LANXESS – Q3 2008 Results Call
Third successful quarter in a challenging environment

Matthias Zachert, CFO
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Agenda

1. Executive summary
2. Financial review Q3 2008
3. Outlook and guidance 2008
In the past four years LANXESS delivered on its strategy

### Operations

**We focus on the business model:**
- Upgrade of product mix to premium level (i.e. high performance rubber)
- Price before volume strategy based on high quality products and pricing excellence
- Shift from annual customer contracts to quarterly / monthly
- Partly long term volume contracts in place
- Shift from annual to quarterly raw material pricing
- Demand driven capacity utilization management

<~€950 m input cost* inflation offset by price increases since spin-off>

### Efficiency improvement and Portfolio

**We manage our cost structure:**
- Significant headcount reduction (19,659 to 14,983)
- Closure of 8 sites / consolidation of plants
- Reduction and variabilization of fix cost structure
  - ~€165 m cost savings FY 2008
  - Variable part of cost structure increased due to portfolio, contracts, variable income and outsourcing
- Highly cyclical and low margin businesses divested (~ €1.4 bn sales):
  - ABS: ~€900 m sales
  - Paper: ~€240 m sales
  - Textiles: ~€150 m sales
  - Fibers: ~€100 m sales

Improved competitiveness and resilience

*raw materials and energies*

### Growth

**We build on sustainable trends:**
- Global mobility, agrochemicals and water purification
- Therefore acquisition of businesses which improve our global footprint:
  - PBR in Brazil
  - LEA in South Africa
  - IPG in China
- Strong focus on investments in very profitable businesses:
  - BTR in Singapore
  - ION in India
  - BAG in Germany
  - SCP in China

Stronger portfolio / Future opportunities

### Financials

**We manage our relations to the capital markets:**
- Solid banking relations with powerful and diversified banking group
- Strong investment grade ratings
- Proven track record of good financing
- Substantial financial headroom at attractive conditions with long maturities
- Reliable capital market communication

Solid foundation
# In the past four years LANXESS delivered on its strategy

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1. Executive summary
2. Financial review Q3 2008
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Q3 2008 financial overview: EBITDA increase based on full input cost pass through and improved business portfolio

<table>
<thead>
<tr>
<th>(€ m)</th>
<th>Q3 2007</th>
<th>Q3 2008</th>
<th>Δ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,705</td>
<td>1,814</td>
<td>6.4%</td>
</tr>
<tr>
<td>EBITDA pre except.</td>
<td>175</td>
<td>191</td>
<td>9.1%</td>
</tr>
<tr>
<td>margin</td>
<td>10.3%</td>
<td>10.5%</td>
<td></td>
</tr>
<tr>
<td>Net Income</td>
<td>75</td>
<td>56</td>
<td>-25.3%</td>
</tr>
<tr>
<td>Capex</td>
<td>59</td>
<td>75</td>
<td>27.1%</td>
</tr>
</tbody>
</table>

- Sales rose as price increases offset negative currency effects. Consolidation of Petroflex mitigates absence of LUP
- EBITDA pre exceptionals rose by around 9% mainly due to strong pricing in all segments and Petroflex' contribution
- Net income contains sale of affiliate ARG in ’07, higher interest and lower equity result (Currenta)
- Healthy cash flow generation reduced net debt
- Headcount further reduced since consolidation of Petroflex

On track despite increasing macroeconomic headwind

Strong results driven by price increases offset negative input costs and currency effects

<table>
<thead>
<tr>
<th>Sales variances (€ m)</th>
<th>Price</th>
<th>Volume</th>
<th>Currency</th>
<th>Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Polymers</td>
<td>+24%</td>
<td>-5%</td>
<td>-6%</td>
<td>+27%</td>
</tr>
<tr>
<td>Advanced Intermediates</td>
<td>+7%</td>
<td>+11%</td>
<td>-2%</td>
<td>0%</td>
</tr>
<tr>
<td>Performance Chemicals</td>
<td>+11%</td>
<td>-1%</td>
<td>-5%</td>
<td>0%</td>
</tr>
<tr>
<td>Others / Recon./ LUP</td>
<td>0%</td>
<td>-1%</td>
<td>0%</td>
<td>-94%</td>
</tr>
<tr>
<td>LANXESS</td>
<td>+14%</td>
<td>0%</td>
<td>-4%</td>
<td>-3%</td>
</tr>
</tbody>
</table>

