# TABLE OF CONTENTS

**LANXESS – Energizing Chemistry**

- **Overview**
- **Strategy**
- **Innovation**
- **Corporate Responsibility**

**Business Segments**

- **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**

**Financials**

- **Five years overview**
- **Quarterly overview**
- **Financing**
- **Excursion**
Dear Investors and Analysts,

September 2010

The LANXESS Board of Management always welcomes an opportunity to acknowledge the support and engagement of our investors. This publication represents just part of our ongoing effort to maintain a high level of transparency and to provide you with all the data and information you need.

LANXESS is a young company. We have been “energizing chemistry” as an independent entity only since 2005. But we have deep roots in some of today’s most dynamic and rapidly expanding sectors of the chemical industry. Our Performance Polymers segment continues to benefit greatly from the trend toward increased mobility in the developing world. Our Advanced Intermediates and Performance Chemicals segments are similarly well-positioned with respect to megatrends involving agriculture, urbanization and the global water supply. All 13 of our business units are targeted for growth, particularly in the BRIC countries that have been driving the global economy.

We continue to seek out new opportunities for growth – both organic and external – and are working steadily toward increasing the group’s EBITDA to new levels. This comes on top of our performance in the past five years, which resulted in an EBITDA increase of 40 percent, in spite of the global financial crisis.

In our continuing quest for sustainable growth, we fully understand the importance of listening to our investors and looking to the capital markets for feedback and guidance. Analysts and investors represent a primary resource that cannot responsibly be ignored in shaping the future of any serious enterprise. At LANXESS, we believe in providing you with all the information we can, so that your energies and insights can be joined with ours as we lead our company forward. We expect that this collaboration will continue to stand us in good stead through the coming years.

Sincerely,

Axel C. Heitmann      Matthias Zachert
Chairman of the Board of Management    Chief Financial Officer
LANXESS is one of the world’s leading chemical companies, with a focus on specialty products.

Organizational strength: LANXESS’ lean and efficient global structure enables fast decision-making that permits the company to sustain a competitive edge. A proactive and flexible approach served LANXESS well during the financial and economic crises, which struck global markets in 2008.

Competitiveness: LANXESS has established powerful market positions on a global scale with premium products and strong brands in the fields of synthetic rubber, high-tech plastics, intermediates, fine chemicals and application oriented activities in the field of performance chemicals.

Growth: The Company serves the key global megatrends associated with mobility, urbanization, agriculture and water. LANXESS is in the process of accelerating its organic and external growth and has set ambitious new targets, including an increase in EBITDA to €1.4 bn in 2015.

LANXESS relies on these strategic cornerstones for accelerated growth:
- Capitalize on megatrends
- Ongoing efficiency improvements
- 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

Sustainable dividend strategy: LANXESS first initiated dividend payments in 2006 and is committed to the sustainable profit participation of its shareholders.
Agenda

1. LANXESS – Energizing Chemistry
   - Overview
   - Strategy
   - Innovation
   - Corporate Responsibility
2. Business Segments
3. Financials

LANXESS – A leading specialty chemicals group

**Performance Polymers**
- Globally No. 1-3
- Global technology leader in synthetic rubber and polyamide
- Supporting trends:
  - mobility, growing population in Asia
  - high-performance tires
  - vehicle weight reduction
  - tire labeling

**Advanced Intermediates**
- Europe No. 1-2
- Leading suppliers of custom synthesis and basic chemicals (agrochem-related)
- Supporting trends:
  - increasing crop demand based on growing world population
  - need of farmers to raise yields
  - industry consolidation

**Performance Chemicals**
- No. 1-4 in niches
- Application-orientated specialty chemicals
- Strong brands and technology leader
- Supporting trends:
  - scarcity of purified water
  - rising middle class in APAC
  - ongoing market consolidation
Portfolio management allows for regrouping of LANXESS businesses along chemical segmentation

LANXESS Board of Management: directly connected to the Group Functions and Business Units
### 2003-2005: immediate focus on transformation of LANXESS since the spin-off

