

Rhein Chemie Rheinau GmbH

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Rhein Chemie opens its new production facility in Jhagadia, India

- **Transfer of production from Madurai to Jhagadia successfully completed**
- **Predispersed polymer-bound rubber additives and environmentally friendly tire release agents for the fast-growing Indian market**

Jhagadia, January 10, 2012 – Rhein Chemie has opened its new production facility at the Jhagadia site in the Indian state of Gujarat, successfully completing the transfer of production from Madurai in southern India after a construction time of just under a year. The main factors in the decision to relocate were the excellent infrastructure and good opportunities for future expansion offered by the large LANXESS production site at Jhagadia and its proximity to key customers. At the facility, Rhein Chemie produces its Rhenogran (predispersed polymer-bound additives) and Rhenodiv (tire release agents) product lines for the rubber processing industry, both of which are very successful worldwide.

“Our state-of-the-art production plants will help us to optimally serve the fast-growing Indian market. We offer our customers in India a broad range of products at a consistently high level of quality,” said Dr. Anno Borkowsky, CEO and President of Rhein Chemie Rheinau GmbH. Rhein Chemie’s customers include tire manufacturers and other rubber processors, which supply primarily the automotive industry. “Quality is already the decisive competitive factor for many of our Indian customers. This benefits Rhein Chemie, because we offer both, local technical consulting and premium, reliable products,” noted Sriganesh U.P, head of the Rhein Chemie business in India.

Rhein Chemie has continuously strengthened its presence on the Indian subcontinent in recent years, using local production and a highly qualified sales and consulting team to establish itself as a partner to the Indian rubber industry. The company's business in India has more than tripled in the past four years and it aims to achieve further growth, for example with its new solutions for the tire industry. Last year, Rhein Chemie greatly expanded its portfolio for the tire industry by acquiring Darmex, a specialist for bladder and release agents, and taking over the tire release agent business of Wacker Chemie. "Our aim is for an ever-increasing number of tire manufacturers in India to experience for themselves the quality and cost advantages that they can achieve in tire production using our Rhenoshape high-performance bladders in combination with our release agents. We see great potential there," said Frank Lueckgen, Executive Vice President of Rhein Chemie's Rubber Division.

Rhein Chemie, a wholly-owned subsidiary of the specialty chemicals company LANXESS, supplies the rubber industry with a broad range of predispersed polymer-bound chemicals, processing promoters, vulcanization and filler activators, anti-sun check waxes, release agents, tire marking inks and high-performance bladders.

About Rhein Chemie:

Rhein Chemie develops, produces and sells additives, specialty chemicals and service products for the rubber, lubricant and plastics industries. In fiscal 2010 Rhein Chemie achieved sales of EUR 283 million and has approximately 1,000 employees worldwide. The company is headquartered in Mannheim, Germany and has production facilities in Europe, Asia and North and South America. Rhein Chemie is a wholly owned subsidiary of the specialty chemicals group LANXESS, Leverkusen, Germany.

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Forward-Looking Statements

This news release contains forward-looking statements based on current assumptions and forecasts made by the management of Rhein Chemie Rheinau GmbH. 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 our sole stockholder LANXESS Deutschland GmbH and the estimates given here. These factors include those discussed in LANXESS AG's reports to the Frankfurt Stock Exchange. LANXESS AG and Rhein Chemie Rheinau GmbH assume no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.