LANXESS strengthens position as leading leather chemicals provider in China

• Largest leather chemical plant in China
• Capacity of up to 50,000 metric tons per year
• Investment of EUR 30 million
• State-of-art sustainable technology
• Further investment of EUR 35 million in R&D as well as storage and transport facilities at site

Changzhou/Leverkusen – Specialty chemicals company LANXESS has started up on schedule a leather chemicals plant in Changzhou Yangtze Riverside Industrial Park. With a capacity of up to 50,000 metric tons per year, the plant is the largest of its kind in China and will strengthen LANXESS’ position as a sustainable leather chemicals provider in the local market. LANXESS has invested EUR 30 million in the facility, which employs about 150 people.

The plant will produce the full range of premium LANXESS leather chemicals for the local Chinese market. China is the world’s single largest leather chemical market. The country has become the world’s largest producer of leather products and one of the major consumers. Above all, the market for automotive leather is expected to grow strongly in the coming years. LANXESS is one of the world’s leading suppliers in this area.

“This plant will enable us to respond quickly and effectively to the industry’s constant need for the complex, innovative and sophisticated chemicals that are vital for the preparation and finishing of the finest leather products,” said Axel C. Heitmann, Chairman of the Board of Management of LANXESS AG. “This investment also underlines our successful strategy of focusing on the emerging markets.”
New benchmarks for sustainability

The plant features the latest technology enabling the company to provide innovative solutions towards the need for sustainable leather chemicals. It will produce premium products such as Tanigan, Isoderm, Euderm and Levotan used for leather tanning, dyeing and finishing applications.

Leather chemicals are used to optimize the properties of the leather material such as its softness, water resistance, as well as ability to conceal minor defects and reduce soiling.

In addition, the plant’s buildings will be constructed to meet the highest environmental standards. The R&D building, for example, will be equipped with solar energy, earth’s heat, low-e glass and rain water recycling to substantially cut total energy consumption. The building has won the national green building silver award.

“We will be setting new benchmarks for sustainability, including more efficient production methods, recycling, and reduced emissions. This new plant stands as an example of the environmentally-friendly production movement that is now so important in today’s China. It is also an example of the sustainability mission that is now the focus of LANXESS endeavors here in China and throughout the world,” said Markus Eckert, Head of the LANXESS Leather business unit (LEA).

The Leather business unit is part of LANXESS’ Performance Chemicals segment. It has approximately 1,750 people worldwide and production sites in Leverkusen (Germany), Filago (Italy), Rustenburg, Newcastle and Merebank (all South Africa), Zárate (Argentina) and Wuxi (China).

Major investment projects in Changzhou, Jiangsu province

At the Changzhou site next to the leather chemical plant, LANXESS is currently constructing a plant for EPDM rubber. This plant worth an
investment of EUR 235 million represents the largest investment the company has made in China to date. Construction work is going according to plan.

To further support the development of innovative products and applications, LANXESS has entered into an agreement with Changzhou National Hi-Tech District to additionally invest about EUR 35 million in order to extend the research and development center as well as the facilities for the storage and transportation of chemical products.

“This further investment shows our confidence in the development in Changzhou. The city will become an important production hub for LANXESS to provide high-quality materials and tailor-made products in response to the specific needs of local customers,” said Chien Ming Cheng, CEO of LANXESS Greater China.

China is a cornerstone of LANXESS’ global growth strategy. The company achieved sales of more than EUR 1 billion in Greater China (mainland China, Hong Kong, Taiwan and Macao) in 2012. All of LANXESS’ 14 business units are represented at 11 sites in Greater China, with roughly 1,000 employees in total.

LANXESS is a leading specialty chemicals company with sales of EUR 9.1 billion in 2012 and roughly 17,200 employees in 31 countries. The company is currently represented at 50 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 sustainability indices Dow Jones Sustainability Index (DJSI) World and FTSE4Good as well as the Carbon Disclosure Leadership Index (CDLI).

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