Agenda

- Strong platform for growth
- Capitalizing on four megatrends
- Strategy for sustainable growth
- Promising outlook and ambitious targets

2004-2010 transformation and growth: + ~80% EBITDA*

<table>
<thead>
<tr>
<th>Year</th>
<th>EBITDA* [€ million]</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>447</td>
</tr>
<tr>
<td>2005</td>
<td>580</td>
</tr>
<tr>
<td>2006</td>
<td>675</td>
</tr>
<tr>
<td>2007</td>
<td>719</td>
</tr>
<tr>
<td>2008</td>
<td>722</td>
</tr>
<tr>
<td>2009</td>
<td>465</td>
</tr>
<tr>
<td>2010</td>
<td>~800</td>
</tr>
</tbody>
</table>

* Pre exceptionals
Consistent delivery of four-phase strategy since 2004

**Portfolio**
- 1. Performance improvement
- 2. Targeted restructuring
- 3. Portfolio optimization
- 4. Acquisitions

**Costs**
- 1. Organic growth
- 2. <5%* EBITDA margin pre exceptionals
- 3. 9-10%* EBITDA margin pre exceptionals
- 4. >10%* EBITDA margin pre exceptionals

* EBITDA margin pre exceptionals

**Strategic shift of asset base (CAPEX and M&A)**
- North America: 16% 12%
- EMEA: 71% 50%
- Latin America: 3% 13%
- Asia: 10% 25%

**LANXESS sales**
- 2005: 10.1%
- H1 2010: 23.9%

**Strong focus on growth markets**

A foundation for an optimized regional asset base

Share of sales in BRIC doubled since 2005
Portfolio transformation led to higher earnings growth

**Acquisitions**
- Strengthen leadership
- Demonstrate financial discipline
- Thorough selection process

**Divestitures**
- Non-core businesses were divested to strategic investors
- Focus on businesses with leading positions

Culture of innovation drives LANXESS growth

**Product innovations**
- Greater focus on high-tech and innovation-based products in line with premium approach applying our culture of excellence
- R&D conducted in each business unit for maximum proximity to markets and customers
- Close cooperation with leading R&D institutes and universities

**Process innovations**
- New process design for core products defining a best-in-class asset base

**Think out of the box**
- Bio-based alternative to petrochemical raw materials

**R&D spending [€ m] / % of sales**

<table>
<thead>
<tr>
<th>Year</th>
<th>% of sales</th>
<th>€ m</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010e</td>
<td>3.0%</td>
<td>~120</td>
</tr>
<tr>
<td>2009</td>
<td>2.0%</td>
<td>101</td>
</tr>
<tr>
<td>2008</td>
<td>1.5%</td>
<td>97</td>
</tr>
</tbody>
</table>

**Innovation headcount / % of total headcount**

<table>
<thead>
<tr>
<th>Year</th>
<th>% of total headcount</th>
<th>Headcount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010e</td>
<td>3.5%</td>
<td>~6000</td>
</tr>
<tr>
<td>2009</td>
<td>3.5%</td>
<td>505</td>
</tr>
<tr>
<td>2008</td>
<td>3.0%</td>
<td>441</td>
</tr>
</tbody>
</table>
Focus on premium products enables robust pricing power

**Marketing & sales**
- Targeted repositioning of products towards innovative, high-value premium solutions
- Providing premium products and solutions with added-value for the customer
- Effective brand strategy supported premium positioning
- Examples of “gold standard”:

![Successful marketing of premium products](image)

Sustainable success based on LANXESS DNA

- Technology-driven specialty chemical portfolio
- Focus on “Green Chemistry”
- Global footprint
- Targeted investment in growth markets
- Best-in-class asset base
- Globally competitive product portfolio
- Effective management of complexity
- Entrepreneurial performance-driven culture
Effective crisis management

- **Challenge09-12 program**
  - Reduction in fixed and variable compensation for all employees worldwide including the Board of Management
  - Salary increases deferred for all employees worldwide including the Board of Management

- **Flexible asset and cost management**
  - Systematic adjustment of production to mirror drop in demand

**Stabilization measures**

**Result**

- Total projected savings (2009-2010): €290 million

---

**H1 2010 better than H1 in strong pre-crisis year 2008**

<table>
<thead>
<tr>
<th></th>
<th>H1 2008</th>
<th>H1 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales [€ million]</td>
<td>3,300</td>
<td>3,441</td>
</tr>
<tr>
<td>EBITDA* [€ million]</td>
<td>443</td>
<td>502</td>
</tr>
<tr>
<td>Net income [€ million]</td>
<td>156</td>
<td>235</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>H1 2008</th>
<th>H1 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA* margin</td>
<td>13.4%</td>
<td>14.6%</td>
</tr>
</tbody>
</table>

* Pre-exceptionals
Benefiting from strong position in growth markets

Sales by region Q2 2010 [%]

- Asia: 23
- Germany: 18
- Latin America: 13
- North America: 17
- EMEA (excluding Germany): 29