- Price increases in all segments
- Operational growth of 14% achieved
- Petroflex almost offset negative LUP effect

<table>
<thead>
<tr>
<th>EBITDA* performance bridge (€ m)</th>
<th>Operational performance</th>
<th>Portfolio</th>
<th>Input costs**</th>
<th>FX</th>
<th>Q3 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 2007</td>
<td>175</td>
<td></td>
<td></td>
<td></td>
<td>191</td>
</tr>
</tbody>
</table>

- Early implementation of price increases overcompensated the record rise in input costs
- EBITDA* increased by €16 m operational performance in conjunction with improved portfolio
LANXESS again achieves operational growth in all regions

Sales by Region (in %)
- Asia: 18%
- Germany: 21%
- Americas: 29%
- EMEA (excl. Germany): 32%

Regional development of sales (€ m)

<table>
<thead>
<tr>
<th>Region</th>
<th>Q3 2007</th>
<th>Q3 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td>1,705</td>
<td>1,814</td>
</tr>
<tr>
<td>Americas</td>
<td>427</td>
<td>530</td>
</tr>
<tr>
<td>EMEA (excl. Germany)</td>
<td>532</td>
<td>579</td>
</tr>
<tr>
<td>Germany</td>
<td>421</td>
<td>388</td>
</tr>
</tbody>
</table>

Operational development*
- Asia: -2.5%
- Americas: +24.1%
- EMEA (excl. Germany): +8.8%
- Germany: -7.8%
- Germany: +4%

* Portfolio- and currency adjusted

November 2008 Q3 2008 Results Call Presentation Chart-No. 10

Strong P&L reflecting well managed businesses in a tougher environment

<table>
<thead>
<tr>
<th>(€ m)</th>
<th>Q3 2007</th>
<th>Q3 2008</th>
<th>Δ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,705</td>
<td>1,814</td>
<td>6.4%</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>-1,335</td>
<td>-1,410</td>
<td>5.6%</td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>-241</td>
<td>-249</td>
<td>3.3%</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>-24</td>
<td>-25</td>
<td>4.2%</td>
</tr>
<tr>
<td>Other op. income / expense</td>
<td>-1</td>
<td>-23</td>
<td>&gt;100%</td>
</tr>
<tr>
<td>thereof exceptionals</td>
<td>-8</td>
<td>-12</td>
<td>50.0%</td>
</tr>
<tr>
<td>EBIT</td>
<td>104</td>
<td>107</td>
<td>2.9%</td>
</tr>
<tr>
<td>Net Income</td>
<td>75</td>
<td>56</td>
<td>-25.3%</td>
</tr>
<tr>
<td>EPS</td>
<td>0.89</td>
<td>0.67</td>
<td>-24.7%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>174</td>
<td>182</td>
<td>4.6%</td>
</tr>
<tr>
<td>thereof exceptionals</td>
<td>-1</td>
<td>-9</td>
<td>&gt;100%</td>
</tr>
<tr>
<td>EBITDA pre exceptionals</td>
<td>175</td>
<td>191</td>
<td>9.1%</td>
</tr>
</tbody>
</table>

- Necessary price increases (+14%) more than offset unfavourable currency effects (-4%) and portfolio changes (-3%)
- Deviations in functional expense lines mirror mainly consolidation of Petroflex and risen input costs
- Net income contains sale of affiliate ARG in '07, higher interest and lower equity result (Currenta)
- EBITDA*: major price increases and contribution of Petroflex overcompensate raw material and currency effects

* Pre exceptionals

Tough quarter was managed successfully

November 2008 Q3 2008 Results Call Presentation Chart-No. 11
Performance Polymers: a powerful business

