

LANXESS opens first plant for high-tech plastics in the USA

- **Facility in the heart of southern US automotive cluster**
- **Global trend toward lighter vehicles**
- **USA largest market for high-tech plastics**

Leverkusen/Gastonia – Specialty chemicals group LANXESS has opened its first production plant for high-tech plastics in the United States. With the new facility in Gastonia in the U.S. state of North Carolina, the company will help to meet the growing demand for premium, lightweight plastics.

LANXESS has invested USD 20 million (EUR 15 million) in its new plant in Gastonia and is creating up to 45 new jobs. The new plant will initially operate with a capacity of 20,000 metric tons a year.

In the new compounding plant, basic polymers such as polyamide and polybutylene terephthalate are mixed and refined with special additives and glass fibers, according to customer needs, to produce the well-known Durethan and Pocan brands. Due to their excellent properties, both high-tech plastics have a wide variety of applications, including body parts, oil pans, coolant pipes, battery housings, steering rods, pedals and pedal brackets.

These highly innovative materials help to build much lighter plastic parts that can replace metal ones in motor vehicles, helping to reduce fuel consumption and emissions. Furthermore, the materials enable automobile manufacturers and suppliers to achieve more freedom in design and considerable savings in production.

“With our new plant in Gastonia, we are now really close to our US automotive customers and can support them in the development of lightweight, energy-saving vehicles even better than before,” said LANXESS CEO Axel C. Heitmann at today’s opening ceremony.

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The new LANXESS site in Gastonia is on the fringe of the so-called “auto belt” in the southern USA. Numerous car manufacturers – including a number of German companies – and auto suppliers have settled in the states of North and South Carolina. And around a quarter of North American auto suppliers – including many LANXESS customers – operate manufacturing facilities in North Carolina.

Demand for high-tech plastics is being driven, above all, by the trend towards lighter automobiles and rising car production. The global demand for high-tech plastics is expected to increase by roughly seven percent per year through 2020. In addition, the plastic content of any car can amount to 20 percent – a figure that is showing an upward trend.

The USA is the largest market for high-tech plastics, with the automotive industry at the forefront. It is here that increased CAFE fuel efficiency standards are driving demand for these advanced materials. The Corporate Average Fuel Economy (CAFE) regulations aim to improve the average fuel economy of cars and light trucks sold in the United States.

Global High-Tech Plastics Value Chain

LANXESS has earmarked investments of EUR 125 million (USD 163 million) in expanding its global production network for high-tech plastics from 2012-2014. The heart of LANXESS’ high-tech plastics value chain is in Antwerp, Belgium, and Krefeld-Uerdingen, Germany. In Antwerp, the company has decided to build a new world-scale facility to make polyamide plastics and has recently expanded capacities at this site for the chemical intermediate caprolactam, which is a precursor for the polyamide.

Polyamide and the other polymer polybutylene terephthalate are then sent to LANXESS’ growing global network of compounding facilities, to produce Durethan and Pocan high-tech plastics. Existing compounding capacities in Wuxi, China, have been increased and a

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new plant in Jhagadia, India, opened earlier this year. A compounding plant in Porto Feliz, Brazil, is currently under construction. In addition, LANXESS recently expanded at its joint venture plant with DuPont in Hamm-Uentrop, Germany, which produces polybutylene terephthalate that serves the automotive and electrical/electronic industries.

In addition, last week LANXESS expanded its portfolio of lightweight materials to the automotive industry by acquiring the German-based company Bond-Laminates, which specializes in developing and producing custom-made plastic composite sheets branded TEPEX.

The High Performance Materials (HPM) business unit is part of the Performance Polymers segment, which generated EUR 5.1 billion (USD 6.7 billion) in total sales in fiscal year 2011. HPM has roughly 1,550 employees worldwide and is headed by Michael Zobel.

LANXESS in the USA

LANXESS Corporation, based in Pittsburgh, PA, currently employs about 1,000 people based in the U.S. It has 12 sites and produces high-performance synthetic rubbers, advanced industrial intermediates and specialty chemicals. LANXESS Corporation achieved roughly EUR 1.3 billion (USD 1.7 billion) in sales in 2011.

LANXESS is a leading specialty chemicals company with sales of EUR 8.8 billion in 2011 and currently around 16,900 employees in 31 countries. The company is currently represented at 49 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 sustainable indices Dow Jones Sustainability Index (DJSI) World and FTSE4Good.

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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

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News Release

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Information for editors:

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

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