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003-11-07</td>
<td>Decision made on the strategic reorganization of the Bayer Group</td>
</tr>
<tr>
<td>2004-09-22</td>
<td>Signing of the spin-off agreement</td>
</tr>
<tr>
<td>2004-11-17</td>
<td>Extraordinary Stockholders’ Meeting of Bayer AG – acceptance of spin-off by Bayer’s shareholders</td>
</tr>
<tr>
<td>2005-06-03</td>
<td>Announcement of 1st phase of restructuring</td>
</tr>
<tr>
<td>2005-06-20</td>
<td>Admission into MDAX</td>
</tr>
<tr>
<td>2004-03-18</td>
<td>Announcement of the name LANXESS created from a combination of the words “lancer” (to launch) and “success”</td>
</tr>
<tr>
<td>2004-11-25/26</td>
<td>First press and analyst conference</td>
</tr>
<tr>
<td>2005-01-31</td>
<td>Initial quotation at the Frankfurt Stock Exchange</td>
</tr>
<tr>
<td>2005-05-16</td>
<td>1st Annual Stockholders’ Meeting</td>
</tr>
<tr>
<td>2005-08-25</td>
<td>Announcement of 2nd phase of restructuring</td>
</tr>
</tbody>
</table>

### 2006-2007: first upgraded ratings show achievements of ongoing transformations

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-03-01</td>
<td>Carve-out of the BU FCH to form Saltigo</td>
</tr>
<tr>
<td>2006-04-04</td>
<td>Announcement of 3rd phase of restructuring</td>
</tr>
<tr>
<td>2006-09-15</td>
<td>1st Capital Markets Day (CMD)</td>
</tr>
<tr>
<td>2006-12-14</td>
<td>Announcement: acquisition of CISA</td>
</tr>
<tr>
<td>2007-07-18/31</td>
<td>Ratings upgraded by Moody’s to Baa2 and S&amp;P to BBB</td>
</tr>
<tr>
<td>2007-11-13</td>
<td>LANXESS signs new seven-year €1.4 bn credit facility</td>
</tr>
<tr>
<td>2006-03-01</td>
<td>Divestment of BU PAP and BU FIB concluded</td>
</tr>
<tr>
<td>2006-07-24</td>
<td>Announcement of 4th phase of restructuring</td>
</tr>
<tr>
<td>2006-12-31</td>
<td>Divestment of TPC concluded</td>
</tr>
<tr>
<td>2007-06-29</td>
<td>Lustran Polymers JV with INEOS announced</td>
</tr>
<tr>
<td>2007-12-13</td>
<td>Announcement: acquisition of Petroflex</td>
</tr>
</tbody>
</table>
2008-2010: resuming growth after responsible crisis management and future orientation in rough times

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-06-26</td>
<td>Announcement: acquisition of Jinzhuo Chemicals Company Ltd. (China)</td>
</tr>
<tr>
<td>2009-09-12</td>
<td>Announcement of “Challenge09-12”</td>
</tr>
<tr>
<td>2009-09-12</td>
<td>Anniversary: “100 Years of Synthetic Rubber”</td>
</tr>
<tr>
<td>2010-01-31</td>
<td>Listing anniversary “5 years of LANXESS”</td>
</tr>
<tr>
<td>2010-01-31</td>
<td>Groundbreaking ceremony butyl rubber plant Singapore</td>
</tr>
<tr>
<td>2010-08-06</td>
<td>“Challenge 09-12” partly put on hold</td>
</tr>
<tr>
<td>2008-06-26</td>
<td>Announcement: acquisition of Jinzhuo Chemicals Company Ltd. (China)</td>
</tr>
<tr>
<td>2009-06-08</td>
<td>Acquisition of Gwalior Chemical Industries Ltd. (India) and Jiangsu Polyols Chemicals Co. Ltd. (China)</td>
</tr>
<tr>
<td>2010-05-07</td>
<td>Partnership in China: signing LANXESS and Taiwan’s TSRC Corporation</td>
</tr>
<tr>
<td>2010-09-15/16</td>
<td>CMD: LANXESS announces new ambitious growth targets</td>
</tr>
</tbody>
</table>

