Pre-K Fair 2016 Press Conference
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Rhein Chemie Additives: "A Premium Solutions Provider"

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Thank you for that very kind introduction … and hello, everyone.

Thank you for coming to our pre-fair press conference.

I must say that I am very pleased to be able to offer a preview of the excellent work my new business unit, Rhein Chemie Additives, will be displaying at the “K” this October.

This will be our first time at K Fair since LANXESS united all of its additive-related business lines under the Rhein Chemie Additives umbrella in early 2015. We have been taking full advantage of the major synergies unlocked by this change.

ADD – which is how we refer to my business unit for short – accounts for around 40 percent of the 2015 sales booked by the Performance Chemicals segment.

We have 1,600 employees at 19 sites across the world. And their single-minded focus is to make sure that more than 5,000 customers are fully satisfied with the more than 4,000 products in our portfolio.

Globally, ADD has secured leading positions in many markets it serves – thanks in large part to the two great forces of urbanization and mobility. These potent trends are continuing to reshape societies in every corner of the world.

Even so, we have not put all of our eggs into those two baskets.

In fact, we have an extremely broad portfolio of high-quality products … we operate in a diverse range of markets … and we serve a very large customer base.

With no single end-market accounting for more than 20 percent of our sales, our business is resilient. Market volatility has never been a major concern for us.

In addition, our top ten customers account for less than 10 percent of sales … and our top ten products represent around 20 percent of sales.

That is because we are not delivering generic products, but specialize in providing our clients with customized solutions that conform perfectly to their specific needs.

We are able to do this because we have established an impressive global network of production sites … laboratories … and technical competence centers.

From Little Rock, Arkansas … to Qingdao, China, the ADD business unit has established a strong presence in the world's most important markets.

Europe, the Middle East and Africa – excluding Germany – account for the highest share of our sales … followed by North America and the Asia-Pacific region which each account for around one-fifth of our sales. Germany accounts for 13 percent … and Latin America for 4 percent of our global sales.

Our business unit is comprised of four business lines, and all but one of them are sharply focused on serving the world's polymer markets.

The Plastic Additives business line manufactures flame retardants, anti-hydrolysis agents and phthalate-free plasticizers, among others.

Among others, the Rubber Additives business line produces polymer-bound additives, release agents and high-performance bladders for the manufacture of tires.

The Colorant Additives business line manufactures products including solvent dyes for coloring plastics, pigments for plastics and organic pigments for color filters for LCD television screens.

Our Lubricant Additives business line also does some excellent work, but this is not the forum to discuss their products.

I say this because we are here to talk about the coming K Fair. And we are here to highlight a few of the innovative products Rhein Chemie Additives will showcase in October.

The first product I would like to talk about in depth is Levagard TP LXS 51114.

Our business unit is one of the world's leading manufacturers of phosphorus chemicals, and we are constantly searching for ways to populate our already extensive portfolio with new and innovative products.

Levagard is just the latest example of the superlative work being done by our R&D centers.

As we all know, demand for halogen-free flame retardants is on the rise thanks to increasingly stringent fire safety standards for the construction, automotive and electrical sectors.

Levagard – a halogen-free phosphorus compound in liquid form – is a low-emission flame retardant that was designed expressly for use in the manufacture of flexible polyurethane foams and biopolymers.
It is particularly suited for applications where low scorching or low fogging are critical … and it performs at its very best when used in polyether- and polyester-based flexible polyurethane foams.

Among many other applications, we strongly recommend this additive for use by the automotive industry for vehicle interiors.

The reasons for this are very clear. Polyurethane foams that contain Levagard meet the strict VDA 278 standards for volatile and condensable emissions by non-metallic materials used in the fabrication of automobiles.

In addition, Levagard does not contain any of the impurities or raw materials included in the latest version of the Global Automotive Declarable Substance List.

Our product development teams are busy keeping pace not only with the trend toward halogen-free, low-emission products, but with many other market trends faced by our customers.

One such trend is the shift toward the use of biopolymers for highly technical applications such as components and housings for the electrical and electronics industries.

In response, we engineered Levagard TP LXS 51114 so that it can be used as a flame-retardant plasticizer in cellulose derivatives – and particularly in cellulose triacetate.

For this application, Levagard is used in the manufacture of notebook displays, LCD screens and electronic housings that require a fire classification.

All of us at ADD are excited about the future prospects for this type of Levagard, and we are also pleased that we have successfully designed an additive that perfectly meets the needs of our customers.

The other innovation I would like to introduce you to now is a truly revolutionary development: Rhenowave.

We all know that quality and cost effectiveness are vital to the industrial manufacture of rubber goods such as profiles, seals and tire treads.

And it is no secret that rubber processors are constantly on the lookout for new ways to make their production processes more efficient, without compromising on quality.

That is why we are so pleased to present Rhenowave – the ADD business unit's new process control solution for rubber compounds. We have already successfully launched Rhenowave in an industrial environment at two LANXESS sites for bladder production.

With Rhenowave, rubber compounds can be analyzed during extrusion with pulse-transmitted ultrasound waves.

Large defects – such as insufficiently dispersed filler agglomerations in the rubber compound – can be detected in less than a second through ultrasonic analysis.

Data is collected inline, during production, providing processors with comprehensive information on the quality of their entire production run.

Rhenowave is installed on the head of an existing extruder. And it takes its measurements volumetrically … non-destructively … and representatively.

This is a huge improvement over conventional tests, which send randomly selected samples to be tested in a laboratory.

The advantages are clear: Areas where the quality of the compound is not up to standard can be instantly identified. As a result, process adjustments can be made without substantial delay – as opposed to waiting until later on, when defects appear in a finished product.

Thanks to Rhenowave, processors can intervene immediately to ensure that the quality of their product is uniformly high. This helps them minimize their rejection rates … and cut their production costs.

While this already represents an advanced technology, we have already taken it one step further.

If we use Rhenowave with a mixing unit that allows for continuous mixing, and then process a mixture that includes Rhenogran AP, an additive package which contains polymer-bound rubber chemicals with a marker … then Rhenowave can precisely determine the quality and distribution of fillers and crosslinking chemicals.

We call this the iCOM process, and it has already been implemented in two of our own plants for the production of bladder compounds. iCOM allows us to compound, extrude and analyze a homogenous rubber compound of various masterbatches in a single step.

It is a perfect solution for situations where production is required to take place at multiple sites and the compound ingredients are to be supplied externally.

With iCOM, compound formulation know-how can remain at a location that is independent of production. And local producers can manufacture products of excellent quality whenever and wherever they are needed.

So this is the kind of thing we are talking about when we say that Rhein Chemie Additives is a premium solutions provider.

Excellent technologies … custom-tailored products … specialties … and bespoke services … all come under the Rhein Chemie Additives umbrella.

We believe we are in the vanguard of our sector, and so we are really looking forward to presenting our solutions at the K fair this October.

Thank you for your time, ladies and gentlemen.

It has been a pleasure to speak to you today.

Forward-Looking Statements.

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