

Address for the Opening of the Ion Exchange  
Resins Plant at Jhagadia

Thursday, December 2, 2010

---

“Why LANXESS and Jhagadia Are Right  
for Each Other”

Speech

**Dr. Rainier van Roessel**

Member of the Board of Management of  
LANXESS AG



Good afternoon. Thank you all for being here for this important moment in the history of LANXESS India.

Page 2 of 6

Our LANXESS Board of Management is especially honored to be joined by so many of our Ion Exchange Resin employees, customers and by representatives of the government of Gujarat – especially the Honorable Chief Minister Narendra Modi – all of whom we think of as vital partners in this enterprise.

Many, but not all, of you have a good idea of why this new plant is important. It is not simply important to LANXESS or to Jhagadia alone. It is important to many of India's growing industries and even to the environment that we all share.

That is because ion exchange resins represent an important, cutting-edge technology for water purification. Many thousands of industrial applications depend on the availability of pure process water. And the well-being of everyone on the planet depends on the availability of pure drinking water.

Our Ion Exchange Resins business is dedicated to ensuring the reliability of that water supply.

Ion exchange resins are small plastic beads that are chemically structured in such a way that they attract and hold onto ionized contaminants. These can then be removed from any solution that may need to be purified. After doing their job, the beads can be cleaned and reused multiple times. So they represent an efficient, practical and extremely effective approach to purifying a wide range of solutions – but especially water.

Before today, all of our capacity for the manufacture of ion exchange resins was located in Germany.

Now our ION business has built one of the most modern plants in the world for these resins here in Jhagadia. At a cost of roughly 2.2 billion rupees, we have created a facility that enables us to supply our customers in Asia quickly and efficiently. And it provides our ION business with an important presence in Asia that will broaden our understanding of our clients' specific needs.

Ion Exchange Resins is not our largest business. But it is one of our fastest-growing businesses.

And since most of its sales growth is coming from Asia, it was only natural that we should move to expand this business here.

We chose this site in India – not only because India is a vital market, but because of its highly developed legal framework for private enterprise, its well-trained workforce and the advantage of being able to conduct business here in English.

Jhagadia's fine chemical park offered specific advantages of its own – including good shipping connections and access to the raw materials we need. Quite simply, Jhagadia represents an excellent value proposition – which is why we earlier built our Rubber Chemicals facility on this same site, and why we have begun construction on a plant for our Semi-Crystalline Products business unit – which will come onstream in 2012.

I would like to take this opportunity to thank the many teams and individuals who have worked so hard to make this project and all of our projects here possible. We had many manufacturing & engineering colleagues out of Leverkusen who worked tirelessly on this project. There were German ION colleagues who spent many weeks in India – away from family and friends, to make this project possible. And, there were, and still are, many very experienced manufacturing and engineering colleagues from India. There are so many people involved that I unfortunately cannot recognize them all now – but you know who you are, and I thank you.

In addition to our workforce, we are also grateful that Jhagadia has provided a welcoming home to our developing operations in India. In exchange, we are determined to be the best corporate citizens we can be.

Part of that commitment means running our plant responsibly and safely. We are particularly proud of our achievements in making this a clean and sustainable facility that minimizes its environmental footprint in every possible way.

We recently activated a cogeneration plant here that provides the facility with steam and electricity in a highly efficient process that uses clean-burning natural gas.

Because this site complies with European regulatory norms, it also includes a state-of-the-art wastewater treatment plant that recycles water and releases effluent into the polishing wastewater station of Bharuch Eco-Aqua Infrastructure Ltd.

You see, LANXESS stringently maintains the same high environmental and workplace safety standards here that apply to all of our production sites around the world.

We are also working to be good members of the community here in other ways. In one important initiative, we are providing 89 local students with full academic scholarships. And we have started to work with Teach for India on a program that should soon provide a new channel for dedicated young teachers to take up positions in the local school system.

LANXESS takes its responsibilities in Jhagadia seriously. We are pleased to have become a part of this community. And we are especially pleased to be expanding that role today with this inauguration.

We look forward to continuing to grow our operation at this fantastic site. And we are glad to be able to serve the industries of India with the premium products and efficient supply chain they need.

And now, it is my great pleasure to invite my dear friend and colleague – Dr. Axel Heitmann – to step up to the podium and deliver his remarks on the occasion of the inauguration of this wonderful facility.

Dr. Heitmann ...

**Forward-Looking Statements**

This document contains 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.