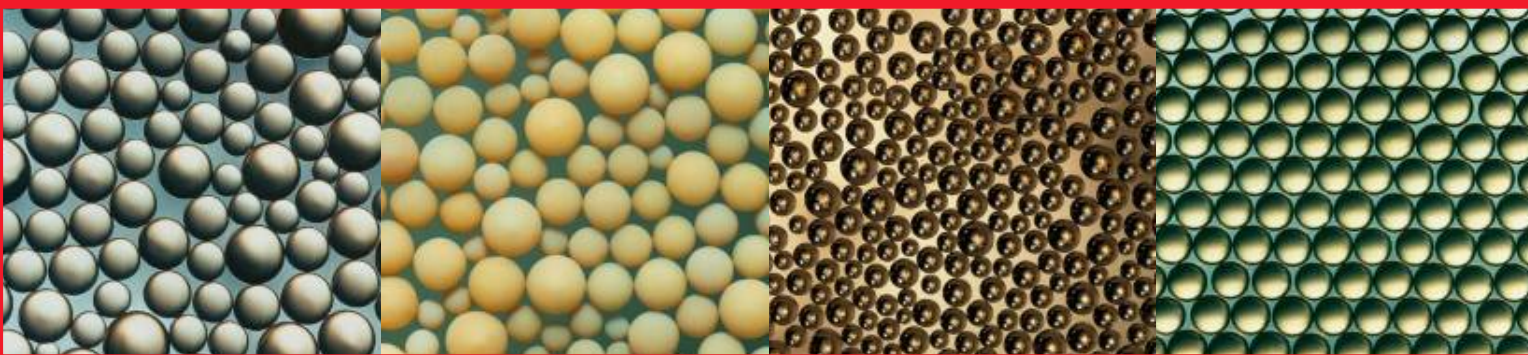


Business Unit Ion Exchange Resins



Ion Exchange Resins – Small, But Multi-Talented

Michael Zobel

1st LANXESS Investor Conference

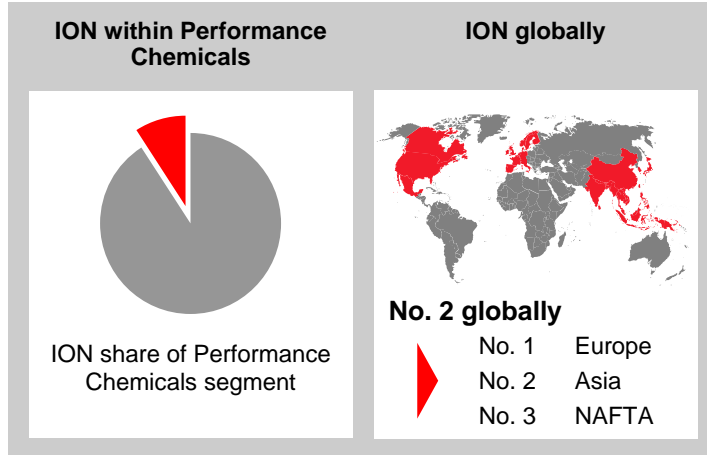
September 15, 2006



LANXESS
Energizing Chemistry

Ion Exchange Resins is a well positioned Performance Chemicals business ...

- Sales: < €200 million
- Products: ~ 250
- Customers: ~ 1,500
- Countries: ~ 100
- Production sites:
 - Leverkusen (GER)
 - Bitterfeld (GER)
 - Birmingham (NJ, USA)



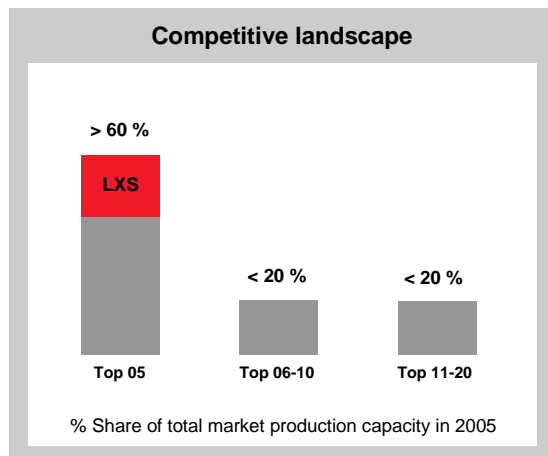
2

LANXESS

... in a favorable market environment

Market characteristics

- Five main players
- Top 5 players account for more than 60% of the global demand
- LANXESS is one of the leading companies in the market
- Only LANXESS and a competitor are full portfolio providers

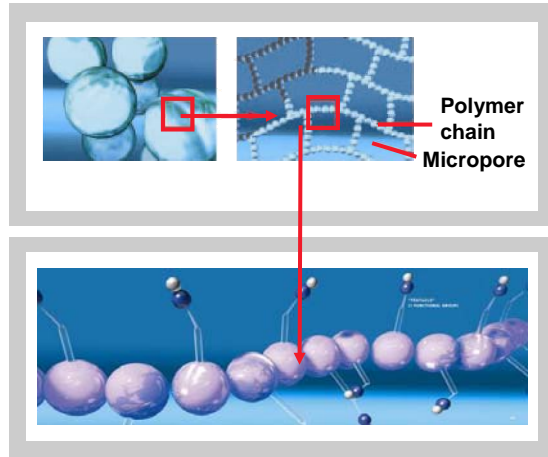


3

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ION – a solution provider, manufacturing custom designed products ...