<table>
<thead>
<tr>
<th>(€ m)</th>
<th>Q3 2007</th>
<th>Q3 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>667</td>
<td>938</td>
</tr>
<tr>
<td>EBIT</td>
<td>69</td>
<td>83</td>
</tr>
<tr>
<td>Depr. / Amort.</td>
<td>26</td>
<td>42</td>
</tr>
<tr>
<td>EBITDA</td>
<td>95</td>
<td>125</td>
</tr>
<tr>
<td>EBITDA pre except.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Margin</td>
<td>14.2%</td>
<td>13.5%</td>
</tr>
<tr>
<td>Capex</td>
<td>24</td>
<td>37</td>
</tr>
</tbody>
</table>

- Sales increase on the back of healthy pricing in all BUs and portfolio effects, offsetting negative volume effects (i.e. hurricane Ike and production constraints in PBR due to butadiene shortage) and unfavourable currencies
- PBR benefits from strong Asian business. US/European volume limited by raw material availability
- TRP with nice pricing overcompensating currency effects and volume softening due to flooding in Orange, TX
- SCP benefits from long term contracts in Caprolactam
- Capex increase on BTR maintenance and shift of NBR from Sarnia to La Wantzenau

Sales by BU:

Advanced Intermediates: solid price and volume increases compensate currency and raw material effects

<table>
<thead>
<tr>
<th>(€ m)</th>
<th>Q3 2007</th>
<th>Q3 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>298</td>
<td>344</td>
</tr>
<tr>
<td>EBIT</td>
<td>32</td>
<td>28</td>
</tr>
<tr>
<td>Depr. / Amort.</td>
<td>9</td>
<td>12</td>
</tr>
<tr>
<td>EBITDA</td>
<td>41</td>
<td>40</td>
</tr>
<tr>
<td>EBITDA pre except.</td>
<td>41</td>
<td></td>
</tr>
<tr>
<td>Margin</td>
<td>13.8%</td>
<td>11.6%</td>
</tr>
<tr>
<td>Capex</td>
<td>10</td>
<td>18</td>
</tr>
</tbody>
</table>

- Strong volumes and good pricing in both BUs overcompensate adverse currency effects
- Healthy demand in crop protection and good volumes from Asia as well as price-pass-through clauses in some contracts help to mitigate surging raw material costs in BAC
- SGO with continuously solid demand from agro as well as from precursors for the pharma industry
- With strong pricing and volume, raw material price increases are compensated and absolute EBITDA* protected while margins get diluted
Performance Chemicals: sound operational performance offsets raw material and currency effects

- Sales increase on the back of healthy pricing, thus offsetting currency effects
- Good pricing, especially in LEA (chrome ore) and RUC
- EBITDA* almost reached previous year’s level despite slightly lower returns in IPG (exposure to construction industry) and MPP (wood protection)
- IPG price increases offset raw material price hikes. Strong volumes from construction in BRIC region mitigate market weakness in US and parts of Europe
- Raw Material price increases and the weak USD weigh on segment margin

Sales by BU:

- MPP
- FCC
- LEA
- IPG
- RCH
- RUC
- ION

Sales

<table>
<thead>
<tr>
<th>(€ m)</th>
<th>Q3 2007</th>
<th>Q3 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>493</td>
<td>520</td>
</tr>
<tr>
<td>EBIT</td>
<td>41</td>
<td>45</td>
</tr>
<tr>
<td>Depr. / Amort.</td>
<td>22</td>
<td>18</td>
</tr>
<tr>
<td>EBITDA</td>
<td>63</td>
<td>63</td>
</tr>
<tr>
<td>EBITDA pre except.</td>
<td>67</td>
<td>65</td>
</tr>
<tr>
<td>Margin</td>
<td>13.6%</td>
<td>12.5%</td>
</tr>
<tr>
<td>Capex</td>
<td>22</td>
<td>18</td>
</tr>
</tbody>
</table>

* Pre exceptionals

Lower net debt compared to Q2 2008

- Stockholders’ Equity
  - 1,626
  - 1,645
  - therein minority interest
    - 78
    - 78
- Non-current Liabilities
  - 1,858
  - 1,801
  - Pension & post empl. provisions
    - 477
    - 489
  - Other provisions
    - 332
    - 317
  - Financial liabilities
    - 826
    - 829
  - Tax liabilities
    - 63
    - 67
  - Other liabilities
    - 90
    - 44
  - Deferred taxes
    - 70
    - 55
- Current Liabilities
  - 1,366
  - 1,529
  - Other provisions
    - 340
    - 391
  - Financial liabilities
    - 251
    - 313
  - Trade accounts payable
    - 616
    - 601
  - Tax liabilities
    - 39
    - 54
  - Other liabilities
    - 120
    - 170
- Total Equity & Liabilities
  - 4,850
  - 4,975

