

### LANXESS on expansion course in India

- **Groundbreaking for high-tech plastics facilities**
- **Initial capacity of 20,000 metric tons per year**
- **Start-up at the beginning of 2012**
- **60 new jobs created**
- **Official start of LANXESS' Year of High-Tech Plastics**
- **Further investments in Jhagadia being considered**

**Mumbai, January 13, 2011**– LANXESS is continuing the expansion of its Indian production site in Jhagadia, in the state of Gujarat. The specialty chemicals group broke ground for new compounding facilities with an initial capacity of 20,000 metric tons per year. These facilities will start producing the high-tech plastics Durethan (polyamide) and Pocan (polybutylene terephthalate) at the beginning of 2012. The investment of more than EUR 10 million will create 60 new jobs.

“Jhagadia provides the perfect platform to strengthen our position as a premium supplier to our customers not only in the rapidly-growing local market but also in the Asia-Pacific region,” said Rainier van Roessel, LANXESS Board Member at groundbreaking ceremony.

India is on course to become the third largest consumer market for high-tech plastics after the United States and China, driven by the automotive industry that is set to grow by more than six percent per year. Global automakers, as well as their suppliers, are already active in India or are investing in new plants in the subcontinent. It is above all the growing middle-class in India that is driving the trend towards greater mobility.

The automotive industry is the largest customer for the Semi Crystalline Products (SCP) business unit, which produces Pocan and Durethan. These highly innovative products represent a lighter-weight plastic alternative to metals. In addition, Pocan and Durethan enable carmakers and car parts suppliers to make considerable savings through cheaper production and easier assembly.

“It is more than fitting that today’s groundbreaking event marks the kick-off of LANXESS’ Year of High-Tech Plastics,” said Michael Zobel, head of the Semi-Crystalline Products business unit. “LANXESS’ high-tech plastics not only support the trend towards greater mobility but also make

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## Press Release



cars safer and reduce fuel consumption due to their outstanding properties.”

The Jhagadia site has many geographical advantages for Semi-Crystalline Products. It is located between two of India's largest automotive hubs Pune and New Delhi, which are home to numerous plants operated by the business unit's customers. Excellent links to international ports will ensure a reliable supply of feedstock to the compounding facilities and fast delivery to customers outside India. The state of Gujarat is also one of India's leading chemical regions and has a strong pool of highly skilled technicians and engineers.

LANXESS' Rainier van Roessel, as well as the company's country representative for India, Jörg Strassburger, took part at the 'Vibrant Gujarat' summit held in Gandhinagar from January 12-13. Van Roessel signed a memorandum of understanding with local officials for the high-tech plastics investment and signaled interest that LANXESS is considering further investments by other business units in Jhagadia.

“The investment in the compounding facilities in addition to our new ion exchange resins plant speaks volumes about our commitment to India. We are riding the growth wave and are focused towards our customers locally and in Asia Pacific, who will be served by these new plants”, added Dr. Joerg Strassburger, Managing Director and Country Representative, LANXESS India.

Including the new compounding facilities, LANXESS has invested to date about EUR 60 million in the 13-hectare Jhagadia site. A new facility for ion exchange resins as well as a rubber chemicals plant both started up production in 2010. LANXESS currently employs around 230 people in Jhagadia.

The Jhagadia site will strengthen SCP's presence in the Asia-Pacific region. The business unit is currently lifting capacities at its compounding plant in Wuxi, China, to approximately 60,000 metric tons per year by mid-2011.

### About LANXESS

LANXESS is a leading specialty chemicals company with sales of EUR 5.06 billion in 2009 and currently around 14,500 employees in 23 countries. The

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## Press Release



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.

### Forward-Looking Statements

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### Information for editors:

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](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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