Hyatt on the Bund Hotel
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Mobility Day China
“Sustainable Technologies for China’s Future”

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(Please check against delivery)
Good morning, ladies and gentlemen.

And welcome to Mobility Day China.

We have a great deal to talk about today. But first I have a good piece of news I would like to mention.

I am delighted to announce that, a few hours ago, the Frankfurt Stock Exchange notified us that LANXESS has been selected for inclusion on the Deutscher Aktien IndeX – better known as the DAX – which is the prime stock index commonly used to track the Germany equity markets.

That means that we have been recognized as one of the 30 most important and representative public companies in Germany.

I believe that this recognition can be directly attributed to our company’s commitment to sustainable growth … and to our strong understanding of the vital importance of China as a growth market.
So we are very pleased by this piece of news, which will make today’s conference all the more memorable for everyone at LANXESS.

We have all, in fact, been looking forward to our Mobility Day China with great anticipation.

I know that some of you were with us in June 2010, when we hosted the first China Rubber Day in Macau … and again, in December of last year, when we hosted China Rubber Day in Beijing.

This year, after the great success of these conferences, our customers have inspired us to address other aspects of the transport and automotive sectors. Our product portfolio serves many customers … which is why I am delighted to welcome you to our first Mobility Day China.

I feel certain that this Mobility Day will be an enlightening and useful conference for everyone here. I can stand here today because our company, LANXESS, truly embodies the theme of this conference … “Sustainable Technologies for China’s Future.”
Everything we do is driven by sustainability.

This is true in our own operations … where we have embarked on a journey to use sustainable raw materials wherever possible … and to dramatically reduce our energy consumption.

And it is true in our partnerships with customers … who look to us to provide innovative solutions as they themselves seek to develop more sustainable products.

In no field is sustainability a more important concern right now than in the field of mobility.

At LANXESS, we realize that the only way we can achieve true long-term sustainability in transportation is through forward-looking chemistry and innovative technologies. These are the technologies that we can deliver … and which we will be discussing in this conference.

Demand today is clearly growing for more sustainable mobility. Nowhere is this clearer than here in China. In Shanghai in particular,
rapid economic growth has generated traffic congestion and poses significant air quality challenges.

It is why we have gathered here today.

Nearly all of LANXESS’ 13 business units are now working with our customers to develop new materials and technologies that can help them find energy- and cost-efficient ways to achieve “Green Mobility.”

For instance, we develop the high-performance rubber, rubber chemicals and advanced rubber technology that enable fuel-saving “Green Tires.” You will be hearing the latest about this “Green Tire” technology today.

We are also a leader in high-tech plastics and in hybrid plastic-metal technology. And our most recent innovation, organo sheet, is creating new opportunities in lightweight design.

All of these make lighter, more fuel-efficient vehicles possible.

They play a role in advanced new aircraft designs.

And they open the door to the practical development of e-mobility.

We see even more exciting new developments on the horizon … including ultra-lightweight plastics that will have a major impact on the automotive industry.

Among our many other products that contribute to mobility, we produce a line of chemicals used to make advanced grades of lightweight leather. Our materials enable cleaner processing techniques and lighter and more fuel-efficient passenger vehicles and aircraft designs.

Many are unaware that lighter leather applications can save as much as one and a half kilograms of weight in a typical automobile, which
has just four seats. Can you imagine the weight reductions these applications will yield when used in an airplane with 350 seats?

We are also at the cutting edge in using bio-based raw materials to produce several of our high-performance synthetic materials. Keltan Eco, for example, is the first commercially available grade of EPDM rubber made using renewable resources.

Developments like these contribute directly to making mobility more sustainable – in automotive technology, aviation, truck fleets and the rapidly growing rail network here in China.

Today’s Mobility Day will address the entire world of transportation – for we must find sustainable solutions that make practical sense in all of these vital sectors.

Our role today is to join with you in exploring the future of sustainable mobility in all of its forms.

Nowhere is this issue more meaningful … or of more immediate concern … than in China.
For here the word “mobility” has two distinct implications.