- Ion Exchange Resins are functionalized polymer beads produced by combining styrene & DVB*
- Structure like a ball of wool (polymer chains)
- Fine network with many cavities (micropores)
- Polymer basis specifically manipulated so components can be captured/exchanged from surrounding solutions
- Chemical exchange
 - Anion/cation exchange
 - Chelating resins
- Physical exchange
 - Adsorbers



* Divinylbenzene

4

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... based on superior technology and assets ...

- Most modern and largest plant for the production of monodisperse ion exchange resins in Bitterfeld, Germany
- ION is a full production solution provider
- Key production processes and facilities in-house



5

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... supplying specialties to attractive niche markets



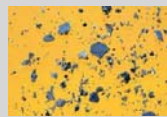
Industrial Water Treatment (IWT)

- Softening
- Industrial water
- Nuclear
- Ultra pure water



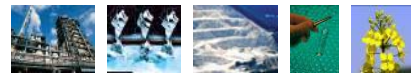
Consumer & Cartridge (CC)

- Cartridge
- Food
- Sugar / starch
- Juices / whey
- Hydroponics-fertilizer



Catalysis & Chemicals Processing (CCP)

- Catalysis
- Ground- & wastewater
- Pharma/biotech
- Mining
- Biodiesel



6

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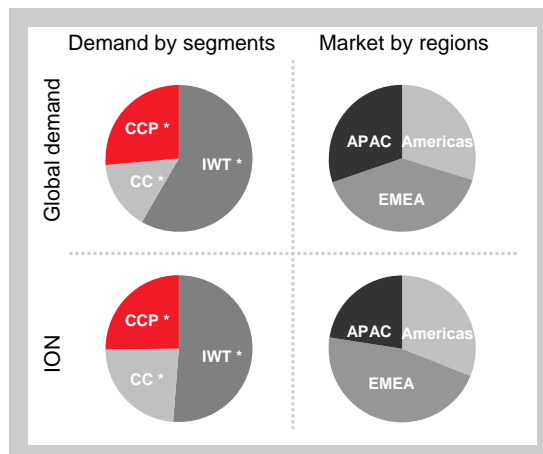
High growth potential in Consumer and Cartridge (CC) and Catalysis and Chemicals Processing (CCP) businesses ...

Global Trends

- Global demand size ~ €700 million
- Global water businesses account for ~ 60%
- CC and CCP have high growth potential
- APAC growing at high pace

ION Trends

- Increase share of CCP
- Strengthen presence in APAC
- Secure long-term growth in IWT & CC



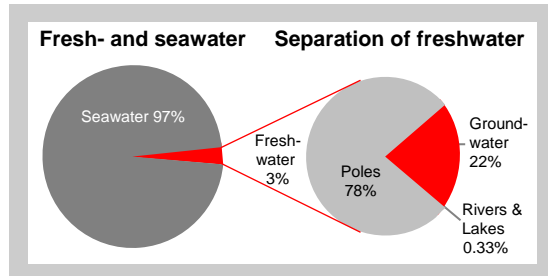
* IWT= Industrial Water Treatment, CC= Consumer and Cartridge, CCP= Catalysis and Chemicals Processing

7

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... will benefit from increasing global water treatment trends

- Water is a limited resource
- Even though it is ever-present the usable share is very small
- Growing world population and environmental pollution will further limit access to clean water



- Growing population
- Climate change
- New demands of agriculture
- Rapid industrialization
- Growing health concerns
- 40% of world population affected by lack of clean water
- Reuse of water
- Prevent water pollution
- Removal of contaminants
- Purification

“Our contribution/ solution”

Ion Exchange Resins

LANXESS

8

After a turn around over the last years ...

- Successful product portfolio adjustment over the last years – shift to specialties
- Diversification and involvement in different markets and regions makes ION less vulnerable to downturns
- LANXESS Ion Exchange Resins is a profitable growth and success story

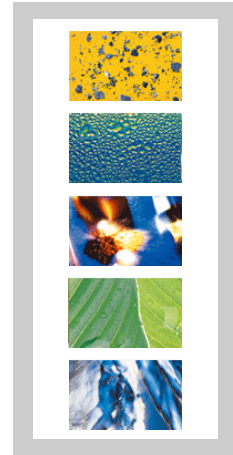


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... ION is well prepared for leveraging growth opportunities

Experience and tradition	60 years of experience in Ion Exchange Resins, developing essential products, processes & application technology
Innovation	ION drives innovation / Close collaboration with customers, equipment suppliers and sales force
Young product portfolio	More than 20% of sales made with products younger than 3 years
Specialty products	Balanced specialty products portfolio within all application areas
Production excellence	Key production facilities & processes in-house – unique setup
Participation in megatrends	Drinking water, mining, nuclear, pharmaceutical, Chlor-Alkali, Biodiesel, etc.



10

LANXESS

Ion Exchange Resins, small but multi-talented

Market Position	LANXESS is one of the global leaders in the Ion Exchange Resins business	
Technology and Production	Strong asset base with superior technology for present and future product generations	
Strategic Product Portfolio	Balanced specialty products portfolio within all application areas	
Innovation	LANXESS is one of the innovation drivers – > 20% of sales with products younger than 3 years	

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