

LANXESS Q1 2012 Financial Summary

- **Q1 2012: Strong start in a challenging year**
- **Strong sales improvement (+15.2%) with stable EBITDA margin (15.5%)**
- **EBITDA at €369 Mio (+14.6% year-on-year)**
- **“Price-before-volume” strategy continued**
- **New projects announced in Q1 2012:**
 - **CO2 plant for upstream integration in BU LEA**
 - **Debottlenecking of aromatic network in BU All**
 - **Acquisition of US bladder producer TCB in BU RCH**
- **Net financial debt down slightly to €1,503 Mio**
- **Guidance: EBITDA pre growth of 5-10% expected**

LANXESS AG
Investor Relations
51369 Leverkusen
Germany

Oliver Stratmann, Head of IR
Phone +49 214 30-49611
Fax +49 214 30-959-49611
Oliver.Stratmann@lanxess.com

Page 1 of 6

Overview Financials

Q1 Financial Overview

- **Strong EBITDA performance with stable margin**
- Sales improvement driven by pricing and portfolio
- “Price-before-volume” strategy key to stable EBITDA margin
- Capex increases as organic growth projects proceed according to plan
- Net debt stable in Q1 despite rise of working capital due to sequentially increased business activity
- Headcount increase reflects growth strategy

Q1 Profit and Loss Statement:

- **Business performance beats strong Q1 2011**
- Solid sales increase due to strong pricing (+9%), portfolio effects (+7%) and support from currency (+2%), while volumes remain slightly below very strong Q1 2011 (-3%)
- R&D increase in line with focus on technology initiatives and premium products
- Top-line increase translates into bottom-line performance
- Strong EBITDA based on competency for price-setting

Q1 2012 Balance Sheet:

- **Balance sheet remains strong**
- Net debt to EBITDA ratio slightly improved at ~1.26x
- Lower PPE and intangibles related to currency effects due to stronger Euro vs. year-end
- Working capital increase in line with sequential business development

Q1 2012 Cash flow statement:

- **Improved results reflected in stronger cash flow**
- Increased business performance leads to higher pre-tax profit
- Larger asset base drives D&A
- Raw material inflation drives increase of working capital in both quarters
- Higher capex reflects growth mode
- Investing cash flow mirrors inflow from financial assets
- Financing cash flow contains dim-sum bond of ~€60 m

Q1 Business Overview

Performance Polymers

- **EBITDA growth with strong margin**
- Sales deviation yoy: Price +14%, Volume -1%, Currency +3%, Portfolio +12% (approximate numbers)
- Sales increase due to strong pricing and portfolio contribution
- Price increases successfully offset raw material inflation
- BUs BTR and High-Performance-Materials (HPM*) with price and volume increases in tandem
- BU PBR with continued shift to high performance rubbers
- BU TRP with strong contribution from Keltan EPDM business, other products with lower volumes (HNBR, EVM)
- Shift to new Keltan EPDM grades (BU TRP) adds to portfolio effect, while burdening volume effect
- Capex increase in line with announced growth projects

* Formerly named Semi-Crystalline-Products (SCP)

Advanced Intermediates

- **Solid agro performance vs. strong basis in previous year**
- Sales deviation yoy: Price +3%, Volume -1%, Currency +1%, Portfolio 0% (approximate numbers)
- Sales increase due to solid pricing, compensating slight volume decline
- Raw material inflation offset by price increases
- BU All with strong demand in aromatic network (agro), slightly weaker in benzyl products and polyols (coatings, construction)
- BU SGO with strong demand from healthy agro business; continued pharma softening
- Solid margin compares to very strong previous year
- Capex increases due to growth projects (e.g. Menthol)

LANXESS AG

Investor Relations
51369 Leverkusen
Germany

Oliver Stratmann, Head of IR
Phone +49 214 30-49611
Fax +49 214 30-959-49611
Oliver.Stratmann@lanxess.com

Page 2 of 6

Performance Chemicals

- **Lower volumes vs. strong Q1 2011**
- Sales deviation yoy: Price +3%, Volume -7%, Currency 2%, Portfolio +3% (approximate numbers)
- Stable sales as positive pricing combined with acquisition contributions mitigate volume declines
- BU IPG with sequential recovery (construction), yoy however weaker; maintenance shutdowns additionally burden volumes
- BU LEA contribution impacted by unstable CO2 supply
- BU RUC with lower volumes (Antioxidants), BU FCC with ongoing weakness in colorants (E&E)
- Positive yoy contribution from BUs MPP, RCH and ION
- EBITDA margin burdened by lower volumes

LANXESS AG

Investor Relations
51369 Leverkusen
Germany

Oliver Stratmann, Head of IR
Phone +49 214 30-49611
Fax +49 214 30-959-49611
Oliver.Stratmann@lanxess.com

