LANXESS – Q3 2011 Roadshow

Delivering on growth expectations

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Agenda

- Highlights and business update Q3 2011
- Business and financial review Q3 2011
- Outlook/Guidance

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Highlights

Business	Price increases offset sharply higher input costs Increased focus on premium products Solid demand despite some customer destocking	Price before volume intact
Growth	Delivery on M&A: - Successful integration of DSM EPDM with excellent Q3 contribution - Acquisition of UNITEX closed on October 12 Investments (BTR, PBR, SCP, AII, ION) fully on schedule	On track to achieve growth target 2015
Guidance	LANXESS expects 2011 EBITDA pre growth of ~20% yoy	

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“Price-before-volume” strategy successfully continued

Q3 yoy sales variances	Price	Volume	Currency	Portf.	Total
Performance Polymers	36%	5%	-8%	15%	48%
Advanced Intermediates	8%	0%	-3%	0%	4%
Performance Chemicals	8%	-4%	-4%	2%	2%
LANXESS	23%	1%	-6%	8%	26%

- All three segments achieve organic growth
- Performance Polymers with substantial portfolio effect

Q3 yoy EBITDA bridge [€ m]

- Strict adherence to “price-before-volume” strategy offsets steep rise in raw material prices
- Other costs mainly comprise adverse currency effects

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Continued strong growth in Asia and Latin America

* Currency and portfolio adjusted

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Q3 2011 financial overview: another quarter of solid growth with good margins

[€ m]	Q3 2010	Q3 2011	yoy in %
Sales	1,847	2,336	26.5%
EBITDA pre except.	244	311	27.5%
margin	13.2%	13.3%	
EPS	1.42	1.85	30.3%
Capex*	107	148	38.3%

[€ m]	31.12.2010	30.09.2011	% vs. YE
Net Financial Debt	913	1,362	49.2%
Net Working Capital	1,372	1,992	45.2%
Employees	14,648	16,070	9.7%

- Sales growth reflects price increases and acquisitions
- "Price-before-volume" strategy supports EBITDA and margin
- Capex increases due to execution of growth projects
- Net debt rises after acquisitions, stable development vs. Q2
- Working capital driven by raw material pricing, portfolio and stronger business activity
- Headcount increase mainly due to recent acquisitions

Double digit increase in all key financial metrics

* Net of projects financed by customers and capitalized borrowing costs

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Another solid quarter with good development of bottom-line

[€ m]	Q3 2010		Q3 2011		yoy in %
Sales	**1,847**	**(100%)**	**2,336**	**(100%)**	**26%**
Cost of sales	-1,387	(75%)	-1,805	(77%)	30%
Selling	-166	(9%)	-183	(8%)	10%
G&A	-70	(4%)	-77	(3%)	10%
R&D	-34	(2%)	-40	(2%)	18%
EBIT	**169**	**(9%)**	**223**	**(10%)**	**32%**
Net income	**118**	**(6%)**	**154**	**(7%)**	**31%**
EPS	**1.42**		**1.85**		
EBITDA	238	(13%)	306	(13%)	29%
thereof exceptionals	-6	(0%)	-5	(0%)	-17%
EBITDA pre exceptionals	**244**	**(13%)**	**311**	(13%)	**28%**

- Sales increased yoy due to higher prices (+23%), portfolio additions (+8%) and slightly higher volumes (+1%) only mitigated by currency (-6%)
- Gross margin slightly lower due to ~€20 m inventory devaluation (mainly Butadiene)
- Focus on technology and innovation leads to planned increase in R&D expenses
- Substantial improvement in EBITDA at stable margins

Expected seasonal pattern partly offset by portfolio effect

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Q3 2011 – Performance Polymers are key driver to a very strong quarter

Sales Q3 2011 yoy

EBITDA pre and margin Q3 2011 yoy

Key developments

- Performance Polymers with strongest contribution in EBITDA increase in Q3
- Advanced Intermediates stable on previous year´s high EBITDA and margin despite partly weaker demand
- Performance Chemicals affected by softening of some end markets

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Performance Polymers: strict “price-before-volume” strategy and EPDM contribution lead to a very strong quarter

[€ m]	Q3 2010	Q3 2011
Sales	**966**	**1,433**
EBIT	97	166
Depr. / Amort.	35	45
EBITDA	132	211
EBITDA pre exceptionals	**133**	**213**
Margin	13.8%	14.9%
Capex*	**53**	**88**

