Business Unit
Technical Rubber Products

Innovative specialist for the non-tire world

Dr. Günther Weymans
LANXESS Capital Markets Day
September 18, 2007
LANXESS offers the broadest portfolio of synthetic rubbers in the industry

<table>
<thead>
<tr>
<th>Supplier</th>
<th>Tire</th>
<th>Technical Rubber Products</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SBR</td>
<td>BR</td>
</tr>
<tr>
<td>LANXESS</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>BAYER</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>CHEVRON</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>DSM</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

TRP – a leading supplier for "non-tire" applications

- Sales: > € 500 million
- Employees: < 1,200
- Products: > 200
- Product families / Key brands
  - Therban®
  - Levapren®
  - Perbunan®
  - Krynac®
  - Baypren®
  - Buna® EP
- Customers: > 600
TRP – premium applications beyond automotive

* incl. oil - well, roller, food - industry et all

Rubber in automotive – more than tires

~ 18 kg Technical Rubber*

~ 16 kg Synthetic Tire Rubber*

Note: applications serve as examples only and may not be used in its entirety in depicted model;
*elastomers portion only without fillers; content may vary depending on individual model
EVM – continued investment into specialty products

- EVM provides
  - Excellent FRNC* properties
  - UV-resistance
  - Ozone resistance
- Market drivers are industry regulations requiring improved flame resistance and EVM as alternative to established materials (automotive industry)
- € 10 m expansion of EVM plant initiated
- New capacities to support growth in
  - Protective films
  - Photovoltaic modules
  - Automotive seals
  - Specialty cables
- Implementation expected by mid 2009

*Flame Resistant Non Corrosive

EVM – solutions for new technologies

Levamelt® (EVM) in photovoltaic modules
- Optimized production process
- Outstanding UV-resistance
- Excellent flame resistance
- Non corrosive

Field test on roof - top of LANXESS HQ in Leverkusen
Therban (HNBR) – the universal high-performance specialty

- Therban® AT – the unique product line based on Nobel Price Technology provides
  - optimum processing
  - increased product quality
  - a broader functionality window
- Two state-of-the-art production sites
  → short-term expandable
- Portfolio of 25 different grades
- Continuously growing range of applications

Therban developments address present industry challenges

- Continuously growing range of applications
- **Industry** | **Challenge**
  - Automotive | New generations of bio-diesels and flex-fuels
  - Oil - well | Minimisation of maintenance downtimes
- **TRP solution** | High ACN Therban® AT
  - maximum media resistance
  - optimum processing
NBR – the media resistance & endurance workhorse

- NBR offers excellent stability in
  - mineral oils
  - fats
  - fuels
- High abrasion resistance
- Low permeability
- NBR powders for thermoplastic modification
  - improved elasticity
  - better oil & fuel resistance
- Market growth ~ 3% p.a.

NBR – LANXESS is a leading supplier of emulsion rubber specialties

- La Wantzenau biggest emulsion plant worldwide → Economies-of-scale
- > 60 different grades
- > 50 years of technology expertise
- Emulsion rubber specialties:
  - Powdered NBR
  - Carboxylated NBR
  - Nanoprene SBR gels
EPDM – the weather elastomer

- Excellent ozone resistance
- No water swell
- Oil-extended grades for high filler loads
- Sulfur / peroxide / resin curable
- Outstanding electrical properties
- Low density → cost efficiency
- Good temperature resistance
- Market growth ~ 3 - 4 % p.a.

TRP is seeking to further expand its EPDM business

- Two world scale plants
- Debottlenecking to 140 kt capacity (2008)
- Sole EPDM producer with solution and slurry process
- EPDM specialty approach:
  - Production of ultra high molecular weight products (slurry process)
  - 25 kt pelletizing unit → process improvement for thermoplast modification, wires, cables
  - Start up: Q2/2008
CR – high degree of specialty applications

- CR offers
  - excellent dynamic properties
  - weather and ozone resistance
  - low gas permeability
  - good rubber to metal adhesion
  - adjustable crystallisation behaviour (adhesives)

- Balanced product portfolio for traditional rubber applications (55% of business)
  - strong position in sulfur-specialties
    - provides best dynamic performance coupled with good adhesion to substrates

- 45% of business in non-rubber premium applications
  - CR-latices
  - CR-adhesives

- Market growth ~ 2% p.a.

TRP well positioned in consolidated CR-market

- LANXESS sole significant European producer
- Unique continuous production technology with fully recycled feedstock-streams
- €50 m investment into gradual capacity expansion and full process automatization during 2004-2007
- Approval process for expansion to 100 kt/a capacity in progress
LANXESS – a leading supplier of Technical Rubber Products

- **Market Position**: Leading global positions in all product lines
  - Broad customer base
- **Product Portfolio**: Balanced product portfolio
  - Strong brands
- **Asset Base**: World-scale capacities with attractive cost position
  - State-of-the-art process technology
- **Innovation**: Strong innovation capability focused on premium value and specialty products
LANXESS Technical Rubber Products provides specialty products with well known brand names.
### Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACM</td>
<td>polyacrylate rubber</td>
</tr>
<tr>
<td>ACN</td>
<td>acrylonitrile</td>
</tr>
<tr>
<td>AEM</td>
<td>ethylene acrylic rubber</td>
</tr>
<tr>
<td>BR</td>
<td>butadiene rubber</td>
</tr>
<tr>
<td>CR</td>
<td>polychloroprene solid rubber and latices</td>
</tr>
<tr>
<td>CSM</td>
<td>chlorosulfonated polyethylene</td>
</tr>
<tr>
<td>ECO</td>
<td>epichlorhydrin rubber</td>
</tr>
<tr>
<td>EPDM</td>
<td>ethylene-propylene-diene rubber</td>
</tr>
<tr>
<td>EVM</td>
<td>ethylene-vinyl acetate rubber</td>
</tr>
<tr>
<td>FKM</td>
<td>fluoro carbon rubber</td>
</tr>
<tr>
<td>HNBR</td>
<td>hydrogenated nitrile rubber</td>
</tr>
<tr>
<td>IIR</td>
<td>butyl rubber</td>
</tr>
<tr>
<td>NBR</td>
<td>nitrile rubber</td>
</tr>
<tr>
<td>SBR</td>
<td>styrene-butadiene rubber</td>
</tr>
</tbody>
</table>