Portfolio transformation towards higher earnings growth

Reinforcing higher profitability and leadership, lowering cyclicality

ACQUISITIONS

Chrome International South Africa (LEA), 2006
Petroflex (PBR), 2008
Jinzhuo Chemicals Gwalior Chemicals (IPG), 2008 (BAC), 2009
Jiangsu Polyols (BAC), 2009

Transforming LANXESS

DIVESTMENTS

Lustran Polymers, 2007
Textile Processing Chemicals, 2006
Paper, 2006
Fibers, 2006

Shedding lower margins, weak leadership positions and higher cyclicality
Worldwide present serving a broad customer range with varying demand patterns

LANXESS performance by region 2009

Sales distribution by industry 2009

LANXESS – Improvement trend of financials, based on strategy implementation

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010e</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA* [€ m]</td>
<td>311</td>
<td>447</td>
<td>581</td>
<td>675</td>
<td>719</td>
<td>722</td>
<td>465</td>
<td>~800</td>
</tr>
<tr>
<td>Net financial debt [€ m]</td>
<td>1,135</td>
<td>680</td>
<td>511</td>
<td>460</td>
<td>864</td>
<td>794</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net financial debt / EBITDA*</td>
<td>2.5x</td>
<td>1.2x</td>
<td>0.8x</td>
<td>0.6x</td>
<td>1.2x</td>
<td>1.7x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gearing [%]</td>
<td>101</td>
<td>54</td>
<td>36</td>
<td>30</td>
<td>65</td>
<td>55</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Underlying EPS**</td>
<td>(2.23)</td>
<td>0.65</td>
<td>1.19</td>
<td>2.69</td>
<td>3.36</td>
<td>3.44</td>
<td>1.31</td>
<td>~4</td>
</tr>
<tr>
<td>Dividend [€]</td>
<td></td>
<td>0.25</td>
<td>1.00</td>
<td>0.50</td>
<td>0.50</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Ready for the recovery

*pre exceptionals; **EPS pre exceptionals, based on actual taxrate, 2008 data adjusted for change in pension accounting
Agenda

1. LANXESS – Energizing Chemistry
   - Overview
   - Strategy
   - Innovation
   - Corporate Responsibility
2. Business Segments
3. Financials

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

*pre exceptionals
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

LANXESS capitalizing on global megatrends

- Mobility
- Agriculture
- Urbanization
- Water
Dual track growth strategy

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

- Targeted accretive investments to complement and strengthen our portfolio

~€1.4 bn EBITDA* through disciplined and targeted growth by 2015

Minimum EBITDA* growth for each business: 5% CAGR

*pre exceptionals
Ambitious growth target for 2015

EBITDA pre exceptionals 2015

~€1.4 billion
### Agenda

1. LANXESS – Energizing Chemistry
   - Overview
   - Strategy
   - Innovation
     - Corporate Responsibility
2. Business Segments
3. Financials

---

### Innovation as key element in the LANXESS success story

<table>
<thead>
<tr>
<th>Innovation budget [€ m] / % of total sales</th>
<th>Innovation headcount / % of total headcount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>2009</td>
</tr>
<tr>
<td>2.0%</td>
<td>3.5%</td>
</tr>
<tr>
<td>101</td>
<td>505</td>
</tr>
<tr>
<td>2008</td>
<td>2008</td>
</tr>
<tr>
<td>1.5%</td>
<td>3.0%</td>
</tr>
<tr>
<td>97</td>
<td>441</td>
</tr>
<tr>
<td>2007</td>
<td>2007</td>
</tr>
<tr>
<td>1.3%</td>
<td>2.8%</td>
</tr>
<tr>
<td>88</td>
<td>408</td>
</tr>
<tr>
<td>2006</td>
<td>2006</td>
</tr>
<tr>
<td>1.3%</td>
<td>2.4%</td>
</tr>
<tr>
<td>87</td>
<td>390</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Innovation projects</th>
<th>Worldwide innovation center</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td></td>
</tr>
<tr>
<td>160</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td></td>
</tr>
<tr>
<td>110</td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td></td>
</tr>
<tr>
<td>110</td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td></td>
</tr>
<tr>
<td>120</td>
<td></td>
</tr>
</tbody>
</table>

