

### LANXESS India optimistic about tyre market in India

- Rise in middle class boosts demand for passenger cars
- Growth in Tyre industry would generate demand for high-performance rubber

**Mumbai, August 16, 2010:** LANXESS, a specialty chemicals firm, foresees increase in demand for synthetic rubber in India, a country with a long history in the production and consumption of natural rubber. Driven by the needs of rapid modernization, India is currently undergoing a shift towards replacing natural with synthetic rubber in a variety of applications. As the world's leader in manufacturing synthetic rubber and backed by a history of serving the Indian market for over 40 years, LANXESS is set to play an important role in this development.

One of the growth drivers for high performance rubber in India is the automotive industry. Triggered by a burgeoning middle class, demand for passenger cars and two-wheelers is rising. The automotive industry is expected to grow by about 12-14% in 2010-2012. In addition, the government has an ambitious project of expanding and strengthening the highway infrastructure of India by an estimated growth rate of 8-9%.

Increase in mobility would generate more demand for tyres. Modern radial tyres rely on high-performance synthetic rubber to achieve their superior qualities. LANXESS manufactures a wide range of rubber chemicals, high-performance rubber and technical rubber products to cater to these demands.

To be able to serve the Indian customers locally, LANXESS, the only western company manufacturing rubber chemicals in India, operates plants in Jhagadia in the state of Gujarat and, through its subsidiary Rhein Chemie, in Madurai, Tamil Nadu (polymer bound rubber chemicals are produced). In addition, LANXESS is constructing a state-of-the-art butyl rubber plant in Jurong Island, Singapore, which is scheduled to start operations in Q1 2013. The plant is designed for a capacity of 100,000 metric tons per year.

LANXESS markets a wide range of high-performance synthetic rubbers to cater to the Indian rubber industry needs, both tyre and non-tyre.

Vulkacit® (powder rubber accelerators), Vulkanox (anti-oxidants), and other rubber chemicals from LANXESS and Rhenogran® (polymer bound rubber chemicals) from Rhein Chemie are used in tyres, tyre tubes and

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## Industry Note

flaps, rubber belts, rubber fuel tubes and automotive window profiles among others.

Butyl rubber is a synthetic rubber characterized by high impermeability to air. Halobutyl rubber, a specialty rubber polymer, is used in the manufacture of innerliners – the innermost layer of radial tyres for car, truck, bus and aircraft tyres.

Buna® synthetic rubbers from LANXESS see very healthy demand from the tyre industry due to their ability to take dynamic loads and resistance to heat and abrasion and are used widely by the Indian tyre industry.

Baypren®, Perbunan®, Therban® and other technical rubber products from LANXESS are used for non-tyre applications in the automotive industry like window profiles, seals, belts, hoses and various other moulded products.

With these investments in the Indian and Asian markets and the array of rubber and related products that the company offers, LANXESS is geared to participate in India's growth. As the pioneer in synthetic rubber, rubber chemicals, LANXESS is rightly equipped to cater to the demand for synthetic rubber and rubber chemicals, products and applications for the growing tyre and non-tyre industry in India.

### **About LANXESS:**

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 42 production sites worldwide. The core business of LANXESS is the development, manufacturing and marketing of plastics, rubber, intermediates and specialty chemicals.

### **Information for editors:**

100 years of synthetic rubber – interesting information about the anniversary and the numerous areas of application can be found at <http://www.worldrubberday.com/>. Information on chemical products from LANXESS can also be found in our Web Magazine at <http://webmagazine.lanxess.com/>

All LANXESS news releases and accompanying photo, video and audio material can be found on <http://press.lanxess.com/>

### **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 confirm them to future events or developments.

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