Strong backbone in turbulent markets
Financing and liquidity situation is very comfortable
No need to re-finance in current turbulent markets

Eurobond
- Volume: €500 m
- Maturity: June 2012
- Covenant: No financial covenant; Change of Control clause
- Coupon: 4.125%

Revolving credit facility
- Volume: €1.5 bn*, undrawn
- Maturity: November 2014
- Covenant: Net financial debt** / EBITDApre < 3.5x Change of Control
- Syndicate: 18 international banks

Other financing and liquidity sources
- Cash position as of September 30, 2008 (€244 m)
- €250m 3-year term loan for Petroflex acquisition, fully drawn as of 13 Nov 2008
- Over €500m short-term committed bilateral credit facilities

* Including €92m commitment of Lehman Bankhaus AG, which is under moratorium
** Excluding pensions

Cash flow indicates persisting operational stability

<table>
<thead>
<tr>
<th>(€ m)</th>
<th>9M 2007</th>
<th>9M 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit before Tax</td>
<td>196</td>
<td>299</td>
</tr>
<tr>
<td>Depreciation &amp; amortization</td>
<td>236</td>
<td>203</td>
</tr>
<tr>
<td>Gain from sale of assets</td>
<td>0</td>
<td>-13</td>
</tr>
<tr>
<td>Result from investment in associate</td>
<td>-16</td>
<td>-17</td>
</tr>
<tr>
<td>Financial (gains) losses</td>
<td>7</td>
<td>56</td>
</tr>
<tr>
<td>Cash tax payments</td>
<td>-78</td>
<td>-78</td>
</tr>
<tr>
<td>Changes in other assets and liabilities</td>
<td>153</td>
<td>106</td>
</tr>
<tr>
<td>Operating Cash Flow before changes in WC</td>
<td>498</td>
<td>556</td>
</tr>
<tr>
<td>Changes in Working Capital</td>
<td>-158</td>
<td>-236</td>
</tr>
<tr>
<td>Operating Cash Flow</td>
<td>340</td>
<td>320</td>
</tr>
<tr>
<td>Investing Cash Flow</td>
<td>-242</td>
<td>-356</td>
</tr>
<tr>
<td>thereof Capex</td>
<td>-170</td>
<td>-180</td>
</tr>
<tr>
<td>Financing Cash Flow</td>
<td>-115</td>
<td>91</td>
</tr>
</tbody>
</table>

- Solid business delivers an improved profit before tax
- Operating cash flow for 9M 2008 contains ~€35m restructuring cash out
- Working capital increase due to higher raw material costs and preparation for maintenance turnarounds
- Investing cash flow contains payment for acquisition of Petroflex
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Macroeconomic environment has become even more challenging

LANXESS is closely monitoring the changing market environment

- For the remainder of the year, we expect to see a further decline of U.S. and European economies
- Raw material price declines expected in the future (2009), while energy costs will become more expensive in Q4 2008
- LANXESS will also be affected by declining global demand
- In the context of the expected raw material price decline we assume an inventory devaluation of around €20 m in Q4 2008
-Foreign currency:
  FY 2008 average with LANXESS’ hedging: ~1.40 USD/€
Q4 trends for LANXESS: various customer industries under pressure

**Performance Polymers**
- Butyl sold out for 2008
- Polybutadiene rubbers prepared:
  - Asia steady in high performance grades; weaker in standard grades
  - Benefit from rising Asian customers and long term contracts
  - US / Europe with declining volumes
  - Volume losses due to hurricane Ike and efficiency improvement program at Petroflex, Brazil
- EPDM weak
- NBR lower volumes but stable price
- EVM, HNBR relatively stable
- Caprolactam: stabilized by long term contracts and integrated asset base
- Strong volatility on input costs