---

LANXESS Fact Book – Innovation
Innovation culture drives LANXESS success

R&D setup at LANXESS
- R&D conducted in each business unit for maximum customer and market proximity
- Central coordination department boosting interaction and knowledge sharing between business units
- First-class support departments ensure optimal implementation of projects
- Integration of existing development networks
- Focus on quick time-to-market
- Optimized project management for maximum added value with minimum workload
- In 2009 LANXESS had a total of 84 major research partnerships (universities: 37, suppliers or customers: 38, research institutes: 9)

80% of R&D projects are market-ready within two years

Maximum market-orientation fosters turnover potential of nearly €600 m till 2013

R&D focus
- Markets
  - New: 15%
  - Existing: 70%
- Products/ processes
  - Existing: 15%
  - New: 15%

Maximum market-orientation

Turnover potential by business segments
- Performance Polymers: ~€100 m, ~€200 m, ~€600 m
- Advanced Intermediates
- Performance Chemicals

LANXESS Fact Book – Innovation
Agenda

1. LANXESS – Energizing Chemistry
   - Overview
   - Strategy
   - Innovation
   - Corporate Responsibility
2. Business Segments
3. Financials

Corporate Responsibility at LANXESS – Valuable for business and for society

Corporate Responsibility at LANXESS

Good for business
- Sustainable growth
- Increasing awareness among customers
- Increasing awareness among public
- Strengthening reputation

Good for society
- Protection of climate and environment
- Social responsibility
- Education and advancement
- Safety and security

Direct link to business / LANXESS know-how

Water
Climate Protection
Education
Water – LANXESS with a key role in resolving the world’s water issues

Water – The crude oil of the 21st century

**Importance to LANXESS**
- Over a billion people without access to clean drinking water thus water will globally become one of the most important and failed resources over long term
- With its know-how and innovative water treatment products, LANXESS plays an important role in solving global water problems

**LANXESS contribution**
- **Innovative products**: LANXESS products used to conserve, transport, clean and save water globally, e.g. LANXESS ion exchange resins
- **Stewardship**: efficient use of water due to highly modern facilities and optimized processes, e.g. around 50% water savings in Porto Feliz/Brazil
- **Responsibility programs**: e.g. by support of AMREF*, LANXESS establishes water supply for nearly 10,000 students in Tanzania

*AMREF = African Medical & Research Foundation

Climate Protection – LANXESS with important contribution to this long-term challenge

Climate Protection – The number 1 challenge

**Importance to LANXESS**
- Climate protection is at the top of world political agenda: curtailing consequences of greenhouse effect as top priority of industry and society today
- Climate protection is a long-term challenge and helps to assure the future of the company
- LANXESS firmly committed to meeting its climate protection responsibilities, invests in sustainable solutions

**LANXESS contribution**
- **Innovative Products**: LANXESS offers innovative products and solutions to reduce CO₂ emissions, e.g. rubber innovations for high-performance tires
- **Climate-friendly production**: reduction of own direct emissions as well as conserving natural resources and use of renewable energy sources where possible
- **Climate protection target for Germany**: emission reduction of 80% by 2012 compared to 2007 already achieved in 2009

*AMREF = African Medical & Research Foundation
Education – LANXESS invests in the future and promotes young talents around the world

Education – Our most important resource

Importance to LANXESS

- Demand for highly trained skilled workers increasing in contrast to decreasing proportion of young people in population. Even today there is a lack of skilled workers, particularly in the field of natural sciences
- Qualified young employees as basic prerequisite for the sustained success of a company anywhere in the world
- LANXESS acknowledges its responsibility with local education initiatives at its operating locations

LANXESS contribution

- LANXESS wants young people to recognize the fascination of natural sciences and technology at an early age
- LANXESS invests in education in expertise on national and international level, e.g. Education Initiative Germany, sponsoring of various education initiatives in Argentina
Business Segments
– Performance Polymers
Agenda