Recovery in sales by region [%]

- Asia
- Latin America
- North America
- EMEA (excl. Germany)
- Germany

Q4 2008 to Q4 2010

Strong platform for growth

- Higher-margin portfolio
- Flexible and globally competitive cost structures
- Strong regional mix with focus on BRIC
- Entrepreneurial performance-driven culture
Agenda

- Strong platform for growth
- Capitalizing on four megatrends
- Strategy for sustainable growth
- Promising outlook and ambitious targets

LANXESS capitalizing on global megatrends
Innovative solutions required for tires

**Opportunity / increase in demand**

Global tire production [bn units]

- Standard tires
- (High-)performance tires

- ~ +25%
- ~ +53%

2005 2010e 2015e

**LANXESS solutions**

- Neodymium butadiene rubber (Nd-PBR, Buna CB) and solution styrene-butadiene rubber (S-SBR, Buna VSL) are synthetic high-performance rubbers with optimal properties for performance tires

- A new crosslinker and anti-reversion agent enhancing tire performance over its product life

- Accelerators that improve the production of performance tires

**Tire labeling**

Europe U.S. Japan

Sources: LANXESS estimates based on LMC; * EU: General Safety Regulation 661/2009 published July 2009, implementation to be completed by December 2010; U.S.: proposed; Japan: Total coverage aimed by end of December 2011

New technologies reduce vehicle weight and improve performance

**Opportunity / increase in demand**

Global production of light vehicles [mn units]

- ~ +10%
- ~ +30%

2005 2010e 2015e

Share of materials in automotive production [%]

- Organic sheet
- Other materials
- Ferrous metals

- 72
- 65
- 59
- 52
- 50


**LANXESS solutions**

- Hybrid technology: Durethan® offers new design opportunities and reduces weight of certain structural components by up to 50% versus metal alone

- Polyamide composite insert: Next generation hybrid technology yields up to 20% further weight reduction

Sources: JD Power; Polymotive; PlasticsEurope; LXS estimates
Leading solution provider to agrochemicals

**Opportunity / increase in demand**

- **Grain* demand [bn tons]**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel</td>
<td>0.5</td>
<td>0.7</td>
<td>1.0</td>
<td>1.2</td>
</tr>
<tr>
<td>Feed</td>
<td>1.0</td>
<td>1.5</td>
<td>2.0</td>
<td>2.5</td>
</tr>
<tr>
<td>Food</td>
<td>0.5</td>
<td>0.8</td>
<td>1.0</td>
<td>1.2</td>
</tr>
</tbody>
</table>

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

**LANXESS solutions**

- Leading worldwide outsourcing partner for the agrochemical players
- Technology leadership in high-end and complex chemistry
- Rapid ramp-up capabilities

- Basic Chemicals
  - Leading supplier of isocyanate intermediates for agrochemicals
  - **Levanyl®**
  - **Levanox®**
    - Seed colorants embraced by our customers

---

Improved living standards in expanding urban areas

**Opportunity / increase in demand**

- **Urban population worldwide [bn]**

<table>
<thead>
<tr>
<th>2010e</th>
<th>2030e</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.49</td>
<td>4.90</td>
</tr>
</tbody>
</table>

- **Consumer households worldwide [bn]**

<table>
<thead>
<tr>
<th>2008</th>
<th>2020e</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.47</td>
<td>1.68</td>
</tr>
</tbody>
</table>

Improved living standards in expanding urban areas fuel growth for LANXESS specialty chemicals

**LANXESS solutions**

- Non-hazardous, environmentally friendly pigments for use in construction materials
- Additives for fashionable high-quality leather
- Biocidal and disinfectant formulations
- Phthalate-free plasticizers
- Halogen-free flame retardants

---

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

Sources: United Nations 2010; McKinsey 2010
Addressing global water management

Continued and future water pollution and shortfalls endanger human life

Current clean supply | Current demand | 2030e demand
--- | --- | ---
4,200 | 4,500 | Shortfall 6,900

Global water supply and demand [bn m³]

Shortfall 2,700=39%

LANXESS solutions

Water filtration, ion exchange resins and membrane technology* for:
- Drinking water
- Seawater
- Ground water
- Industrial water
- Food & beverage

Bayhibit® and Baypure® for:
- Cooling water
- Waste water

Bayoxide® 33 For removal of arsenic from:
- Drinking water
- Non-drinking water

Levoxin® As corrosion prevention for:
- Industrial water (in steam power plants)

Opportunity / increase in demand

Sources: Charting our Water Future, The 2030 World Water Resource Group; * Plant under construction

Agenda

- Strong platform for growth
- Capitalizing on four megatrends
- **Strategy for sustainable growth**
- Promising outlook and ambitious targets
Dual-track growth strategy

- Targeted investments in profitable existing business lines
- Product innovation
- Efficiency programs
- Pricing power

