LANXESS – Energizing Chemistry

Business profile

Investor Relations
LANXESS – A leading specialty chemicals company based on three powerful segments

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

Group level
Performance Polymers Advanced Intermediates Performance Chemicals

Performance Polymers
Globally either player number one, two or three
Global technology leaders in synthetic rubber and polyamide production, offering a broad and innovative portfolio of products that hold leading positions on the international market.

Advanced Intermediates
In Europe either number one or number two
LANXESS’s Advanced Intermediates is among the world’s leading suppliers of custom synthesis and manufacturing services and basic chemicals.

Performance Chemicals
Number one to number four in niche positions
Performance Chemicals combines all the group’s application-orientated activities in the field of specialty chemicals. With strong brands LANXESS ranks among the world’s leading producers.

Competitiveness across the portfolio

* Group sales FY07 incl. BU LUP (divested in 09/2007); ** Pre exceptionals
LANXESS was built as a new company – based on polymers and chemicals

**Group level**

- **Performance Polymers**
  - Butyl Rubber
  - Performance Butadiene Rubbers
  - Technical Rubber Products
  - Semi-Crystalline Products

- **Advanced Intermediates**
  - Basic Chemicals
  - Saltigo

- **Performance Chemicals**
  - Material Protection Products
  - Inorganic Pigments
  - Functional Chemicals
  - Leather
  - Rhein Chemie
  - Rubber Chemicals
  - Ion Exchange Resins
  - Paper*
  - Textile Processing Chemicals*

**Spin-off January 2005: Creation of a new company**

- **HealthCare**
- **CropScience**
- **Chemicals**

* Divested

LANXESS delivers consistently year over year on it’s four-phase strategy

**Acquisition**
- Purchase of Petroflex, strengthening worldwide presence in synthetic rubbers with Latin American activities
- Purchase of chrome chemicals activities of Dow Chemical
- Purchase of iron oxides pigment facilities from Jinzhuo Chemicals

**Portfolio optimization**
- Individual businesses given new perspectives through divestment to investors

**Targeted restructuring**
- Four restructuring packages successfully implemented
- Cost reduction of approx. €115m achieved until 2007 (€205m annually from 2009**)

**Performance improvement**
- “Price-before-volume” strategy implemented
- Working capital management remains tight

* Pre exceptionals; ** adjusted for impact of Lustran Polymers exit
LANXESS has been improving its financials since day one

*Pre exceptionals; **based on contribution of operating segments w/o BU LUP

January 2009  LANXESS – Executive overview  Chart-No. 5
LANXESS – Improvement trend of financials, based on strategy implementation

<table>
<thead>
<tr>
<th></th>
<th>Group level</th>
<th>Performance Polymers</th>
<th>Advanced Intermediates</th>
<th>Performance Chemicals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2004</td>
<td>2005</td>
<td>2006</td>
<td>2007</td>
</tr>
<tr>
<td>Net financial debt</td>
<td>1,135</td>
<td>680</td>
<td>511</td>
<td>460</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>
</tr>
<tr>
<td>Gearing</td>
<td>101%</td>
<td>54%</td>
<td>36%</td>
<td>30%</td>
</tr>
<tr>
<td>CAPEX / Depreciation</td>
<td>0.85</td>
<td>0.8</td>
<td>1.02</td>
<td>0.95</td>
</tr>
<tr>
<td>Underlying EPS**</td>
<td>0.65</td>
<td>1.19</td>
<td>2.69</td>
<td>3.36</td>
</tr>
<tr>
<td>EV / EBITDA* Multiple</td>
<td>not listed</td>
<td>~ 5x</td>
<td>~ 6x</td>
<td>~ 4.5x</td>
</tr>
<tr>
<td>EBITDA* / Interest result</td>
<td>9.7</td>
<td>14.2</td>
<td>29.4</td>
<td>36.0</td>
</tr>
<tr>
<td>ROCE</td>
<td>5.4%</td>
<td>12.9%</td>
<td>15.9%</td>
<td>17.7%</td>
</tr>
</tbody>
</table>

Financial metrics continuously improved

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

January 2009 LANXESS – Executive overview Chart-No. 6
Performance Polymers – producing high performance products to serve the world’s mobility needs