**Advanced Intermediates**
- Solid demand for agrochemicals compensating for other customer industries’ softening
- Pharma active ingredients stable
- Overall the segment benefits from a variety of long term contracts

**Performance Chemicals**
- Pigments stabilizing compared to Q2, despite weaker construction industry
- Softer demand for wood protection
- Rubber additives businesses with clearly weaker momentum in Q4, due to shortfall in the automotive industry
- Trough in leather
- Chrome business strong
- Plastics additives under pressure

Declining demand is factored in our full year guidance

LANXESS lifts its guidance 2008 despite Q4 challenges

**Strong market positions of well prepared businesses provide confidence**

EBITDA* FY 2008: €710 - 730 m

Further financial information:
- Exceptional P&L expense FY 2008 expected around €70-90 m
- Exceptional cash outs FY 2008 expected around €90-100 m
- Assumed inventory devaluation of around €20 m in Q4 2008
- Tax rate ~30% for FY 2008
- Capex FY 2008: €330-350 m

We continue to tightly manage our businesses

* Pre exceptionals
LANXESS is well prepared to actively manage challenges

- LANXESS product portfolio is focused on
  - less cyclical customer industries (e.g. tyre, agchem)
  - growth regions (BRIC)
  - technology driven products and processes

- LANXESS has
  - competitive cost and technology base
  - more variabilized cost structures

- LANXESS is proactively preparing for demand volatility by
  - active capacity utilization management
  - continuous efficiency measures
LANXESS actively addresses the challenges it faces

Measures to manage slowing demand are already being implemented

- New combined regional structure for the U.S. and Canadian organizations
- Mothballing of an EPDM (BU TRP) production line in Orange, Texas
- Consolidation of worldwide NBR production at one very competitive site in La Wantzenau, France
  - Shift of the Canadian production from Sarnia
  - Additionally, shift of production from Brazil (Petroflex)
  - Resulting in only one NBR production site worldwide with capacities to produce up to 100kt of NBR in one very competitive plant instead of formerly three plants
- Acceleration of already announced and planned restructuring measures on our site in Sarnia, Canada, resulting in a reduction of workforce by 330 employees (of which 200 are already accomplished)
- Inevitable: Restructuring of our Belgian affiliate LANXESS Rubber NV in Zwijndrecht with a workforce reduction from 500 to around 370

Sense of urgency has always been our strength
LANXESS confirms targets in a more demanding economic environment

- EBITDA\(^*\) targeted between €710 m and €730 m
- EBITDA\(^*\) margin: Peer group profitability
- No business < 5% EBITDA\(^*\) margin
- Investment grade rating

LANXESS consists of three powerful segments

**LANXESS – Energizing Chemistry**
Sales €6.6 bn; EBITDA\(^*\) €719 bn; ~14,600 employees (2007)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Sales (€'000)</th>
<th>EBITDA(^*) (€'000)</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Performance Polymers</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global either player number one, two or three</td>
<td>€2,680</td>
<td>€376</td>
<td>4,334</td>
</tr>
<tr>
<td><strong>Advanced Intermediates</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In Europe either number one or number two</td>
<td>€1,204</td>
<td>€174</td>
<td>2,450</td>
</tr>
<tr>
<td><strong>Performance Chemicals</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number one to number four in niche positions</td>
<td>€1,970</td>
<td>€285</td>
<td>5,223</td>
</tr>
</tbody>
</table>

*Group sales FY07 including Engineering Plastics and reconciliation: 5 pre exceptionals

\(\text{EBITDA}^*\) figures pre exceptionals
Well diversified portfolio serving different client industries

Client industry split LANXESS 2007

- Construction: 9%
- Agro: 9%
- Automotive / Transportation: 12%
- Tyre: 21%
- Chemistry: 25%
- Others*: 24%

Diverse client industry portfolio

- Number of customers varies widely by segment
- Top 10 customers account for less than 25% of sales
- Performance chemicals with most diverse customer base

Natural hedge plus growth

* Others contain: electro/electronics, leather, coating, textile, furniture, printing, sport & leisure footwear, packaging, water treatment, medical goods

November 2008 Q3 2008 Results Call Presentation Chart-No. 28

Asian growth dynamics are a major driver for LANXESS
Example: Asian rubber demand

