

## ARLANXEO invests to reinforce its market position in synthetic rubber

- **Modernizing production of PBR rubber in Triunfo, Brazil, and NBR rubber in La Wantzenau, France**
- **Investments of EUR mid double-digit million will be completed in 2020**
- **Enhancing the company's global market position**
- **Strengthening its position for key rubber grades**

**Maastricht** – ARLANXEO is strengthening its position as the world's leading manufacturer of synthetic rubber. Over the next three years, ARLANXEO will invest EUR mid double-digit million to modernize its production sites in Triunfo, Brazil and La Wantzenau, France.

“With this investment program, we are laying a foundation for the company's further profitable growth,” said Jorge Nogueira, ARLANXEO CEO. “In this context, we are systematically implementing advanced technologies for growing high performance rubber grades in order to support the development of our customers in important regions over the long term,” he explained further. The program will be financed by ARLANXEO's own cash flow.

### Upgrading of the Triunfo Facility in Brazil

In Brazil ARLANXEO is investing in its facility in Triunfo, Rio Grande do Sul, to make the production of polybutadiene rubber (PBR) more flexible. Currently emulsion styrene-butadiene rubber (E-SBR), which is mainly used in car and truck tires, is produced there. As a result of the upgrade, the company will also be able to produce the more advanced PBR types Nd-BR (neodymium butadiene rubber) and lithium butadiene rubber (Li-BR) for tire and non-tire applications in Triunfo in the second half of 2020. This follows the growing need of the local tire manufacturers for high performance tires.

At the same time, ARLANXEO is relocating part of its existing E-SBR production in Triunfo to its facility in Duque de Caxias, Rio de Janeiro, where E-SBR is already produced. This should allow for better economics going forward.

“This investment highlights our commitment to Brazil and the long-term importance of the Brazilian market for our high-performance rubbers,

July 2, 2018

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especially in the tire segment,” said Matthias Gotta, Head of ARLANXEO’s Tire & Specialty Rubbers business unit (BU TSR). “We want to support our local customers with the innovative technologies that will make tires, and as a result, transportation safer, more environmentally friendly, and thus more sustainable,” he added.

Demand in Brazil for high-performance rubbers for tires continues to grow, supported by the tire labeling regulation, similar to laws that are already in place in the European Union, Japan, and South Korea, for example. All new tires produced in Brazil must be rated with respect to their rolling resistance, grip on wet track, and external noise. The use of Nd-BR in tires significantly improves tire performance, resulting in lower fuel consumption and better wet grip, among other benefits.

Polybutadiene rubbers under the ARLANXEO brand name Buna® are primarily used in the tread and sidewalls of tires. In addition to tires, they are also used to modify plastics in the production of HIPS (high impact polystyrene) for injection molding applications. Other areas of application include golf balls, running shoes, and conveyor belts.

### Investment in La Wantzenau, France

In addition to the regular maintenance investments, ARLANXEO is modernizing its production site in La Wantzenau, France, the world’s largest nitrile butadiene rubber (NBR) facility.

“This investment lays the foundation for further targeted growth of our NBR specialty rubber grades as an important part of our rubber portfolio,” says Christian Widdershoven, member of the Managing Board at ARLANXEO and Head of the High Performance Elastomers business unit. “This enables us to strengthen and secure our position as a leading global supplier of NBR rubbers for the long term,” Widdershoven adds.

ARLANXEO expects global demand for high-quality NBR rubbers to increase in the coming years. The focus here is on growth in traditional business areas and new applications, some of which have been developed with customers, but also the use of NBR as a raw material for the production of the company’s Therban® (HNBR) specialty products.

The NBR synthetic rubber produced by ARLANXEO in La Wantzenau is sold under the Perbunan®, Krynac®, and Baymod® N brands. It is used in the production of cables, seals, hoses, blankets, and soles for safety

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and athletic shoes, among other uses. The most important markets are the automotive industry, the construction sector, as well as oil and gas production and processing.

July 2, 2018

### ARLANXEO in Brazil

ARLANXEO produces polybutadiene rubber at three sites in Brazil: Duque de Caxias (Rio de Janeiro), Triunfo (Rio Grande do Sul), and Cabo de Santo Agostinho (Pernambuco). In addition, the company also produces ethylene propylene diene monomer rubber (EPDM) in Triunfo. Duque de Caxias is also the location of ARLANXEO's Brazilian headquarters. The company also operates a sales and marketing office in São Paulo. ARLANXEO's global network for polybutadiene rubbers also includes production facilities in Dormagen, Germany; Port Jérôme, France; Orange, Texas, USA; and Singapore.

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### ARLANXEO in La Wantzenau, France

The La Wantzenau facility is the world's largest production site for the NBR (nitrile butadiene rubber) grade of synthetic rubber. In addition the research and development activities for NBR are located in La Wantzenau. ARLANXEO produces around 50 high-quality standard and specialty products in La Wantzenau that are supplied to about 500 customers in over 60 countries worldwide. In addition to the production facility in La Wantzenau, ARLANXEO also produces NBR rubber in a joint venture with TSRC in Nantong, China.

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### About ARLANXEO

ARLANXEO is a world-leading synthetic rubber company with sales of around EUR 3.2 billion in 2017, about 3,800 employees and a presence at 20 production sites in nine countries. The company's core business is the development, manufacturing and marketing of high-performance rubber for use in, for example, the automotive and tire industries, the construction industry, and the oil and gas industries. ARLANXEO was established in April 2016 as a joint venture of LANXESS and Saudi Aramco.

### Forward-Looking Statements

This news release may contain forward-looking statements based on current assumptions and forecasts made by ARLANXEO management. 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 the company and the estimates given here. The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments. **This press release is available for download from [www.PressReleaseFinder.com](http://www.PressReleaseFinder.com).**

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