On the one hand, we are talking about the significant challenges posed by rapidly growing access to automobiles … especially the environmental issues associated with the surge in the number of vehicles crowding the roads of China.

Today there are more than 225 million vehicles in use in China. This number will continue to increase dramatically in the coming years, as will the statistics for air travel, rail transport and shipping.

So clearly we must deal with the environmental challenges of increasing geographic mobility.

On the other hand, we must consider the very positive implications of a different kind of mobility … the very human upward mobility of a rising middle class in the modern society that is today’s China.

This great achievement means that a growing number of Chinese consumers can experience the pride and joy of owning a stylish, modern automobile.

It is what has made China the largest automotive market in the world.

So, ladies and gentlemen, how do we balance these two kinds of mobility … the growing mobility in transportation that concerns us, and the upward mobility of the Chinese people that inspires us?

Clearly, creating “Sustainable Technologies for China’s Future” … represents an urgent priority for China – a priority that requires, new thinking, new technologies, but above all new materials.
The Chinese government has not only proven that it is alert to this issue … it has taken specific steps to make sure that the automotive and tire industries now develop technologies and new materials that support more sustainable mobility.

Chinese policy now specifically states that the government will “vigorously promote energy conservation and comprehensive utilization of resources.”

The 12th Five-Year Plan sets an ambitious goal of reducing CO2 emissions per unit of GDP by 40 to 45 percent by 2020.

This policy is a clear challenge to develop innovative technologies that lead to more sustainable mobility.

Chemistry is at the heart of any effort to meet that challenge.

One example is the program launched by China’s Rubber Industry Association to develop fuel-efficient “Green Tires.”

The plan calls for half of China’s tire makers to be capable of producing a fuel-efficient tire by 2015, and for 25 percent of passenger vehicle tire production to be “Green Tires” by the same date.
One element in the plan is to draw up national standards based on the European Union’s tire-labeling regulations.

This is the sort of challenge that Chinese manufacturers will be facing … and meeting … in the years ahead.

And LANXESS is eager to participate in this process. As the global leader in synthetic rubber production, we possess technical expertise and products that have a central role to play.

This Mobility Day is a very special occasion for all of us at LANXESS, for it represents an important highlight in the harmonious relationship we have built with our many customers here in China.

This year, China and Germany are celebrating 40 years of friendship and close relations. LANXESS is proud to be part of the strong commercial partnership between our two great nations.

When LANXESS was formed, almost eight years ago, as a specialty chemicals company, one of our first strategic decisions was to make China a major pillar of our global operations.
It has turned out to be a great decision.

In seven years our revenue here increased by more than 110 percent.

In the last year alone, our sales here increased by nearly 25 percent, to more than 8 billion renminbi.

Today we have 10 subsidiaries in this country, as well as six R&D centers.

We now have more than 1,000 employees in Greater China.

So you can see that our commitment to China has been validated.

And today … our growth here is accelerating.

Just yesterday we broke ground for the world's largest EPDM rubber plant in Changzhou. This spectacular site represents an investment of 1.85 billion renminbi – our largest project in China to date – and will produce up to 160,000 metric tons of high-performance synthetic rubber per annum.
It will be the finest facility of its kind in the world, and the plant will support our partners in China in meeting the growing demand for “Green Mobility” products.

As you can see, our commitment to the future of China is alive and well … and keeps getting stronger.

And nowhere is that commitment more evident than in our efforts to work with our Chinese customers to develop sustainable technologies for China’s future.

I believe that meeting the needs of more sustainable mobility … meeting new government standards and higher consumer expectations … is not simply an obligation for all of us who are committed to the future of this sector.

It is a great opportunity.
If we work together … the outlook is bright for all of us … and bright for all of China.

For as we advance the cause of “Green Mobility” … we are also advancing the very human cause of upward mobility for the Chinese people.

And that is a cause that should inspire us all.

I look forward to working with all of you to contribute to that important project.

And I thank you for joining us for Mobility Day China.
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