

Product release

LANXESS India sees opportunity in radialization of tyres

- Investment in highways would boost demand for radial tyres
- LANXESS manufactures Halobutyl rubber, used to manufacture inner liners for radial tyres

Mumbai, September 15, 2010: LANXESS, a specialty chemicals company and the pioneer of synthetic rubber in the world sees a huge opportunity in the Indian tyre market in the area of radial tyres. As per market estimates, the Indian market is dominated by tyres for large vehicles like buses and trucks, which contributes to nearly 60 percent of the turnover of the tyre market. Presently the estimated radialization of truck and bus tyres is only to an extent of 12 -15 percent.

Radial tyres offer significantly higher mileage and lower rolling resistance as compared to bias tyres. This in turn lowers the fuel consumption to a large extent and hence offers greater return on investment for the transporters in the long run. Most tyre companies in India are in consideration of or, are in an advanced stage of setting up greenfield projects for manufacturing radial tyres for trucks and buses and companies already having production facilities for truck and bus radial tyres are also undergoing capacity expansion.

With an increased investment in roads and highways in the coming years and the focus on fuel efficiency, radial tyres will be the need of the hour. Therein lies the opportunity for LANXESS Halogenated Butyl rubber.

LANXESS is a leading manufacturer of Regular Butyl rubber along with Halogenated Butyl rubber, namely Chlorobutyl rubber and Bromobutyl rubber. LANXESS has mastered the technology know-how for producing excellent quality Halobutyl rubber, a capability that has limited manufacturers worldwide.

LANXESS Butyl rubber is particularly suited for a variety of applications such as inner tubes, inner lines (for tyre) curing bladders and protective clothing (non-tyre).

A large part of the production of the Butyl Rubber business unit of LANXESS constitutes of Halobutyl rubber. The Butyl Rubber business unit is part of the Performance Polymers segment of LANXESS, which achieved total sales of EUR 2,388 million in 2009.

LANXESS is setting up a state-of-the-art Butyl rubber plant in Jurong Island, Singapore, which is scheduled to start production in Q1 2013.

LANXESS India Private Ltd

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This plant would reduce the lead time in delivering Butyl Rubber to the Indian market considerably as compared to products sourced from our plants located in Zwijndrecht in Belgium and Sarmia in Canada. Hence, this plant would be a key supplier of both Butyl and Halobutyl rubber to the world tyre market, with focus on Asia Pacific countries, including India.

Backed by innovation-driven technology, commitment to quality and the right infrastructure to meet the present market needs, LANXESS is all set to enhance its contribution to the tyre market 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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