1. LANXESS – Energizing Chemistry
2. Business Segments
   - Performance Polymers
   - Advanced Intermediates
   - Performance Chemicals
3. Financials

Performance Polymers: leading market positions with strong and diversified portfolio

<table>
<thead>
<tr>
<th>Performance Polymers</th>
<th>Butyl Rubber</th>
<th>Performance Butadiene Rubbers</th>
<th>Technical Rubber Products</th>
<th>Semi-Crystalline Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provides high-tech plastics for a broad variety of customer industries (automotive, electronics, etc.) and is committed to the development of products and new applications</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One of the world’s leading manufacturers of high-quality butyl and halobutyl rubbers which are impermeable to gas and moisture for tire and rubber industries</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One of the leading manufacturers of synthetic rubbers (PBR, E-SBR and S-SBR) which are used for manufacturing modern, fuel-efficient tires and many other products (e.g. footwear)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Offers five types of high-performance technical rubber products for a wide range of applications: seals, hoses, profiles, cable sheathing, special films and adhesives</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Performance Polymers: one strong pillar of LANXESS businesses

~55% of group sales*

Performance Polymers: one strong pillar of LANXESS businesses

~55% of group EBITDA pre*

Sales 2004-2010e

EBITDA** (margin) 2004-2010e

Sales by BU 2010e

Capex*** 2004-2010e

*operating segments; **pre exceptionals; ***net of finance lease

Serving global markets with world-class manufacturing base

LANXESS Fact Book – Performance Polymers

*in construction
Performance Polymers: globally No. 1-3 in synthetic rubber and polyamide

Megatrends: mobility and urbanization
- Mobility, growing population in Asia
- High-performance tires, tire labeling
- Vehicle weight reduction
- Growing requirements for high-quality medical packaging

Globally competitive position
- Global technology leader in synthetic rubber and polyamide
- Strong global production footprint
- Excellent track record of price pass-through

Market orientation
- Premium-quality products across entire portfolio
- Customer proximity: moving with customers to Asia
- Major end uses: tire and automotive industries
Butyl Rubber: a market leader in synthetic rubber

**Overview**
- Provides butyl rubber which is a high-quality rubber impermeable to gas and moisture with high chemical resistance and excellent mechanical properties
- Wide applications in tire and non-tire markets (high-tech pharmaceutical sealants, chewing gum)

**Supporting growth trends**
- Mobility, growing middle-class in emerging countries
- Increasing global trend for radial truck and bus tires in emerging countries
- Growing requirements for high-quality medical packaging

**End uses**
- 84% Tire
- 4% Pharma
- 11% Gum
- 7% Others

**Global demand 2010e**
- EMEA 22%
- Americas 21%
- Asia-Pacific 57%

Butyl Rubber – facts
LANXESS provides regular and halogenated butyl rubber

### Products
- Regular butyl rubber (Butyl)
- Halobutyl rubber (Chlorobutyl, Bromobutyl)

### Applications
- Tread ▶ influences grip, fuel economy and noise
- Undertread ▶ joins the tread to steel belt and carcass
- Upper steel belt ▶ influences driving features and shape
- sidewall ▶ protects carcass from damage
- Lower steel belt ▶ influences the driving features and shape
- Carcass ▶ gives support and shape
- Innerliner ▶ replaces the tube
- Steel wires ▶ keeps the tire safely attached to wheel rim

The use of halobutyl rubber in innerliners made modern tires possible

Made of BU BTR rubber
New plant with best-in-class technology

- Favorable technology due to implementation of streamlined processes
- Lowering the plant's overall energy consumption utilizing optimized equipment and state-of-the-art exhaust gas treatment systems
  - Protect and improve leadership position

- Developing the next generation of butyl technology
- Breakthrough resulting in an entirely new production process with highly efficient resource utilization
  - Develop breakthrough

