News Release

LANXESS Energizing Chemistry

LANXESS expands its butyl rubber portfolio

Strategic product for growing markets

Leverkusen – LANXESS, one of the world's leading manufacturers of synthetic rubber, is extending its range of butyl rubber with a particularly low-viscosity, low-unsaturation variant of this elastomer. LANXESS Butyl 100 is suitable above all for the production of heavyduty seals and gaskets, in which minimal gas permeability is specified. "LANXESS Butyl 100 is a key addition to our portfolio. It is strategically a very important product for us as it shows that we are not tying our product range to the tire market, but want to align ourselves in the medium term even more strongly than before to the needs of the other key markets of the future," says Christian Lindenhayn, head of Global Marketing in LANXESS' Butyl Rubber business unit.

LANXESS Butyl 100 is largely based on Polysar Butyl 100, an elastomer that already had a proven track record in the industry. This product, now no longer available, stems from the time before the portfolio was streamlined when being brought under the roof of Bayer AG, whose rubber activities were taken over by LANXESS in 2005. The main product properties of the non-halogenated products are also very similar: LANXESS Butyl 100 has a comparatively low double bond content of 0.9 percent and a Mooney viscosity of 33 ML (1+8) at 125 °C. "Potential applications exist, for example, in seals for double glazing. Double-glazed windows may be very common in Europe, but they are only just being introduced in many other parts of the world. The adhesives industry is also dependent on low-viscosity butyl rubber for many uses. Both of these are high-growth markets," says Lindenhayn. "We are confident that Butyl 100 has plenty of potential to enter new segments and to further develop existing applications," says Ralf-Ingo Schenkel, head of R&D in the Butyl Rubber business unit.

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Butyl rubber, abbreviated to IIR, which stands for isobutyleneisoprene rubber, is a linear copolymer of isobutylene and isoprene that not only has excellent damping properties and weather resistance (even without the addition of plasticizer), but also outstanding low-temperature flexibility. Its most important characteristic, however, is its superior low gas permeability: The synthetic rubber has a 20-30 times higher barrier effect to oxygen, nitrogen and water than natural rubber. Its main field of application is innerliners for tubeless tires, where butyl rubber helps to keep the air pressure constant. Because the interior pressure of the tire has a considerable effect on the energy consumption of a car, butyl rubbers also help to save fuel. At the same time, they are a key prerequisite for the use of the modern tire pressure management systems that are currently being widely debated in the automotive industry. In pharmaceutical closures too - the second largest area of application - the elastomer's high gas impermeability is key. Other important properties include good elasticity and high purity. Until now, LANXESS had three so-called "regular butyl" grades and four halogenated grades, which boast, among other things, simplified vulcanization and improved adhesion to fabric.

"We have constantly reviewed our butyl portfolio in the past. Our aim is to have the best product mix worldwide, taking into account the needs of the market, production conditions and profitability. Three years ago, we decided to also dedicate ourselves increasingly to nontire segments. LANXESS Butyl 100 offers significant opportunities in this respect and serves this strategic goal in a quite particular way," says Lindenhayn. "Not least, we are also demonstrating with this new product that as one of the world's leading synthetic rubber manufacturers, we feel a commitment to contribute to the stability of the butyl rubber market. After all, in the opinion of many of our customers, the availability of low-viscosity butyl rubber is progressively deteriorating. We have opted here specifically for opportunities that are offered by supposedly smaller applications. Through our present capacity expansion projects and the construction of a new production plant in Singapore, we want not only

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to safeguard future supplies, we also want to give ourselves a broader base. That is why, for us, LANXESS Butyl 100 represents such an important extension to our product portfolio."

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.

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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 conform them to future events or developments.

Information for editors:

All LANXESS news releases and their accompanying photos can be found at <u>http://press.lanxess.com</u>. Recent photos of the Board of Management and other LANXESS image material are available at <u>http://photos.lanxess.com</u>. The latest TV footage, audiofiles and podcasts can be found at <u>http://corporate.lanxess.com/en/media/audio-video/</u>.

You can find further information concerning LANXESS chemistry in our WebMagazine at <u>http://webmagazine.lanxess.com</u>.

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