<table>
<thead>
<tr>
<th>Performance Polymers</th>
<th>Position LANXESS</th>
<th>Growth and Stability</th>
<th>Products and end-uses</th>
</tr>
</thead>
<tbody>
<tr>
<td>BUTYL RUBBER</td>
<td>World-wide top market positions</td>
<td>International mobilization</td>
<td>Provides butyl rubber, which is a specialty rubber impermeable to air</td>
</tr>
<tr>
<td>Bromobutyl</td>
<td>A leading position</td>
<td></td>
<td>Has wide applications both in tyre and other industries such as protective clothing</td>
</tr>
<tr>
<td>Integral part of tubeless tyres</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PERFORMANCE BUTADIENE RUBBERS</td>
<td>A leading position</td>
<td>High performance tyres</td>
<td>One of the world’s leading manufacturers of specialty rubbers polybutadiene- and solutionstyrene-polybutadiene-rubber</td>
</tr>
<tr>
<td>Buna CB</td>
<td>Competition²: Exxon</td>
<td></td>
<td>Used principally in tyre compounds</td>
</tr>
<tr>
<td>Tyre body and tread</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TECHNICAL RUBBER PRODUCTS</td>
<td>Strong</td>
<td>New applications</td>
<td>Provides a broad range of specialty elastomers for the rubber processing industry</td>
</tr>
<tr>
<td>Therban</td>
<td>Competition²: Sinopec, Michelin, Goodyear</td>
<td></td>
<td>Used in automotive, engineering, construction, electronics, oil exploration &amp; aviation industries</td>
</tr>
<tr>
<td>Specialty applications</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEMI-CRYSTALLINE-PRODUCTS</td>
<td>Strong</td>
<td>High-tech plastics replacing metal</td>
<td>Provides a range of PA and PBT resins and compounds</td>
</tr>
<tr>
<td>Durethan</td>
<td>Competition²: BASF, DSM, DuPont</td>
<td></td>
<td>Blends principally to the automotive and electrical industries</td>
</tr>
<tr>
<td>Thermoplastics for modern applications, e.g. in cars</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹ Pre exceptionals ² Selected competitors
Performance Polymers - Globally either player number one, two or three

Sales 2004 - 2007

EBITDA* 2004 – 2007

Capex 2004 - 2007

Sales by BU 2007

Serving global markets with world-wide rubber manufacturing network

SCP
BTR
TRP
PBR

Petroflex
- Cabo, Brazil
- Duque de Caxias, Brazil
- Triunfo, Brazil

Singapore
- Most competitive BTR site
- Capacity: up to 100kt/a

* Pre exceptionals
### Advanced Intermediates – Basic Chemicals and Saltigo, strong and reliable partners for the segment

<table>
<thead>
<tr>
<th>Group level</th>
<th>Performance Polymers</th>
<th>Advanced Intermediates</th>
<th>Performance Chemicals</th>
</tr>
</thead>
</table>
| **Advanced Intermediates**  
EBITDA margin FY'07: 14.5% | **Position LANXESS**  
World-wide top market positions | **Growth and Stability**  
Industry shake-out process  
Advantage due to world scale production network | **Products and end-uses** |
| **BASIC CHEMICALS**  
2-Methyl-6-Ethyl-Aniline  
Intermediate for agrochemicals | Leading positions in all business lines | | ▪ Supplier of aromatic compounds such as e.g. chlorobenzenes, chlorotoluenes and nitrotoluenes  
▪ Supplier of amines, polyols, monoisocyanates, thio products, inorganic acids |
| **SALTIGO**  
Saltidin®  
The user-friendly, effective repellent | Among the top global players in custom manufacturing | Stability due to exposure to pharma and agro custom manufacturing | ▪ Important player in fine chemicals focused on:  
▪ Agrochemicals custom manufacturing  
▪ Pharmaceutical custom manufacturing  
▪ Specialty Fine Chemicals |

1 Pre exceptionals  
2 Selected competitors

---

January 2009  
LANXESS – Executive overview  
Chart-No. 9
Advanced Intermediates - In Europe either number one or number two

Advanced Intermediates relies on a manufacturing base with main focus in Europe

- Unique, integrated manufacturing process ("Aromatenverbund") provides clear competitive advantage
- Intermediates and active ingredients serving the pharma & agrochemical markets
  - End-uses BAC: 25% agrochemicals
  - End-uses SGO: 50% agrochemicals & 25% pharma

* Pre exceptionals
Performance Chemicals – Producing service- and application-driven products for a wide range of industries