End Uses

- 86% automotive/tyres
- 14% various other applications, such as window sealants, chewing gum
- 69% automotive/tyres
- 25% plastics
- 6% other applications such as golf balls
- 46% automotive
- 15% footwear
- 15% mechanical engineering
- 24% other uses such as electro/electronics and construction

Source: IRSG, LMC, SRI, LANXESS estimates

November 2008 Q3 2008 Results Call Presentation Chart-No. 29
LANXESS’ approach delivers success in both price and volume

1. Consistent and timely price increases to pass on rising input costs
2. Internal cost reduction and efficiency improvements were retained
3. Initial reduction of volume to support aggressive pricing strategy

* Cumulative price and volume changes vs. 2003; portfolio adjusted

Proof of our strong portfolio with fifteen quarters of EBITDA improvement in a row

* Pre exceptionals

We are well prepared to deliver amid macroeconomic concerns
Sustainable improvement trend of financials, based on strong operations

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008e</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA*</td>
<td>447</td>
<td>581</td>
<td>675</td>
<td>719</td>
<td>710-730</td>
</tr>
<tr>
<td>EBITDA* margin</td>
<td>6.6%</td>
<td>8.1%</td>
<td>9.7%</td>
<td>10.9%</td>
<td>peer level</td>
</tr>
<tr>
<td>Net financial debt</td>
<td>1,135</td>
<td>680</td>
<td>511</td>
<td>460</td>
<td>841***</td>
</tr>
<tr>
<td>Net fin. debt / EBITDA*</td>
<td>2.5x</td>
<td>1.2x</td>
<td>0.8x</td>
<td>0.6x</td>
<td>&lt;1.5x</td>
</tr>
<tr>
<td>Underlying EPS**</td>
<td>0.65</td>
<td>1.19</td>
<td>2.69</td>
<td>3.36</td>
<td></td>
</tr>
</tbody>
</table>

Financial metrics continuously improved

* Pre exceptionals; **EPS pre exceptionals, based on actual tax rate ***as per Sep 30 2008

November 2008  Q3 2008 Results Call Presentation  Chart-No. 32

Financing secured with very attractive conditions and long maturities

Net financial debt: EUR 841 million as per September 30, 2008

Maturity profile* of financing arrangements

- Early refinanced in 2007, to extend and diversify maturity profile
- Amount increased by EUR 250 million to EUR 1.5 billion**
- Maturity is November 2014
- Despite credit market turbulences, new tenor of 7 years, which reflects strong commitment of bank consortium

Another proof of LANXESS’ strong financial backbone

* Major instruments ** including €92 m commitment of Lehman Bankhaus AG, which is under moratorium

November 2008  Q3 2008 Results Call Presentation  Chart-No. 33
9M 2008 financial overview: EBITDA margin expansion despite raw material pressure and unfavourable currency effects

<table>
<thead>
<tr>
<th>(€ m)</th>
<th>9M 2007</th>
<th>9M 2008</th>
<th>Δ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>5,143</td>
<td>5,114</td>
<td>-0.6%</td>
</tr>
<tr>
<td>EBITDA pre except. margin</td>
<td>605</td>
<td>634</td>
<td>4.8%</td>
</tr>
<tr>
<td>Net Income</td>
<td>107</td>
<td>212</td>
<td>98.1%</td>
</tr>
<tr>
<td>Capex</td>
<td>170</td>
<td>180</td>
<td>5.9%</td>
</tr>
</tbody>
</table>

- Sales remained almost stable as price increases offset negative currency effects. Consolidation of Petroflex mitigates sales effect due to absence of LUP.
- EBITDA pre exceptionals rose by around 5% mainly due to strong pricing in all segments and Petroflex’ contribution.
- EBITDA margin, even though burdened by a weak U.S. dollar, improved nicely.
- Working capital mirrors acquisition and seasonal movement.

