## **News Release**



# Construction starts on first LANXESS plant in Russia

- LANXESS subsidiary Rhein Chemie to produce rubber chemicals in the Nizhny Novgorod region
- Important step in long-term market strategy in Russia and the CIS countries

Nizhny Novgorod/Leverkusen – German specialty chemicals group LANXESS is today officially starting work on construction of its first production facility in Russia. In the future, LANXESS subsidiary Rhein Chemie will produce rubber chemicals in Dzerzhinsk in the Nizhny Novgorod region for the markets in Russia and the CIS.

"Russia and the CIS are key growth markets for us as part of our strategic focus on the BRIC countries. Construction of this plant is a further important step in our long-term strategy, following our official entry onto the Russian market last year," said Rainier van Roessel, member of the LANXESS Board of Management. "We are currently seeing a gradual recovery of the rubber industry in Russia, which we want to accompany with a targeted, market-oriented investment." LANXESS supplies the markets in Russia and the CIS countries mainly with high-performance rubber and rubber chemicals for the tire and automotive industry, color pigments for the construction industry and ion exchange resins for industrial water treatment.

The new plant in the Dzerzhinsk Industrial Park will meet LANXESS' high international standards of safety and sustainability and will be equipped with state-of-the-art production technology. The project is due to be completed at the start of 2011, with Rhein Chemie creating 50 new jobs at the site in the medium term.

## Rubber chemicals for car and tire industries

The company will produce up to 1,500 metric tons of Rhenogran and Rhenodiv rubber additives and release agents at the new plant.

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These products are used primarily to manufacture car tires and technical rubber products such as hoses and seals.

"We expect to see a rise in demand from the Russian car and tire industries for quality products and we will be able to cater to their needs in the future through our new plant and high-quality, innovative product portfolio. Our rubber additives and release agents enable us to help our customers enhance the quality of their rubber products and boost their position on the global market," explains Anno Borkowsky, Managing Director of Rhein Chemie Rheinau GmbH. "The excellent location in close proximity to our customers and the good infrastructure in the Nizhny Novgorod region were crucial in choosing the site." Until now, Rhein Chemie has supplied Russian customers from facilities in Germany.

## Own LANXESS presence in Russia since 2009

LANXESS has had its own company in Russia since 2009. The sales office of OOO LANXESS was opened in the Federation Tower in Moscow in March of last year and has a current workforce of around 30.

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.

Leverkusen, May 13, 2010 idr (2010-00059e)

## **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.

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### Information for editors:

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

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

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