<table>
<thead>
<tr>
<th>Performance Chemicals</th>
<th>Position LANXESS</th>
<th>Growth and Stability</th>
<th>Products and end-uses</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA margin FY’07: 14.5%</td>
<td>World-wide top market positions</td>
<td>Partly strong growth in specialty niches</td>
<td>Comprehensive range of biocidal active ingredients and specialties for: Wood preservatives / antifouling products, Beverage sterilization, Disinfectants / personal care products</td>
</tr>
<tr>
<td>MATERIAL PROTECTION PRODUCTS</td>
<td>Leading positions in attractive market segments</td>
<td>Trend towards increasing regulatory requirements Growth above GDP</td>
<td>A leading global supplier of inorganic pigments with a broad, innovative product range</td>
</tr>
<tr>
<td>Preservatives / Biocides</td>
<td>Competition: Dow, Lonza</td>
<td></td>
<td></td>
</tr>
<tr>
<td>INORGANIC PIGMENTS</td>
<td>A leading global supplier</td>
<td>Growth mainly in Asia and Eastern Europe Economies of scale</td>
<td>Manufactures products such as: Plastic additives, Flame retardants, Water chemicals, Specialty dyes &amp; Colorants</td>
</tr>
<tr>
<td>Pigments for construction materials</td>
<td>Competition: Rockwood</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FUNCTIONAL CHEMICALS</td>
<td>Supplier to a broad range of markets with complex product portfolio</td>
<td>Trend towards ecological products (plasticizers, flame retardants)</td>
<td>Broad range of specialty products for the leather industry including: Tanning agents, Preservatives, Finishing auxiliaries, Dye products</td>
</tr>
<tr>
<td>MESAMOLL®</td>
<td>Competition: BASF, Ciba, Clariant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Specialty plasticizers for processing polymers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LEATHER</td>
<td>A leading global supplier</td>
<td>Sustainable but moderate market growth. Ongoing market consolidation</td>
<td></td>
</tr>
<tr>
<td>AQUADERM™</td>
<td>Competition: BASF, Clariant, Stahl, TFL</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finishing of Leather</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Pre exceptionals  2 Selected competitors

January 2009  LANXESS – Executive overview  Chart-No. 11
## Performance Chemicals – Producing service- and application-driven products for a wide range of industries

### Performance Chemicals

#### EBITDA\(^1\) margin FY'07: 14.5%

<table>
<thead>
<tr>
<th>Group level</th>
<th>Performance Polymers</th>
<th>Advanced Intermediates</th>
<th>Performance Chemicals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RHEINCHEMIE</strong></td>
<td>Position LANXESS</td>
<td>Growth and Stability</td>
<td>Products and end-uses</td>
</tr>
<tr>
<td><strong>RHENOGRAN(^\circ)</strong></td>
<td>World-wide top market positions</td>
<td>Partly strong growth in specialty niches</td>
<td>Benefits from global production set-up and strong regional marketing network</td>
</tr>
<tr>
<td>Polymer-bound Rubber Additive</td>
<td>A leading position in additive formulations</td>
<td></td>
<td>- Providing technical services and additives for the rubber, polyurethane, plastics and lubricant oil industries; as well as colour pastes for the polyurethane industry</td>
</tr>
<tr>
<td><strong>RUBBER CHEMICALS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>VULKAZIT(^\circ)</strong></td>
<td>World-wide top market positions</td>
<td>International mobilization trends</td>
<td>A Full portfolio of rubber chemicals for the tyre and technical rubber industry including: Antioxidants, Accelerators and Specialties</td>
</tr>
<tr>
<td>Accelerator</td>
<td>A leading market position in a challenging market environment</td>
<td>Ongoing market consolidation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Competition(^2): Flexsys, Chemtura</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ION EXCHANGE RESINS</strong></td>
<td>Leading producer of technologically advanced monodisperse ion exchange resins</td>
<td>Mega trend “clean water&quot; ensures long-term growth for ION</td>
<td>Resins used for the processing of:</td>
</tr>
<tr>
<td><strong>LEWATIT</strong></td>
<td></td>
<td></td>
<td>- Water</td>
</tr>
<tr>
<td>Purification of drinking water</td>
<td>Competition(^2): DOW, Mitsubishi, Purolite</td>
<td></td>
<td>- Foodstuff</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Chemicals</td>
</tr>
</tbody>
</table>

1 Pre exceptionals  2 Selected competitors
Performance Chemicals - Number one to number four in niche positions

Group level  Performance Polymers  Advanced Intermediates  Performance Chemicals

Sales 2004 - 2007

EBITDA* 2004 – 2007

Capex 2004 - 2007

Sales by BU 2007

Success through growth and diversification

- Activities in the field of process and functional chemicals e.g. state-of-the art technology in chromium chemicals
- Profitable growth opportunities
  - Attractive growth opportunities, e.g. water purification business
- Outstanding market capabilities
  - Outstanding product quality, e.g. golden standard in high quality red pigments

* Pre exceptionals

January 2009  LANXESS – Executive overview  Chart-No. 13
### 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
Safe harbour statement

This presentation contains certain forward-looking statements, including assumptions, opinions and views of the company or cited from third party sources. Various known and unknown risks, uncertainties and other factors could cause the actual results, financial position, development or performance of the company to differ materially from the estimations expressed or implied herein. The company does not guarantee that the assumptions underlying such forward looking statements are free from errors nor do they accept any responsibility for the future accuracy of the opinions expressed in this presentation or the actual occurrence of the forecasted developments. No representation or warranty (express or implied) is made as to, and no reliance should be placed on, any information, including projections, estimates, targets and opinions, contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein, and, accordingly, none of the company or any of its parent or subsidiary undertakings or any of such person's officers, directors or employees accepts any liability whatsoever arising directly or indirectly from the use of this document.