- Sales increase significantly due to price and portfolio effects with support from volumes but burdened by currency
- All BUs manage to increase prices and volumes in tandem, rise in raw material prices fully compensated
- Ongoing strong demand in BU BTR; BU PBR with softer demand from Asia in ESBR
- Solid demand for EPDM and NBR rubbers in BU TRP
- DSM EPDM business contributes to strong performance
- Capex increases as investment projects proceed

Sales by BU

Sales bridge year on year [€ m]

* Net of capitalized borrowing costs

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Advanced Intermediates: stable performance from strong agro end markets

[€ m]	Q3 2010	Q3 2011
Sales	**356**	**371**
EBIT	51	52
Depr. / Amort.	15	16
EBITDA	66	68
EBITDA pre exceptionals	**66**	**68**
Margin	18.5%	18.3%
Capex*	**25**	**26**

- Sales increase on the back of healthy pricing somewhat mitigated by currency effects
- BU SGO posts high margins from solid agro demand while pharma shows some softening
- BU AII with continued solid demand from agro and automotive end markets, volumes from other end-markets softening (e.g. construction, color and coatings industries)
- Segment results and margins at high level demonstrate great stability

Sales by BU

Sales bridge year on year [€ m]

* Net of projects financed by customers

Performance Chemicals: segment performance affected by weakening construction demand

[€ m]	Q3 2010	Q3 2011
Sales	**515**	**523**
EBIT	67	55
Depr. / Amort.	16	20
EBITDA	83	75
EBITDA pre exceptionals	**83**	**75**
Margin	16.1%	14.3%
Capex	**25**	**31**

- Sales improve slightly as price increases and positive portfolio effects are mitigated by negative volume and currency effects
- All businesses compensate raw material price increases
- BU ION and BU RCH achieve price and volume increases
- BUs IPG, FCC and MPP with lower earnings on tough comparables and partly softer demand (construction and electro & electronics industry)
- BU LEA with some impact due to a supplier's outage
- Lower capacity utilization weighs on segment margin

Sales by BU

Sales bridge year on year [€ m]

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A strong balance sheet

[€ m]	Dec 31, 2010	Sep 30, 2011
Non-current Assets	**2,738**	**3,130**
Intangible assets	226	350
Property, plant & equipment	2,131	2,345
Equity investments	13	35
Other investments	8	16
Other financial assets	74	85
Deferred taxes	170	178
Other non-current assets	116	121
Current Assets	**2,928**	**3,614**
Inventories	1,094	1,491
Trade accounts receivable	942	1,237
Other current assets	368	297
Near cash assets	364	356
Cash and cash equivalents	160	233
Total Assets	**5,666**	**6,744**

	Dec 31, 2010	Sep 30, 2011
Stockholders' Equity	**1,761**	**2,081**
Non-current Liabilities	**2,454**	**2,571**
Pension & post empl. provis.	605	651
Other provisions	351	319
Other financial liabilities	1,302	1,385
Tax liabilities	50	52
Other liabilities	106	96
Deferred taxes	40	68
Current Liabilities	**1,451**	**2,092**
Other provisions	422	483
Other financial liabilities	176	599
Trade accounts payable	664	736
Tax liabilities	34	98
Other liabilities	155	176
Total Equity & Liabilities	**5,666**	**6,744**

- Inventory increase due to higher raw material prices, portfolio effect and additional volumes
- Mark-to-market valuation of Gevo investment
- Net debt to EBITDA ratio* at comfortable ~1.2

* Calculated on LTM EBITDA pre

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Strong cash generation

[€ m]	9M 2010	9M 2011
Profit before Tax	**461**	**651**
Depreciation & amortization	204	233
Gain from sale of assets	0	-2
Result from equity investments	-23	-19
Financial (gains) losses	65	65
Cash tax payments	-76	-34
Changes in other assets and liabilities	-12	35
Operating cash flow before changes in WC	**619**	**929**
Changes in working capital	-352	-518
Operating cash flow	**267**	**411**
Investing cash flow	**-119**	**-540**
thereof capex	-206	-325
Financing cash flow	**-201**	**210**

- Lower tax cash outs due to timing of pre-payments
- Cash outflow for working capital due to increased inventories and receivables (raw material prices, volumes)
- Investing cash flow contains cash-outs for acquisitions
- Financing cash-flow mirrors €500 m bond partly offset by dividends, interest & settlement of acquisition related debt

