

### **LANXESS starts up new plant for ion exchange resins in India**

- **Annual capacity of 35,000 metric tons**
- **200 new jobs**
- **High demand for Lewatit products for water treatment**
- **Further expansion phase of Jhagadia site successfully completed**
- **New plant for high-tech plastics to go into operation in Jhagadia in 2012**

**Leverkusen** – Today, specialty chemicals group LANXESS opened Asia's most state-of-the-art plant for ion exchange resins in India. The new plant was constructed over a period of two years in the new chemical park in Jhagadia in the Indian state of Gujarat. It boasts an annual capacity of 35,000 metric tons. Around 200 employees from the Ion Exchange Resins (ION) business unit manufacture products for industrial water treatment for the semi-conductor and pharmaceutical industries, the food sector and the power industry. The opening marked the successful completion of the second expansion phase in Jhagadia. The first project phase, which was completed in March of this year, saw a rubber chemicals production plant taken into operation. Overall, LANXESS has invested around EUR 50 million in the site to date.

“Demand for clean water is set to increase by around one-third worldwide by 2030. In Asia in particular, and in India especially, demand will grow disproportionately due to rapid population growth and increasing urbanization,” said Chairman of the LANXESS Board of Management Axel C. Heitmann at the official opening ceremony, which was also attended by the State Premier of the Indian state of Gujarat. “Production has therefore started at exactly the right time to benefit from this development.”

The new plant was constructed on an area totaling 30,000 square meters by up to 1,800 workers. Around 5,000 metric tons of steel and

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400 kilometers of electric cable were used in the construction of the approximately 40-meter high production building in a process requiring nine million working hours. The wastewater is pre-cleaned in a separate wastewater treatment plant by LANXESS before it is released into the chemical park's wastewater system. Huge amounts have been invested in environmentally friendly energy generation. LANXESS uses a cogeneration plant for the company's own power station. This is run on natural gas. "We are also setting new benchmarks for sustainable production," said Heitmann. "In total, around 20 percent of total construction costs were used for sustainability projects."

### **Water treatment products**

With its high-quality Lewatit ion exchange resins, adsorbers and functional polymers, LANXESS has more than 70 years of experience and expertise as a one-stop supplier of premium products for water treatment. The high-tech resins produced there are used in the fields of water treatment in power generation, microelectronics, and the drinking water and food preparation industries. The broad range of applications for these small beads of resin includes, for example, the decalcification or desalination of water in dishwashers and the decarbonization or extraction of heavy metals from drinking water in water filters. In addition to Jhagadia, LANXESS also produces Lewatit ion exchange resins at sites in both Bitterfeld and Leverkusen.

### **Growth market India**

"India has become our second strongest growth market in Asia and we will therefore continue to drive forward expansion in this country in the next five years," said Heitmann. According to forecasts, automobile manufacturing alone is set to rise by almost one-fifth in 2010 and by around seven percent in the years up to 2015. The electrical and electronics industries on the subcontinent are expected to expand by around 10 percent in the medium term. Overall growth

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of around eight percent is forecast for the Indian economy over the medium term.

### **Further expansion in 2012**

The next stage of expansion for Jhagadia is planned for 2012. From then on, high-tech plastics from the Semi-Crystalline Products business unit (SCP) will be produced at a capacity of 20,000 metric tons per year.

“India is preparing to become the third biggest market for engineering plastics after the United States and China,” said Heitmann, adding: “It is therefore logical for LANXESS to support our fast-growing Indian customer base locally with high-caliber production.”

Global automakers, their suppliers and numerous international producers of electrical and electronics goods are already active in India or are investing in new plants there. Many of these companies are already customers of SCP.

### **Production of rubber chemicals**

The first construction phase for the new production site was completed in March 2010 with the start-up of rubber chemicals production. Since then, the plant has been supplying the fast-growing Indian tire and rubber industry. LANXESS is also supplying customers in the rubber, oil and lubricants industries worldwide with Vulkanox antioxidants from its Indian plant. This plant makes LANXESS the only Western company producing rubber chemicals in India.

### **Total investment of EUR 60 million**

Once the new facilities for high-tech plastics production have been completed, LANXESS will have invested a total of around EUR 60 million in Jhagadia. Jhagadia is thus the second largest production site in India after Nagda in the Madhya Pradesh region. At Nagda,

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where LANXESS's future competence center for chlorination and flavorings will be located, the Basic Chemicals business unit with its 300 or so employees produces specialty chemicals for the agrochemical industry, pharmaceutical and coating sectors and fragrance and flavoring industries.

The Ion Exchange Resins and Rubber Chemicals business units are part of the Performance Chemicals segment, which generated sales of EUR 1,530 million in 2009.

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 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 <http://press.lanxess.com>. Recent photos of the Board of Management and other LANXESS image material are available at <http://photos.lanxess.com>. 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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