Co-Monomers: Isobutene Isoprene

Polymerization

Regular Butyl Rubber

Halogenation

Halobutyl Rubber

Process

Protect and improve leadership position

Develop breakthrough

Continuous investments to profit from growing demand

Timeline new plant in Singapore

- Expansion of Antwerp site by 10% completed
- Expansion of Samia site by 40% completed
- Further expansion of Samia site by 10% completed
- Debottlenecking Antwerp by 10% will be completed
- Start up of new world-scale production in Singapore

2006 2007 2008 2009 2010 2011 2012 2013
Butyl Rubber: growing markets with huge demand, especially in Asia-Pacific

**Market environment**

- **Total global demand (2010e)**
  - ~€2.2 bn
- **Market development (2011-2015)**
  - Overall CAGR: 3-4%
    - Asia-Pacific: ~5%
    - EMEA: ~2%
    - Americas: ~2.5%
- **Main competitors**
  - ExxonMobil Chemicals
  - Nizhnekamskneftekhim
  - Sibur (Togliattikauchuk)
  - Sinopec (Yanhua)

**Supply / demand for butyl rubber**

- Tight market 2010-2013

**LANXESS capacities**

- ~400kty (including all announced investments)

**LANXESS production sites**

- Zwijndrecht, Belgium
- Sarnia, Canada
- Singapore (2013)

**Demand**

<table>
<thead>
<tr>
<th>2004</th>
<th>2008</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>2013</td>
<td>2017</td>
</tr>
</tbody>
</table>

**Strengths / opportunities**

- Leading producer of butyl rubber
- Leading technology in halogenated butyl rubber
- Cost efficiency due to world-scale plants
- Continuously investing in the future, e.g. Antwerp expansion, Singapore plant
- Strong customer relationship based on strategic collaborations with top manufacturers to meet specific customer needs
- Leverage a leading market position in overall market for butyl rubber
- Investing in renewable raw material sources

**Weaknesses / challenges**

- Change of air-retention-technology is a potential threat
- Increasing Asian and Russian competition
- Dependency on tire business / transportation activities
Performance Butadiene Rubbers: leading market position

- **Performance Butadiene Rubbers – facts**
  - **Overview**
    - The world’s leading manufacturer of performance polymers
      - polybutadiene rubber (PBR)
      - styrene-butadiene-rubber (solution and emulsion, S-SBR and E-SBR)
  - **Supporting growth trends**
    - Mobility
      - tire labeling
      - growth in retreading
      - energy efficient tires, e-mobility
    - Population growth, urbanization

- **End uses**
  - Tire 71%
  - Plastics 16%
  - Technical rubber* 7%
  - Lifestyle & leisure 6%

- **Global demand 2010e**
  - EMEA 25%
  - Americas 23%
  - Asia-Pacific 52%

*e.g. industrial and mining*
Performance Butadiene Rubbers offers top products meeting today's and tomorrow’s requirements

**Products**

- PBR: polybutadiene rubber (Buna™ CB)
- S-SBR: solution styrene-butadiene rubber (Buna™ VSL, Buna™ BL)
- E-SBR: emulsion styrene-butadiene rubber (Buna™ SE)

**Applications**

Performance Butadiene Rubbers shapes performance tires

- **Tread** ➔ influences grip, fuel economy and noise
- **Undertread** ➔ joins the tread to steel belt and carcass
- **Upper steel belt** ➔ influences driving features and shape
- **Sidewall** ➔ protects carcass from damage
- **Lower steel belt** ➔ influences the driving features and shape
- **Carcass** ➔ gives support and shape
- **Innerliner** ➔ replaces the tube
- **Steel wires** ➔ keeps the tire safely attached to wheel rim

Made of BU PBR rubber
Offers a complete range of polybutadiene and styrene butadiene rubbers, focusing on performance grades

**Production process**

<table>
<thead>
<tr>
<th>Raw materials</th>
<th>Process</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Butadiene (key raw material)</td>
<td>Solution polymerization</td>
<td>Polybutadiene rubber (Buna CB)</td>
</tr>
<tr>
<td>Butadiene &amp; styrene (key raw material)</td>
<td>Solution polymerization</td>
<td>Solution styrene butadiene rubber (S-SBR) (Buna VSL + BL)</td>
</tr>
<tr>
<td>Butadiene &amp; styrene (key raw material)</td>
<td>Emulsion polymerization</td>
<td>Emulsion styrene butadiene rubber (E-SBR) (Buna SE)</td>
</tr>
</tbody>
</table>