Cash flow mirrors growth strategy

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LANXESS remains confident for 2011 – EBITDA guidance confirmed at ~20% above previous year

Current macro view

- Growth in emerging markets to continue at solid levels
- Increased uncertainties: high national deficits in Europe, volatile FX and raw material deflation
- Risk of economic setback due to European sovereign debt crisis increased

LANXESS confirms guidance for 2011

- We expect Q4 with normal seasonality and ongoing customer destocking
- Additional inventory devaluation of ~€35 m in Q4 2011 expected (mainly Butadiene)
- Full year EBITDA guidance confirmed at ~20% above previous year

* All references to EBITDA are pre exceptionals

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Energizing Chemistry

Appendix

2011 financial expectations

Additional financial expectations for 2011

- Capex 2011 : ~€600 m
  Capex 2012 : around 2011 level
- D&A : ~€300 – €320 m
- Tax rate : 20 to 25%
- Hedging 2011 : ~40% at 1.30-1.40 USD / EUR
  Hedging 2012 : ~30% at 1.30-1.40 USD / EUR

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Portfolio management allows for regrouping of LANXESS businesses along chemical segmentation

Performance Polymers

- Butyl Rubber
- Performance Butadiene Rubbers
- Technical Rubber Products
- Semi-Crystalline Products

Advanced Intermediates

- Advanced Industrial Intermediates
- Saltigo

Performance Chemicals

- Material Protection Products
- Inorganic Pigments
- Functional Chemicals
- Leather
- RheinChemie
- Rubber Chemicals
- Ion Exchange Resins

Sales: > € 500 mn | Sales: € 200 mn – 500 mn | Sales: < € 200 mn

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LANXESS has a broad customer portfolio with varying demand patterns

LANXESS sales distribution by industry, 2010

Portfolio transformation towards higher earnings growth

Reinforcing higher profitability and leadership, lowering cyclicality

ACQUISITIONS

CISA (LEA), 2006

Jinzhuo Chemicals (IPG), 2008

Jiangsu Polyols (AII), 2009

Darmex (RCH), 2011

Unitex (FCC), 2011

Petroflex (PBR), 2007

Gwalior Chemicals (AII), 2009

DSM EPDM (TRP), 2011

Syngenta Mat. Prot. (MPP), 2011

LANXESS evolution

DIVESTMENTS

Fibers, 2005

Paper, 2005

Textile Processing Chemicals, 2006

Lustran Polymers, 2007

Shedding lower margins, weak leadership positions and higher cyclicality

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LANXESS – Improvement trend of financials, based on consistent strategy implementation

Development of financials

	2003	2004	2005	2006	2007	2008	2009	2010	9M 11
EBITDA pre [€ m]	311	447	581	675	719	722	465	918	972
Net financial debt / EBITDA*	4.6x	2.5x	1.2x	0.8x	0.6x	1.2x	1.7x	1.0x	1.2x
Underlying EPS**	(2.83)	0.65	1.19	2.69	3.36	3.44	1.31	4.81	6.16
Dividend [€]		-	-	0.25	1.00	0.50	0.50	0.70	

pro forma data only

Track record of solid financial growth

* EBITDA pre LTM;** EPS pre exceptionals, based on actual taxrate

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LANXESS – well positioned for the future

Regional diversity

- World-wide presence
- Global manufacturing network
- Targeted investment in growth markets
- Well positioned in growth regions (Brazil, India, China)

Megatrends intact

- Mobility - growing population and middle-class in Asia and LatAm
- Agro - increasing crop demand based on growing world population
- Urbanization - growing cities
- Water - scarcity of purified water

Premium Products

- Global technology leader in synthetic rubbers and polyamide based high-tech plastics
- Leading supplier of agchem intermediate building blocks
- Specialty chemicals with strong brands and technology position

Geopolitical and macroeconomic uncertainties remain

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Great untapped potential in Asia

Car ownership and population – Asia compared to Europe and US

Dynamics

- There are ~300m Americans
- In the US, of every 1000 people ~800 own a car

- There are ~3bn Asians
- In Asia of every 1000 people ~40 own a car

Solid long-term growth potential from Asia

Source: Michelin estimates

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Tire labeling – a global trend fueled by need of resource efficiency

