Axel Westerhaus
1st LANXESS Investor Conference
September 15, 2006
Saltigo Overview

Key Figures

- Sales: ~ €400 m
- Products: ~ 500
- Customers: ~ 150
- Employees: ~ 1,400 worldwide
- Countries: Worldwide
- Production sites: Dormagen (GER), Leverkusen (GER)

LANXESS Business Units

<table>
<thead>
<tr>
<th>Performance Rubber</th>
<th>Performance Chemicals</th>
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<tbody>
<tr>
<td>Butyl Rubber</td>
<td>Material Protection Products</td>
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<tr>
<td>Polybutadiene Rubber</td>
<td>Functional Chemicals</td>
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<tr>
<td>Technical Rubber Products</td>
<td>Leather</td>
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<tr>
<th>Engineering Plastics</th>
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<tr>
<td>Lustran Polymers</td>
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<td>Semi-Crystalline Products</td>
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<tr>
<th>Chemical Intermediates</th>
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<tr>
<td>Basic Chemicals</td>
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<tr>
<td>Saltigo</td>
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<tr>
<td>Inorganic Pigments</td>
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Where do we come from? Our recent history in the Fine Chemicals business

From 2nd quarter 2006
Saltigo – a company of the LANXESS Group

From February 2005
Business Unit Fine Chemicals of LANXESS

Until January 2005
Business Unit Fine Chemicals of Bayer Chemicals AG

Major role

- Market-oriented custom manufacturing service provider for a broad customer range
- External fine chemicals partner for customers including the Bayer Group
- Center of excellence for synthesis and process technology in the Bayer Group
Building Saltigo is more than restructuring

BU Fine Chemicals

Chemical conglomerate

Reallocation of resources

Business model with three profit centers

- Downsize
- Reorganize

Saltigo

Customer-focused service provider

Operations

Saltigo – Attractive markets for custom manufacturing

Market volume custom manufacturing in € bn (excl. generics)

Agro

Specialty Chemicals

Pharma

8

3

2
Saltigo – A well positioned mid-sized player

<table>
<thead>
<tr>
<th>Type of suppliers</th>
<th>Companies</th>
<th>Annual sales</th>
<th>Technology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low cost suppliers</td>
<td>&gt; 500 player</td>
<td>$ 10-50 m</td>
<td></td>
</tr>
<tr>
<td>Specialists</td>
<td>&gt; 200 players e.g. Bachem, Ems Dott.</td>
<td>&lt; $ 100 m</td>
<td>(focused) technology players</td>
</tr>
<tr>
<td>Mid-size players</td>
<td>20 players e.g. Dow, BASF, Rhodia, Eastman, Clarient, Albenmarle, Cambrex, Saltigo</td>
<td>$ 100 - 500 m</td>
<td>Mostly with broad toolbox</td>
</tr>
<tr>
<td>Big players</td>
<td>Lonza, DSM, Degussa</td>
<td>&gt; $ 500 - 1,500 m</td>
<td>Complete tool box</td>
</tr>
</tbody>
</table>

High number of competitors, but Saltigo’s peer competitors are western based companies
- Lonza (EU)
- DSM (EU)
- Degussa (EU)
- Clarient (EU)
- Albemarle (US)

Optimized business setup for a stable Fine Chemicals company needs a balanced business mix
From the idea to the market

Competencies of Saltigo

- Customized synthesis
- Customized process development
- Customized manufacturing
- Customized services

Saltigo is a service provider with broad know-how

What we do

- Chemical synthesis
- Process development
- Pilotation
- Scale up
- Production
- Registration support
- Analytical support

What we have

- Highly educated & experienced employees
- Broad technology base
- High complex multi-purpose asset structure
- Know-how of chemical processes & technology
- Trust
- Track record
- Protection of know-how & IP
- Market access
Efficiency and innovation – automatic and simultaneous process development

Advantages

- Speed and throughput
- Safety
- Ecologically sound

Efficiency, profile and innovation – fluorochemistry for R&D partnerships

We can offer

- More than 40 years of experience
- Comprehensive portfolio of procedures and compounds
- Customized services
Profile and investment – huge expertise in small volumes

Success factors

- Broad technology portfolio
- Integrated order processing
- Flexibility and reliability in terms of volumes and deadlines

Efficiency and investment – production at low temperatures

State-of-the-art reactions allow

- Access to complex molecules
- High-quality products
- High yields

Diagram showing the process:

- Energy source
- Package unit
- 4th Level
- Heaters
- Cooling
- Reactor
- Nitrogen
- Liquid nitrogen
- Vaporizers
- Ground level
- High rates reactions allow
Profile and investments – GMP capacities for the pharmaceutical industry

- High flexibility for our pharmaceutical customers
- Expansion of pharmaceutical custom manufacturing

Change in customer structure

Sales [€ m]

CAGR 2001/2006
Total: approx. - 2%
- 12%
+ 20%

Broadening the customer portfolio

- current and former Bayer business
- other businesses
Business is focused on custom manufacturing in IP protected stages

- Saltigo brings innovation to life
  
  With great expertise in process development and a high tech manufacturing platform, Saltigo plays an important role in bringing new chemical products to the markets.

Saltigo's portfolio

Product life cycle

- Innovation
- Commercialization
- Commodization/Off patent

Time

Market value

$31 bn R&D investments

$9 bn R&D investments

$26 bn R&D investments
Saltigo gets things rolling

- Already one of the top players in custom manufacturing
- Advanced business model in custom manufacturing
- Broad technology base for complex syntheses
- Broad industry know-how
- Focused on innovative customers
- Saltigo is on the way to becoming a strong player in global custom manufacturing

End products with involvement of Saltigo

- Insecticides
- Fungicides
- Herbicides
- Repellents
- PVC
- Electronics
- Cosmetics
- Antibiotics
- Heart disease drugs
- Cancer drugs
- HIV drugs
- Repellents
- Herbicides
- Insecticides
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