

LANXESS opens first production facility in Russia

- **In Russia, LANXESS is focusing on the megatrend of mobility**
- **LANXESS subsidiary Rhein Chemie produces rubber additives for the automotive and tire industries at the Lipetsk site**
- **Further expansion planned with the production of bladders for the tire industry**

Leverkusen – German specialty chemicals company LANXESS today celebrated the opening of its first production facility in Russia. In the new plant at the Lipetsk site, LANXESS subsidiary Rhein Chemie manufactures polymer-bound rubber additives for the markets in Russia and the Commonwealth of Independent States (CIS), primarily for the automotive and tire industries. A production facility for the bladders used in tire production is to be added in 2016. The overall investment volume in euros amounts to a seven-digit figure and 40 new jobs will be created at the new plant in the medium term.

“This production site underlines our focus on the global growth markets. That applies both to the group as a whole and to Rhein Chemie, which now has its own plants in all the BRIC markets,” says Rainier van Roessel, member of the Board of Management of LANXESS AG. As recently as May this year, Rhein Chemie opened a plant for high-performance bladders in Brazil.

“Opening our first production facility in Russia marks yet another milestone in our long-term commitment to this market. Since entering the market in 2009, we have quadrupled our sales in Russia and established strategic partnerships in our target industries and with research institutes. The new facility will enable us to harness market

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Page 1 of 3

potential more effectively, particularly in the automotive and tire industries,” explains Werner Breuers, member of the Board of Management of LANXESS. Studies reveal that, in the medium term, annual percentage growth rates for the Russian automotive and tire industries are expected to be in the mid to high single digit range.

High-tech products for the automotive and tire industries

Lipetsk offers outstanding conditions for the group. “Its excellent location in close proximity to our customers and the good infrastructure in the Lipetsk Industrial Park were crucial to our decision to choose the site,” says Anno Borkowsky, Managing Director of Rhein Chemie Rheinau GmbH. Every year, the company will produce up to 1,500 metric tons of predispersed, polymer-bound Rhenogran rubber additives at the plant in Lipetsk. Rhein Chemie is a leading supplier for these products, which are used primarily in the manufacture of car tires and technical elastomer products such as profiles, hoses and seals. They are easy to handle and enable faster processing in the rubber compound. Using Rhenogran also significantly increases the quality of rubber components and improves their long-term functionality and durability.

A facility capable of producing up to 80,000 Rhenoshape bladders annually is to be added to the complex in 2016. Bladders are used in the tire industry to give tires their final form and properties. “We are seeing a rise in demand from the Russian automotive and tire industries for quality products and, thanks to our new plant and high-quality, innovative product portfolio, we can now cater to their needs directly from Russia,” comments Borkowsky.

Strong development in Russian business

LANXESS has had its own company in Russia since 2009. During this time, business has developed strongly. In 2012, LANXESS achieved sales of approximately EUR 80 million on the Russian market, around four times as much as in 2009. LANXESS has been

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Page 2 of 3

working closely with the Russian Academy of Sciences in the field of research and development since 2009 and has established a research network with leading Russian institutes and universities. In addition, the group contributed to the official Germany Year in Russia in 2012 with the “LANXESS Young Euro Classic Concert Russia” and a scientific symposium featuring high-profile speakers.

LANXESS is a leading specialty chemicals company with sales of EUR 9.1 billion in 2012 and roughly 17,400 employees in 31 countries. The company is currently represented at 50 production sites worldwide. The core business of LANXESS is the development, manufacturing and marketing of plastics, rubber, intermediates and specialty chemicals. LANXESS is a member of the leading sustainability indices Dow Jones Sustainability Index (DJSI) World and FTSE4Good as well as the Carbon Disclosure Leadership Index (CDLI).

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Forward-Looking Statements.

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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://multimedia.lanxess.com>.

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

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Page 3 of 3