Region	EU	Japan	South Korea	US	China	Mexico	Brazil
Tire labeling performance attributes							
Traction (Wet Grip)	Nov 2012	since 2010	Nov 2011	in discussion	Regulatory initiatives expected		
Fuel economy (Cost of Ownership)	Nov 2012	since 2010	Nov 2011	in discussion			
Treadlife (Cost of Ownership)	-	Not expected	Not expected	in discussion			

Source: EU regulation no. 1222/2009, National Highway Traffic Safety Administration (NHTSA), Japan Automobile Tyre Manufacturers Association (JATMA), Korea Energy Management Corporation (KEMCO), LANXESS

Investments of tire producers reflect growth trend

MICHELIN

- USA: USD$11.3 m expansion of aviation tire capacity
- China: plus 11,8 m car & truck tires/year
- India: plus ~1,2 m truck & OTR tires/year
- Thailand: plus ~1,5 m car tires/year
- Brazil: plus ~10,7 m car & OTR tires/year

Continental

- Brazil: plus ~4.5 m car tires/year plus ~0.2 m truck tires/year
- USA: plus ~5 m car tires/year
- Russia: plus ~4 m car tires/year

PIRELLI

- Mexico: plus ~5 m car & truck tires/year
- Brazil: plus ~40% increase tires/year
- Argentina: plus ~1,7 m car & truck tires/year
- Russia: plus ~2 m car tires

YOKOHAMA

- Russia: plus ~1.4 m car tires/year
- USA: plus ~3 m tires/year
- Philippines: plus ~10 m tires/year

NEXEN

- S. Korea: plus ~30 m tires/year

nokian TYRES

- USD$347 m investment in Russia

TOYO TIRES

- China: plus ~2 m car & truck tires/year
- Malaysia: plus ~5 m car tires/year

APOLLO TYRES LTD.

- India: plus ~2.2 m truck & bus tires/year
- plus ~2.9 m tires/year

SUMITOMO RUBBER GROUP

- China: plus ~11 m car tires/year
- Brazil: plus ~4,5 m car tires/year

CHENG SHIN TIRE

- China: plus ~11 m car tires/year

GOODYEAR

- China: plus ~10.5 m tires/year
- USD$150 m expansion in USA

HANKOOK

- China: plus ~11.5 m tires/year
- Indonesia: plus ~10 m tires/year

BRIDGESTONE

- China: plus ~3,8 m tires/year
- India: plus ~3.7 m car tires/year plus ~1.3 m truck tires/year
- Japan: USD$3000 m expansion of OTR tires
- Indonesia: plus ~0,9 m car & truck tires/year
- Thailand: plus ~4,8 m car & truck tires/year
- USA: plus ~2,4 m car tires/year
- USA: USD$490 m investment for OTR tires

source: companies' websites. Investments / expansions covered from 2011 to 2020

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The only true global player in synthetic rubber

Butyl Rubber

- Sarnia, CA
- Zwijndrecht, BE
- Singapore (under construction)

Performance Butadiene Rubbers

- Cabo, Duque de Caxias and Triunfo, BR
- Dormagen, GE
- Port Jerome, FR
- Orange, US
- Singapore (under construction)

Technical Rubber Products

- Dormagen, Leverkusen and Marl, GE
- Geleen, NL
- La Wantzenau, FR
- Nantong, CN (JV with TSRC)
- Orange, US
- Triunfo, BR

Illustration

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Leading solution provider to agrochemicals

Opportunity / increase in demand

Chemical crop protection is serving efficiency increase to meet demand in volume growth of grain

LANXESS solutions

saltigo customized competence

Leading worldwide outsourcing partner for the agrochemical players

- Technology leadership in high-end and complex chemistry
- Rapid ramp-up capabilities

BU Advanced Industrial Intermediates

Leading supplier of Isocyanate intermediates for agrochemicals

BU Functional Chemicals

Seed colorants embraced by our customers **Levanyl®** **Levanox®**

Sources: USDA, Syngenta, LANXESS prognosis; * Grain = corn, soya, wheat and rice; CAGR=Compound Annual Growth Rate (2008-2025)

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Organic growth through ongoing targeted investments

Growth projects

2011- 2015

Investment projects (scheduled to come on stream)

2011
SCP: Additional compounding capacities, Wuxi, CN

Q1 2011 - Q1 2012
Nd-PBR: Debottlenecking, Orange, US (completed) Dormagen, GE, Port Jérôme, FR, & Cabo, BR