**PBR: growing markets with huge demand, especially in the Asia-Pacific region in the performance segment**

**Market environment**

- **Total global demand (2010e)**
  - ~€11 bn

- **Market development (2011-2015)**
  - Performance applications*: ~10%
  - Overall CAGR: 3-4%
    - Asia-Pacific: ~5%
    - EMEA: ~2%
    - Americas: ~2%

- **Main competitors**
  - Goodyear
  - KKPC
  - NKNK
  - Polimeri
  - Sibur
  - Styron
  - Sinopec

**Supply / demand for PBR**

- 2008
- 2010
- 2012
- 2014
- 2016

**LANXESS capacities**

- >800kt/y

**LANXESS production sites**

- Cabo, Brazil
- Caxias, Brazil
- Triunfo, Brazil
- Port Jérôme, France
- Dormagen, Germany
- Orange, USA

*markets for SSBR and Nd-PBR; **merchant market*
**PBR: broad and innovative product portfolio combined with excellent reputation and prospects**

**Strengths / opportunities**
- Broad and innovative product portfolio offered to both tire manufacturers and rubber consuming industries
- Strategic focus on high-performance products such as Nd-PBR and S-SBR
- Product portfolio ideally suited to satisfy the growing needs for performance products in APAC
- Reputation with top customers for reliable performance and delivery
- World-scale plants in EMEA, LATAM and NAFTA with modern, cost efficient production
- Strategic raw material (butadiene) is secured structurally and track record in price pass-through

**Weaknesses / challenges**
- Dependency on tire business / transportation activities
- Continuously meeting growing global demand for our performance products
- Currently no manufacturing facility in APAC
- Manage raw material price volatility for butadiene
Agenda

1. LANXESS – Energizing Chemistry
2. Business Segments
   - Performance Polymers
     Butyl Rubber
     Performance Butadiene Rubbers
   - Technical Rubber Products
     Semi-Crystalline Products
   - Advanced Intermediates
   - Performance Chemicals
3. Financials

Technical Rubber Products: broad spectrum of products and applications

<table>
<thead>
<tr>
<th>Technical Rubber Products – facts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Overview</strong></td>
</tr>
<tr>
<td>▪ Offers a broad range of specialty elastomers for the rubber processing industry</td>
</tr>
<tr>
<td>▪ Used in automotive, engineering, construction, electronics, oil exploration and aviation industries</td>
</tr>
<tr>
<td><strong>Supporting growth trends</strong></td>
</tr>
<tr>
<td>▪ Mobility</td>
</tr>
<tr>
<td>▪ Urbanization</td>
</tr>
<tr>
<td>▪ Growing population in emerging countries</td>
</tr>
</tbody>
</table>

**End uses**
- Automotive 38%
- Others 17%
- Mechanical engineering 17%
- Electronics 6%
- Footwear 13%
- Plastics 5%
- Construction 4%

**Global demand 2010e**
- Americas 28%
- Asia-Pacific 40%
- EMEA 32%

LANXESS estimates 2009
Technical Rubber Products: extensive portfolio of synthetic rubbers

**Products**

- **NBR**: nitrile-butadiene rubber (Krynac®, Perbunan®)
- **EPDM**: ethylene-propylene diene rubber (Buna™ EP)
- **CR**: chloroprene rubber (Bayprene®)
- **HNBR**: hydrogenated nitrile-butadiene rubber (Therban®)
- **EVM**: ethylene-vinyl acetate rubber (Levapren®, Levamelt®)

**Applications**

- The use of Nanoprene® improves the material properties of elastomer and thermoplastic materials
- Different Nanoprene® grades can be used to satisfy different requirements for various tire components (side wall, carcass, tread, etc.)
- Nanoprene® consists of spherical particles with a diameter in the range of 50nm
- Based on the monomers styrene and butadiene