Organic growth

- Targeted accretive investments to complement and strengthen our portfolio

External growth

Global reach through ongoing targeted investments

<table>
<thead>
<tr>
<th>Investment projects (Date of announcement)</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 2008 Expansion of caprolactam, Antwerp, BE</td>
</tr>
<tr>
<td>February 2010 New formaldehyde plant, Krefeld-Uerdingen, GE</td>
</tr>
<tr>
<td>April 2010 Expansion of compounding, Wuxi, CN</td>
</tr>
<tr>
<td>May 2010 Expansion of Chlorotoluenes, Leverkusen, GE</td>
</tr>
<tr>
<td>June 2010 New compounding facility, Jhagadia, IN</td>
</tr>
<tr>
<td>January 2010 New membrane plant, Bitterfeld, GE (Groundbreaking)</td>
</tr>
<tr>
<td>March 2010 Nd-PBR debottlenecking, Dormagen, GE, Orange, US and Cabo, BR</td>
</tr>
<tr>
<td>May 2010 New butyl rubber plant, Singapore (Groundbreaking)</td>
</tr>
<tr>
<td>June 2010 Butyl rubber debottlenecking, Antwerp, BE</td>
</tr>
</tbody>
</table>
Feasibility study for additional growth project in Asia

New Nd-PBR plant in Asia
- Global growth for Nd-PBR is projected to be ~10% p.a.
- Projected global demand to exceed supply by 2014
- Nd-PBR is essential for high-performance tires
- LANXESS owns leading Nd-PBR product and production technology
- Additional capacity of 100-150 kt high-tech Nd-PBR in Asia

Final decision within next six months

Organic growth

External growth

Targeted acquisitions

- Strengthen portfolio
  Small to mid-sized businesses to strengthen our portfolio

- Complement portfolio
  Attractive mid-sized businesses to broaden our portfolio

- Essential criteria
  - Cultural fit
  - Apply our competencies
  - Accretive to financial metrics

Accretive acquisitions
Continuous investment in sustainable growth

- CO₂-neutral energy production in modern power plants through combined heat and power generation
  - Plant already inaugurated in Porto Feliz, Brazil
  - Further plants under construction in Nagda and Jhagadia, India
- “LARA” as lighthouse project in Krefeld-Uerdingen, Germany
- Global climate gas emissions reduced by more than 50% compared with 2007
- German -80% CO₂ reduction target** set for 2012 already achieved

Latest process technology combines profitability with high environmental standards

Direct emissions in CO₂ equivalents [million tpa*]

<table>
<thead>
<tr>
<th>Year</th>
<th>Emissions [million tpa]</th>
<th>Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>3.5</td>
<td>-57%</td>
</tr>
<tr>
<td>2009</td>
<td>1.5</td>
<td></td>
</tr>
</tbody>
</table>

* metric tons per annum; ** 80% reduction in climate gas emissions by 2012 vs. 2007

Agenda

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LANXESS customer industries with excellent prospects

**Outlook for customer industries**

<table>
<thead>
<tr>
<th>LANXESS sales by customer industry*</th>
<th>Annual growth 2011-2015e** [%]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric/Electronic</td>
<td>7.1 - 2.4 - 7.5 - 11.1</td>
</tr>
<tr>
<td>Agriculture</td>
<td>4.0 - 4.0 - 4.9 - 5.9</td>
</tr>
<tr>
<td>Construction</td>
<td>4.9 - 2.0 - 1.7 - 6.1</td>
</tr>
<tr>
<td>Automotive</td>
<td>0.9 - 4.6 - 7.0 - 8.0</td>
</tr>
<tr>
<td>Chemicals</td>
<td>0.2 - 4.1 - 7.2 - 9.5</td>
</tr>
<tr>
<td>Tire</td>
<td>0.0 - 1.0 - 2.1 - 9.5</td>
</tr>
</tbody>
</table>

Sources: Global Insight; J.D. Power; LMC; * Bubble size represents sales, selection; ** Overall industry market growth (CAGR=Compound Annual Growth Rate)

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Transformation and growth: + ~80% EBITDA* since 2004

**EBITDA* [€ million]**

- 2004: 447
- 2010: ~800

**Our strategy for transformation and growth**

- Premium products
- Global cost competitiveness
- Active portfolio management
- Price-before-volume strategy
- Product and process innovation
- Focus on BRIC
- Disciplined organic and external growth
- Effective crisis management
- Sound financial discipline

* Pre exceptionals

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\*Pre exceptionals
Additional ~80% EBITDA* increase to ~€1.4 billion in 2015

Our strategy for accelerated growth
- Premium products
- Global cost competitiveness
- Active portfolio management
- Price-before-volume strategy
- Product and process innovation
- Focus on BRIC
- Disciplined organic and external growth
- Sound financial discipline

~€1.4 billion EBITDA* in 2015 through disciplined and targeted growth
On track to reach growth target in 2015

Each business to contribute to EBITDA* growth
Ambitious growth target for 2015

EBITDA pre exceptionals 2015

~€1.4 billion

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