H1 2012
AII: New Formalin plant and Menthol expansion in Uerdingen, GE

Beginning 2012
SCP: New compounding plant, Jhagadia, IN

SCP: Increase capacities for PBT (JV with DuPont), Hamm-Uentrop, GE

2012 SCP: New com-pounding plant, Gastonia, US

Q1 2013
BTR: New world scale plant, Singapore

H1 2013
LEA: New facility Changzhou, CN

2011 **2012** **2013** **2015**

Start 2011
RCH: New plant for rubber additive, Dzerzhinsk, RU

Acquisition of selected parts of Flexsys' accelerators business

H2 2011
SCP: Add. capacities for Capro (mainly captive use), Antwerp, BE

Q4 2011
ION: New membrane plant, Bitterfeld, GE

H1 2012
TRP / TSR JV: New NBR plant, Nantong, CN

Q1 2012/ Q4 2012
TRP: New capacities for HNBR in Leverkusen, GE and Orange, US

Q2 2012
BTR: Debottlenecking, Antwerp, BE

Q3 2012
PBR: Product mix optimization: More Nd-PBR Orange, US

H2 2012
TRP: Debottlenecking of EVM, Dormagen, GE

End 2012:
TRP New production capacities for CR in Dormagen, GE

H1 2015
PBR: New world scale plant, Singapore

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LANXESS strives for an EBITDA of ~€1.4 billion in 2015

EBITDA target bridge [€ m] - update

Performance Polymers
- BTR Singapore & debottlenecking
- PBR Singapore & debottlenecking
- SCP compounding

Advanced Intermediates
- All Menthol

Performance Chemicals
- RCH bladder expansion
- ION new plants, resins and membrane filtration

- Additional EBITDA will be the result of:
  - announced CAPEX projects
  - additional organic and external growth over next four years

Well on track to reach new profit level

References to EBITDA are pre exceptionals; projects are exemplary
* expected

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Strong increase of prices and volumes in tandem

9M yoy sales variances	Price	Volume	Currency	Portf.	Total
Performance Polymers	29%	8%	-6%	8%	40%
Advanced Intermediates	8%	7%	-2%	0%	13%
Performance Chemicals	7%	2%	-3%	2%	9%
LANXESS	19%	6%	-4%	5%	26%

- Substantial organic growth as prices and volumes increase
- Positive portfolio effects from recent acquisitions
- Adverse currency effects

9M yoy EBITDA bridge [€ m]

- Substantial price increases drive earnings
- “Price before volume” intact, raw material inflation offset
- Other costs mainly contain negative currency effects

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9M 2011 financial overview: solid growth and good margins

[€ m]	9M 2010	9M 2011	yoy in %
Sales	5,288	6,652	25.8%
EBITDA pre except.	746	972	30.3%
margin	14.1%	14.6%	
EPS	4.24	6.02	42.0%
Capex*	206	325	57.8%
[€ m]	**31.12.2010**	**30.09.2011**	**% vs. YE**
Net Financial Debt	913	1,362	49.2%
Net Working Capital	1,372	1,992	45.2%
Employees	14,648	16,070	9.7%

- Sales growth reflects price increases and acquisitions
- "Price-before-volume" strategy supports EBITDA and margin
- Capex increases due to execution of growth projects
- Net debt rises after acquisitions, stable development vs. Q2
- Working capital driven by raw material pricing, portfolio and stronger business activity
- Headcount increase mainly due to recent acquisitions

Double digit increase in all key financial metrics

* Net of projects financed by customers and capitalized borrowing costs

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Strong operational performance

[€ m]	9M 2010		9M 2011		yoy in %
Sales	**5,288**	**(100%)**	**6,652**	**(100%)**	**26%**
Cost of sales	-3,960	(75%)	-5,060	(76%)	28%
Selling	-470	(9%)	-540	(8%)	15%
G&A	-197	(4%)	-221	(3%)	12%
R&D	-89	(2%)	-105	(2%)	18%
EBIT	**529**	**(10%)**	**724**	**(11%)**	**37%**
Net income	**353**	**(7%)**	**501**	**(8%)**	**42%**
EPS	**4.24**		**6.02**		
EBITDA	733	(14%)	957	(14%)	31%
thereof exceptionals	-13	(0%)	-15	(0%)	15%
EBITDA pre exceptionals	**746**	**(14%)**	**972**	**(15%)**	**30%**

