance Polymers segment, which recorded sales of EUR 2.38 billion in 2009.

With approximately 1,000 employees and five production sites, LANXESS achieved total sales in Greater China of EUR 584 million in 2009.

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LANXESS is a leading specialty chemicals company with sales of EUR 5.06 billion in 2009 and currently around 14,300 employees in 23 countries. The company is represented at 43 production sites worldwide. The core business of LANXESS is the development, manufacturing and marketing of plastics, rubber, intermediates and specialty chemicals.

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Forward-Looking Statements

This news release may contain forward-looking statements based on current assumptions and forecasts made by LANXESS AG management. 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 the company and the estimates given here. The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.

Information for editors:

The latest news from LANXESS direct to your mobile phone: **mobile.lanxess.com**.

All LANXESS news releases and their accompanying photos can be found at <http://corporate.lanxess.de/en/media/press-releases/>. Recent photos of the Board of Management and other LANXESS image material are available at http://fotos.lanxess.de/index_en.html. 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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