

Industry Note

Surge in paints and coatings market – a boon for LANXESS India

- Rise in spending power leads to increase in consumption of paints and coatings
- LANXESS manufactures pigments and preservatives for the paints and coatings industry

Mumbai, August 31, 2010: LANXESS, a specialty chemicals firm and a leading supplier to the paints and coatings industry in India, is encouraged by the buoyant growth and robust potential of the sector.

Consumption of paints and coatings in India in the domestic sector is clearly on the rise and is triggered by factors such as increased purchasing power of the people, boom in the real estate and automobile sectors, enhancement in lifestyles and frequent special occasions/festivals in India. In the industrial segment as well, there is a steady growth in spending on infrastructure and urbanization which has in turn, increased sales of industrial paints and coatings. Overall, the paints and coatings industry in India is projected to grow at the rate of 11-14% in the next five years.

LANXESS contributes to the paints and coatings industry with two major raw materials – the pigments and the biocides. The business unit, Inorganic Pigments, manufactures synthetic iron oxide pigment, Bayferrox®, which contributes to the colour of the paints while the business unit, Material Protection Products manufactures antimicrobial preservatives and biocides for antimicrobial stabilization of paints. Both the business units are part of the Performance Chemicals segment of LANXESS.

LANXESS has a production facility for Material Protection Products at Madurai, Tamil Nadu. The Preventol® range of products are used as antimicrobial compounds in a range of industrial applications such as paints, adhesives, emulsions, textile and leather auxiliaries, wood treatment etc. These high quality and environmentally friendly Preventol biocides help protect water based products from microbial attack, thus increasing the usable life of the products.

The products, Bayferrox® (iron oxide) and Chromoxide from the stable of Inorganic Pigments, are used for coloring various products, such as concrete, roof tiles, paints and dyes, plastics, paper, and special pigments for toners and other applications. These high-quality products are easy to use and are environmentally friendly. They are commonly

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supplied to the paints and dye manufacturers as well as to the construction and plastics industries.

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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