- Strong sales increase on the back of significant prices (+19%) and good volumes (+6%) as well as supporting portfolio (+5%) effects, foreign exchange somewhat negative (-4%)
- Operational expenses increase with higher business activity as well as recent acquisitions but show a stable development in relation to sales
- Strict “price-before-volume” strategy, additional demand and acquisitions increase EBITDA

Leveraging premium products, market positions and M&A activities

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Performance Polymers: significant price increases are key to strong YTD performance

[€ m]	9M 2010	9M 2011
Sales	**2,707**	**3,798**
EBIT	319	522
Depr. / Amort.	106	117
EBITDA	425	639
EBITDA pre exceptionals	**428**	**641**
Margin	15.8%	16.9%
Capex*	**104**	**200**

- Price increases in all BUs, offsetting Butadiene-driven raw material price rise
- Healthy end-market demand reflected in solid volume increase
- PBR with positive mix effect from Nd-PBR as well as SSBR
- BU SCP expansion activities completed according to plan; EPDM integration on track in BU TRP
- Positive pricing and strong DSM EPDM performance support segment EBITDA; margins above previous year's high level
- Planned increase of capex for Singapore, significant further increase planned towards year end

Sales by BU

Sales bridge year on year [€ m]

* net of capitalized borrowing costs

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Advanced Intermediates: agro-business drives earnings

[€ m]	9M 2010	9M 2011
Sales	**1,045**	**1,182**
EBIT	147	158
Depr. / Amort.	43	50
EBITDA	190	208
EBITDA pre exceptionals	**190**	**208**
Margin	18.2%	17.6%
Capex*	**37**	**59**

- Price increases compensate raw material price inflation (Benzene)
- Both BUs with overall strong volumes based on agro-related demand, BU SGO shows some softening in pharma
- Additional volumes from expansion of cresol train at BU AII
- EBITDA increases above strong level of previous year
- Stable margins mirror price pass-through
- Higher capex from expansion in BU Advanced Industrial Intermediates (Chlorotoluenes, Cresols, Menthol)

Sales by BU

Sales bridge year on year [€ m]

* Net of projects financed by customers

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Performance Chemicals: strong price performance leads to strong EBITDA and stable margin

[€ m]	9M 2010	9M 2011
Sales	**1,507**	**1,640**
EBIT	196	203
Depr. / Amort.	49	57
EBITDA	245	260
EBITDA pre exceptionals	**245**	**260**
Margin	16.3%	15.9%
Capex	**57**	**59**

- Price and volume developments lead to stronger sales, raw materials offset by price increases
- All business units with price increases
- RUC and RCH are strongest contributors to EBITDA increase
- BU LEA impacted by industry strikes in South-Africa and Argentina as well as a supplier's outage
- Strict adherence to "price-before-volume" strategy leads to solid margin

Sales by BU

Sales bridge year on year [€ m]

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Strong cash flow based on solid business performance

[€ m]	Q3 2010	Q3 2011
Profit before Tax	**145**	**200**
Depreciation & amortization	69	83
Gain from sale of assets	0	0
Result from equity investments	-11	-7
Financial (gains) losses	25	22
Cash tax payments	-48	-28
Changes in other assets and liabilities	29	45
Operating cash flow before changes in WC	**209**	**315**
Changes in working capital	-2	-152
Operating cash flow	**207**	**163**
Investing cash flow	**-220**	**-189**
thereof capex	-107	-148
Financing cash flow	**46**	**-24**

- Higher profit before tax due to strong “price-before-volume” strategy and portfolio additions
- Strong operating cash flow before working capital from excellent operating business performance
- Cash outflow from higher working capital due to increase in inventories driven by price and volumes
- Investing cash flow contains investment in near cash assets

Solid operating cash flow somewhat burdened by working capital increase

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A well managed and conservative maturity profile

Long term financing secured

- Well balanced maturity profile
- Diversified financing sources
  - Bonds & bilateral credit lines
  - Syndicated Credit Facility
  - Development banks
- Additional financing sources:
  - € 200 m EIB* long-term credit facility for up to seven years
  - ~ € 250 m other undrawn long-term facilities with 7 to 10 year amortization

Liquidity and maturity profile as per September 2011

* European Investment Bank; **Final maturity of EIB financing in case of utilization in 2016 or later; EIB facility currently undrawn

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Successful pricing strategy for more than six years