Operationally successful and resilient first 9M 2008

<table>
<thead>
<tr>
<th>(€ m)</th>
<th>30.06.2008</th>
<th>30.09.2008</th>
<th>Δ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Financial Debt</td>
<td>887</td>
<td>841</td>
<td>-5.2%</td>
</tr>
<tr>
<td>Net Working Capital</td>
<td>1,511</td>
<td>1,579</td>
<td>4.5%</td>
</tr>
<tr>
<td>Employees</td>
<td>15,072</td>
<td>14,983</td>
<td>-0.6%</td>
</tr>
</tbody>
</table>

Sound P&L based on structurally healthy businesses

<table>
<thead>
<tr>
<th>(€ m)</th>
<th>9M 2007</th>
<th>9M 2008</th>
<th>Δ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>5,143</td>
<td>5,114</td>
<td>-1%</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>-3,982</td>
<td>-3,911</td>
<td>-2%</td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>-693</td>
<td>-704</td>
<td>2%</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>-69</td>
<td>-75</td>
<td>9%</td>
</tr>
<tr>
<td>Other op. income / expense</td>
<td>-189</td>
<td>-56</td>
<td>-70%</td>
</tr>
<tr>
<td>thereof exceptionals</td>
<td>211</td>
<td>69</td>
<td>-67%</td>
</tr>
<tr>
<td>EBIT</td>
<td>210</td>
<td>368</td>
<td>75%</td>
</tr>
<tr>
<td>Net Income</td>
<td>107</td>
<td>212</td>
<td>98%</td>
</tr>
<tr>
<td>EPS</td>
<td>1.27</td>
<td>2.54</td>
<td>100%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>446</td>
<td>571</td>
<td>28%</td>
</tr>
<tr>
<td>thereof exceptionals</td>
<td>-159</td>
<td>-63</td>
<td>-60%</td>
</tr>
<tr>
<td>EBITDA pre exceptionals</td>
<td>605</td>
<td>634</td>
<td>5%</td>
</tr>
</tbody>
</table>

- Sales decrease mainly due to portfolio and currency effects.
- Deviations in functional expense lines mirror mainly portfolio changes (LUP and Petroflex) as well as risen input costs.
- EBITDA*: major price increases and contribution of Petroflex overcompensate raw material and currency effects.
- Net Income 2007 burdened by LUP write-offs.

Pricing power provides confidence for Q4 2008
### Exceptional items incurred in Q3 2007 and Q3 2008

<table>
<thead>
<tr>
<th></th>
<th>Q3 2007</th>
<th></th>
<th>Q3 2008</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Exceptional thereof D&amp;A</td>
<td>Exceptional thereof D&amp;A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance Polymers</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Advanced Intermediates</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Performance Chemicals</td>
<td>4</td>
<td>0</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Reconciliation</td>
<td>4</td>
<td>7</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8</strong></td>
<td><strong>7</strong></td>
<td><strong>12</strong></td>
<td><strong>3</strong></td>
</tr>
</tbody>
</table>

### Exceptional items incurred in 9M 2007 and 9M 2008

<table>
<thead>
<tr>
<th></th>
<th>9M 2007</th>
<th></th>
<th>9M 2008</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Exceptional thereof D&amp;A</td>
<td>Exceptional thereof D&amp;A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance Polymers</td>
<td>0</td>
<td>0</td>
<td>59</td>
<td>6</td>
</tr>
<tr>
<td>Advanced Intermediates</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Performance Chemicals</td>
<td>4</td>
<td>0</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td>Reconciliation</td>
<td>207</td>
<td>52</td>
<td>3</td>
<td>-1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>211</strong></td>
<td><strong>52</strong></td>
<td><strong>69</strong></td>
<td><strong>6</strong></td>
</tr>
</tbody>
</table>
**Abbreviations**

### Performance Polymers
- **BTR**: Butyl Rubber
- **PBR**: Performance Butadiene Rubbers
- **TRP**: Technical Rubber Products
- **SCP**: Semi-Crystalline Products

### Advanced Intermediates
- **BAC**: Basic Chemicals
- **SGO**: Saltigo

### Performance Chemicals
- **MPP**: Material Protection Products
- **IPG**: Inorganic Pigments
- **FCC**: Functional Chemicals
- **LEA**: Leather
- **RCH**: Rhein Chemie
- **RUC**: Rubber Chemicals
- **ION**: Ion Exchange Resins

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