

Jurong Island, Singapore
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LANXESS AG

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Butyl Rubber Plant Opening Ceremony

Ron Commander

Head of Butyl Rubber Business Unit
LANXESS AG

(Please check against delivery)

Good morning, ladies and gentlemen.

And thank you, Axel, for those very kind words.

It is with great pleasure that I stand here before you today.

As you can imagine, an investment of this scale requires an international team of experts. Dr. Heitmann has already mentioned several people involved in the success of this project – but please allow me to add my thanks to several key individuals ...

On the top of my list is Wolfgang-Jürgen Thrams, who, with his team of exceptional engineers, built the plant.

Wolfgang's team was supported by our fantastic pool of contractors. In addition, I would also like to thank Hans-Jürgen Mick, who supported both teams by implementing state-of-the-art process technology.

Finally, I would like to especially thank Sven Hafkesbrink, our site manager for the plant, and his team here in Jurong Island. They have contributed in no small way to the successful startup of this very complicated plant.

The opening of this plant today is the culmination of five years of work by a large number of talented and dedicated individuals.

It represents an investment of approximately 400 million euros and a very large part of LANXESS' plans to secure its position as the world's leading producer of synthetic rubber.

There are many reasons why we chose Jurong Island for two of LANXESS' largest investments ... and for two of our most important rubber plants.

For example, one reason is its ideal location. Singapore is now the hub of our Southeast Asian operations taking its place as an even more important pillar of our global rubber production activities.

A second compelling reason was that Singapore offers superior infrastructure and access to an excellent workforce.

For butyl rubber, we now have a total of three wholly owned world-scale plants on three continents. Our existing sites in Sarnia, Canada and Zwiendrecht, Belgium – both with nameplate capacities of 150,000 metric tons per year ... are now joined by our plant here in Singapore, which has a nameplate capacity of 100,000 metric tons per year.

Together, these three plants will ensure a truly global supply of this vital material for our customers.

Our plant here is the most technologically advanced plant for synthetic rubber production in all of Asia ... if not in the entire world.

Our purpose in building it was to ensure that our valued customers in this region have reliable access to a steady supply of high-quality butyl ... and that we can continue to provide them with all the materials they need without regard for the costs or uncertainties of transoceanic shipping.

After all, butyl sales in Asia now represent more than 50 percent of our worldwide sales. And of that, half is generated in Greater China alone.

Please allow me to briefly provide you with additional details about the plant and the products we will be manufacturing here.

This plant represents the largest capital investment LANXESS has made in its eight-year history.

The site occupies some 150,000 square meters and will generate approximately 160 permanent, skilled jobs.

At the peak phase of construction, there were about 2,500 workers employed at the site. They erected some 3,500 metric tons of steel, laid 350 kilometers of cabling and installed nearly 80 kilometers of piping.

This is the world's first entirely new halobutyl rubber plant since the year 2000. And all of us at LANXESS are proud of the high environmental standards set by this plant.

Some 10 percent of the cost of the plant went into technologies to reduce its consumption of energy and water and to minimize emissions.

The plant features highly efficient and environmentally friendly process technology. As a result, this plant consumes less steam than our two existing plants and enjoys a smaller environment footprint, in turn bringing about savings in energy consumption.

The plant also includes systems to recover water and heat from its production processes.

With a nameplate capacity of 100,000 metric tons per year, it is one of the largest production plants for butyl rubber in Asia.

This new plant will produce both regular and halobutyl rubber. Halobutyl is a more complicated material to manufacture – but it provides better value to customers ... and demand for it is growing at a faster rate than regular butyl.

We have recently developed a new technology to incorporate bromobutyl rubber – a type of halobutyl – into tire treads. Its unique properties have been found to improve tire safety by increasing a tire's wet grip and reducing its braking distance.

Halobutyl also makes tubeless tires possible. This is extremely important, because radialization is driving the truck and bus market segments in both China and India.

And I really like truck tires – because you need significantly more butyl rubber to produce a truck or bus tire than to produce a passenger tire.

Halobutyl is also the product of choice for applications like pharmaceutical closures. This application is particularly important to Asia's rapidly growing medical industry.

And finally, let's not forget our golf swing – butyl ionomers – a new product developed by LANXESS - can also help to improve the grip on your golf clubs – so for all you golfers in the crowd ... this plant might help lower your handicap.

Golf aside – we see that tires and inner tubes will certainly continue to represent the leading use for butyl and halobutyl for many years to come.

Demand in this sector is being driven by the mobility megatrend, which has played a central role in economic growth around the world.

In the fastest-growing economies, the market for vehicles and transport services has increased at a phenomenal rate. That gives us strong reason for confidence in the Asian market for halobutyl and in the future of this plant.

With all these examples ... you can understand that it is simply impossible to imagine a world without butyl – particularly here in Asia!

Before we move on to the official plant opening in just a few moments, I would like once again to point out just how much this project owes to our dedicated staff at LANXESS and to the hard work

of so many engineers, chemists, contractors and government officials – here in Singapore ... and in several other parts of the globe.

Thanks to their efforts, we are opening this plant on time and on budget.

As many of you are aware, I will soon be stepping down as head of the Butyl Rubber business unit and transitioning into retirement.

After spending so many years in this field, it gives me special satisfaction to see this incredible project carried through to its successful completion.

I thank you sincerely for joining us on this memorable occasion.

And I would like to thank Dr. Heitmann and the Board for making my time at LANXESS memorable indeed.

I am very glad today to be among people who share my appreciation for the real significance of this plant – to LANXESS, to Singapore, to Asia, and to the rubber industry.

Thank you.

Forward-Looking Statements.

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