Raw material effects sustainably balanced

Effective pricing management

- Premium high-tech products
- Price-before-volume strategy
- Customer-orientation
- Focused and experienced team
- Six year track record of managing volatile input costs
- Determined to pass on increasing input costs in the future

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Raw materials expected to reverse their trend

Global raw materials index*

- Raw material prices increase since the start of 2010
- Q3 and Q4 ’10 with a relatively stable raw material price development
- Feedstock prices (mainly Butadiene, Benzene and Cyclohexane) rose during 2011, prices set to decrease in Q4
- Related inventory devaluation expected for Q4 2011 (~ €35 m)

LANXESS committed to price before volume strategy

* source: LANXESS, average 2008 = 100%

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BU RUC: A broad portfolio with excellent technical service and premium products

Basic information

- Total global demand (2011e) ~€2.5 bn, overall CAGR 4-5%
- Sales: €200 – 500 m
- Driven by mobility trend
- 9 production sites in Europe, Africa, Americas and Asia
- Competition: Flexsys, KKPC, Sinorgchem, Sunsine

Major product groups

Antidegradants	Vulkanox®	Anti-ageing protection for rubber / tires
Accelerators	Vulkacit®	Vulcanisation process control and rubber property determination
Specialties*	Vulcuren® Perkalink®	E.g. anti reversion agents: Protect sulphur-bridges exposed to high mechanical stress (wear resistance)

* Amongst others various applications in personal care

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LANXESS has already a strong footprint in China

China with continuous strong growth in 2011

- Growth mainly driven by the rubber business units and Semi-Crystalline products
- Focus on the expanding economies of the BRIC countries, especially China, with further investment to fuel profitable growth
- LANXESS operations in China:
  - Shanghai: Inorganic Pigments (IPG) since 1971 and 2008
  - Wuxi: Leather (LEA) since 1998 and Semi-Crystalline Products (SCP) since 2006
  - Qingdao: Rhein Chemie (RCH) since 1999
  - Tongling: Rubber Chemicals (RUC) since 2007
  - Liyang: Advanced Industrial Intermediates (AII) since 2009
  - Nantong: TRP-TSRC JV since 2010

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Similar tire labelings are being proposed in several countries

Tire labels

Europe

U.S.

Japan

For fuel efficient tires

For fuel efficient tires

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Is LANXESS a swing producer?

Tire manufacturers produce insufficient synthetic rubber for their captive use

Rubber producing capabilities of selected tire manufacturers:

Importance in LANXESS portfollio		Michelin	Goodyear	Bridgestone	Continental	Pirelli	Hankook
major	**BTR**	none	none	none	none	none	none
major	**PBR**[1]	little[2]	none	capable	none	none	none
minor	**S-SBR**	capable	capable	capable	none	none	none
major	**E-SBR**	little	capable	capable	none	none	none
major	**NBR**	none	none	none	none	none	none

LANXESS is not a swing producer

[1] Nd-PBR [2] know how present, licensing to others

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Does natural rubber cannibalize synthetic rubber?

[1] Nd-PBR

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Business line Adipic Acid shifted to BU AII

Adipic Acid used captively and for external sales

In € m	Q3 2010
External sales	20
EBIT	**10**
D&A	1
EBITDA	**11**

- Adipic Acid sales split into:
  - External sales
  - Inter-BU sales
  - BU Captive use

- Business line Adipic Acid transferred from Performance Polymers to Advanced Intermediates
- Originally located in BU SCP, now part of BU AII
- Restatement reflects transfer of financials from Performance Polymers and addition to Advanced Intermediates

Transfer of Adipic Acid: Value chain streamlined

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Abbreviations

Performance Polymers

- BTR Butyl Rubber
- PBR Performance Butadiene Rubbers
- TRP Technical Rubber Products
- SCP Semi-Crystalline Products

Advanced Intermediates

- AII Advanced Industrial Intermediates
- SGO Saltigo

Performance Chemicals

- MPP Material Protection Products
- IPG Inorganic Pigments
- FCC Functional Chemicals
- LEA Leather
- RCH Rhein Chemie
- RUC Rubber Chemicals
- ION Ion Exchange Resins

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Upcoming events 2012

Upcoming events

▪ FY results 2011	March 22, 2012
▪ Q1 results 2012	May 9, 2012
▪ AGM	May 15, 2012
▪ Q2 results 2012	August 7, 2012
▪ Q3 results 2012	November 6, 2012

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