Business environment:

Page 3 of 6

Current macro view:

- Less dynamic growth rates in emerging markets; but on a more sustainable level
- Positive signals for US macro development
- Solid agro end market trend to continue
- Gradual recovery of construction market expected
- Ongoing uncertainties: high national deficits, volatile FX, raw material price volatility and some cautiousness among European customers

LANXESS well positioned for growth:

- Several capacity expansions to come on stream
- Tire labeling regulation in EU and South Korea end of 2012
- Strong start in 2012 – we expect FY EBITDA pre growth of 5-10%

LANXESS is confident for 2012

Housekeeping items:

Additional financial expectations for 2012

- Capex* 2012 : ~€600 m
- D&A : ~€330 – €350 m
- Tax rate : ~22%
- Hedging 2012 : ~45% at 1.30-1.40 USD / EUR
- Hedging 2013 : ~20% at 1.30-1.40 USD / EUR

*without projects financed by customers, finance leasing and capitalized borrowing costs

Leverkusen, May 9, 2012

Forward-Looking Statements

This news release contains forward-looking statements based on current assumptions and forecasts made by LANXESS AG management. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.

Financial Overview Q1 2012

in € million

	LANXESS			Perf. Polymers			Advanced Intermed.			Performance Chem.			Others/ Cons.		
	Q1 '11	Q1 '12	Chg. in %	Q1 '11	Q1 '12	Chg. in %	Q1 '11	Q1 '12	Chg. in %	Q1 '11	Q1 '12	Chg. in %	Q1 '11	Q1 '12	Chg. in %
Sales	2073	2388	15%	1084	1391	28%	416	429	3%	556	558	0%	17	10	-41%
Price*			9%			14%			3%			3%			0%
Volume*			-3%			-1%			-1%			-7%			-41%
Currency*			2%			3%			1%			2%			0%
Portfolio*			7%			12%			0%			3%			0%
EBIT	246	277	13%	165	206	25%	59	54	-8%	72	62	-14%	-50	-45	10%
Deprec. & amortizat.	71	88	24%	34	48	41%	16	16	0%	18	21	17%	3	3	0%
EBITDA	317	365	15%	199	254	28%	75	70	-7%	90	83	-8%	-47	-42	11%
exceptionals in EBITDA	5	4	-20%	0	1	n.m.	0	0	0%	0	0	0%	5	3	-40%
EBITDA pre excep.	322	369	15%	199	255	28%	75	70	-7%	90	83	-8%	-42	-39	7%
normalized D&A	71	88	24%	34	48	41%	16	16	0%	18	21	17%	3	3	0%
EBIT pre excep.	251	281	12%	165	207	25%	59	54	-8%	72	62	-14%	-45	-42	7%
exceptionals in EBIT	5	4	-20%	0	1	n.m.	0	0	0%	0	0	0%	5	3	-40%
Capex	68	92	35%	40	63	58%	13	15	15%	14	11	-21%	1	3	>100%
Net financial debt**	1515	1503	-1%												

* approximate numbers

**previous year value as per Dec. 31

Income Statement Q1 2012

in €million	Q1 2011	Q1 2012	Chg. in %
Sales	2073	2388	15%
Cost of sales	-1551	-1796	16%
Gross profit	522	592	13%
Selling expenses	-170	-186	9%
Research and development expenses	-31	-45	45%
General administration expenses	-70	-72	3%
Other operating income	43	34	-21%
Other operating expenses	-48	-46	-4%
Operating result (EBIT)	246	277	13%
Income from investments accounted for using the equity method	5	3	-40%
Interest income	2	2	0%
Interest expense	-22	-25	14%
Other financial income and expense	-12	-8	33%
Financial result	-27	-28	-4%
Income before income taxes	219	249	14%
Income taxes	-52	-56	-8%
Income after income taxes	167	193	16%
of which attributable to non-controlling interests	1	0	-100%
of which attributable to LANXESS AG stockholders (net income)	166	193	16%

Abbreviations:

All	Advanced Industrial Intermediates
BTR	Butyl Rubber
FCC	Functional Chemicals
HPM*	High-Performance Materials
ION	Ion Exchange Resins
IPG	Inorganic Pigments
LEA	Leather
MPP	Material Protection Products
PBR	Performance Butadiene Rubbers
RCH	RheinChemie
RUC	Rubber Chemicals
SGO	Saltigo
TRP	Technical Rubber Products

* Formerly known as Semi-Crystalline Products (SCP)

LANXESS AG
Investor Relations
51369 Leverkusen
Germany

Oliver Stratmann, Head of IR
Phone +49 214 30-49611
Fax +49 214 30-959-49611
Oliver.Stratmann@lanxess.com

Page 6 of 6