Business Unit
Basic Chemicals

A Global Supplier
Based in Germany

Hans-Georg Schmitt
1st LANXESS Investor Conference
September 15, 2006
Managing its tasks and skills by an experienced team …

Basic Chemicals:
- Sales: > €500 m
- Employees: 1,100
- Products: 165
- Metric tons shipped: 1.3 million
- Main competitors: BASF, Dow Chemical, Jiangsu Yangnong, Kureha, Merisol, Tessenderlo, Perstorp

… as an integral part of the Chemical Intermediates segment, …
… delivering chemicals with leading market positions from a German based “Verbund” structure …

- “Aromatenverbund”
  - Chlorobenzenes & Derivatives
  - Chlorotoluenes & Derivatives
  - Nitrotoluenes & Derivatives
- Polyols & Oxidation Products
- Inorganic Acids
- Benzyl Products & Amines

14 production units in Germany
1 production unit in the USA

… into diversified markets

<table>
<thead>
<tr>
<th>Markets based on sales 2005</th>
<th>Regional distribution of sales 2005</th>
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<tbody>
<tr>
<td>Construction 5%</td>
<td>APAC ~ 15%</td>
</tr>
<tr>
<td>Automotive 6%</td>
<td>Americas ~ 25%</td>
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<tr>
<td>Paints/Coatings 7%</td>
<td>EMEA ~ 60%</td>
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<tr>
<td>Polymers 19%</td>
<td>1,300 customers</td>
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<tr>
<td>Agro-chemicals 23%</td>
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<td>Others 40%</td>
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Realignment through restructuring and consolidation …

Restructuring
- Sale of business
- Closure of non-core plants or production lines
- Portfolio revision
- Reorganization of plants

Industry consolidation
- More than 20 competitors have given up over the last five years

… combined with continuous improvement of productivity …

- Highly automated world-scale plants
- Excellent processes & high utilization rates
- Low cost capacity increases
- Integrated manufacturing infrastructure and logistic structures ("Verbund")
- Raw materials by pipeline or barges
- Utilities generated on site & integrated waste management
- Headcount reduction
... and efficient management of complexity such as the important “Aromatenverbund” in Leverkusen …

- Integrated plants (“Verbund” structures)
- Cost advantages in energy consumption, logistics, joint infrastructure

... led to a competitive German based global player
Basic Chemicals is prepared to manage cyclicality …

Basic Chemicals manufactures Building Blocks

- In early stage of value chains (commodities)
- Ending in a high variety of end products in many different market segments

Value chain

Petrochemicals

Specialties

Fine Chemicals

Consumer end products

Moderate cyclicality

… based on leading technology and experience …

Managing isomer (by-product) formation in the “Aromatenverbund”

Target product + “Unwanted by-products/Isomers”

Flexibility of processes + marketing of all isomers through
- worldwide marketing network
- market intelligence

Incineration
... and stays globally competitive

Customer satisfaction survey 2005

![Survey Diagram]

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Basic Chemicals – successful cost and technology leadership from a competitive German platform

**Market Position**: Leading market positions in all business lines supplying diversified markets

**Asset Base**: World-scale “Verbund” plants with proprietary process technology

**Discipline**: Continuous improvement of productivity - We know how to manage chemical plants efficiently

**Growth**: Further debottlenecking to strengthen platform and to participate in Asian market growth
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Appendix

Basic Chemicals
Product line: Chlorobenzenes & derivatives

- Chlorobenzenes
- Herbicides: Diuron, Propanil
- Antibacterials: Trichlorocarbanilide, Triclosan
- Pharmaceuticals: Paracetamol
- High Performance Polymers: Polyphenylene-sulfides
- Rubber Anti ozonants
- Pigments & Dyes
- Insecticides: Aramide Fibers
Basic Chemicals
Product line: Chlorotoluenes & derivatives

- Chlorotoluenes
- Antioxidants for Feed, Food, Pharma, Rubber
- Agrochemicals
  - Phenoxy herbicides
  - Azole fungicides
  - Pyrethroid insecticides
- Flavors
- Vitamins
- Stabilization of Biodiesel Baynox®
- Disinfectants Preventol® CMK
- Dyes & optical brighteners
- Heat transfer fluids
- Flame retardants
- Resins for electronic equipment cresol novolacs

Basic Chemicals
Product line: Nitrotoluenes & derivatives

- Nitrotoluenes
- Optical Brighteners Flavonic acid
- Pigments & Dyes Lithol Rubine
- Herbicides Metolachlor Acetochlor
- Fungicides
- Insecticides
- Photochemicals
- Rubber Anti ozonants
Basic Chemicals
Product line: Benzyl Products & Amines

- UV Absorbers: Benzophenones
- Fragrance ingredients: Benzoates
- Disinfectants: Quats
- Plasticizers
- Pharmaceuticals: GMP Benzyl alcohol, Intermediates, Antibiotics
- Agrochemicals: Imidacloprid, Fluometuron, Metamitron
- Vulcanisation accelerators: ZBEC
- Gas Purification
- Vitamin H: Biotin
- Fibers: Nylons, Spandex
- Epoxy Resins
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