Nanoprene® – New product for several industrial applications
A leading supplier of specialty elastomers for the rubber industry

Technical Rubber Products: leading market positions, state-of-the-art technology and world-scale plants
Technical Rubber Products: strong innovation capabilities combined with world-scale plants to enable future growth

**Strengths / opportunities**
- World-scale plants with state-of-the-art production facilities and processes (⇒ attractive cost position)
- Broad and deep product portfolio with strong brand marketing and strong innovation capability
- Strong position and high innovation potential in premium products EVM and HNBR
- EPDM-market fundamentals improving
- NBR: broadest product portfolio incl. taylor-made grades
- Broad customer basis

**Weaknesses / challenges**
- Consistent pass-through of raw material price increases
- Accompany market consolidation and migration to Asia
- Substitution by alternative technologies in end applications (gear belt vs. linkage)
LANXESS Fact Book – Performance Polymers: Semi-Crystalline Products

**Semi-Crystalline Products – facts**

**Overview**
- SCP provides
  - a wide range of PA* and PBT** based high-tech plastics
  - a global production and R&D network for high-tech plastics
  - a cost leadership position in strategic raw materials caprolactam, glass fibers and adipic acid due to world-scale production assets in Europe

**Supporting growth trends**
- Fuel efficiency and vehicle weight reduction: current content of high-tech plastics per cars ~14kg – growth of high-tech plastics replacing metal estimated at 4% p.a. between 2010 and 2020
- Mobility, growing car demand, especially in BRIC leading to annual car assembly growth of >3%

---

*polyamide; **polybutylene terephthalate
Strong brands in high-tech plastics: Durethan® and Pocan®

Products
- Durethan® A – based on polyamide 6.6
- Durethan® B – based on polyamide 6
- POCAN® – based on polybutylene terephthalate (PBT)
- Available types for all three: non-reinforced, glass fiber reinforced, glass-bead and mineral-filled, glass fiber reinforced / mineral-filled, flame retardant, and polymer and elastomer-modified grades
- Glass fibers
- Plastics intermediates caprolactam and adipic acid
- Polyamide-based monofilament products

Semi-Crystalline products’ main focus on polyamide chain

Manufacturing chain
Upstream-integration into intermediates for high-tech plastics with focus on captive consumption
Strength in design of structural components makes SCP a premium development partner to the automotive industry

- Hybrid technology with combination of injection molded Durethan and polyamide composite inserts
  - Low weight: weight reduction >10% over aluminum
  - Higher stiffness
  - Better impact performance
  - Possibility of complex designs
  - No corrosion and easier recycling
- **Application leader**: e.g. hoses and tubes for turbo charged engines, body components, oil pans, weight reduction of highest importance for e-mobility
- **Material leader**: e.g. flame retardant products in electrical engines, ECO grades for sustainable material solution

### Semi-Crystalline Products – Strong European market position with leverage effects in Asia

**Market environment high-tech plastics**

- **Total global demand (2010e)**
  - ~€7 bn
  - (PA + PBT high-tech plastics)
- **Market development** (2011 - 2015)
  - Overall CAGR: ~6%
    - Americas: ~5%
    - EMEA: ~3%
    - APAC: ~9%
- **Main established global competitors**
  - BASF
  - DSM
  - DuPont
  - Rhodia

**LANXESS production sites**

- Antwerp, Belgium
- Wuxi, China
- Krefeld-Uerdingen, Germany
- Dormagen, Germany
- Hamm-Uentrop (JV), Germany
- Jhagadia, India (under construction)

*source: JD Powers 08/2010, LANXESS own estimates*
Semi-Crystalline Products: upstream-integration and focused investments enable attractive profitability and growth

**Strengths / opportunities**

**High-tech plastics**
- Leading position in EMEA and further business strengthening in Asia
- Durethan® and Pocan® as strong brands in high-tech plastics
- Broad product portfolio with ideal price performance ratio
- Expertise and successful track record in application development and customized engineering to support long-term customer relationships
- Customized product development and expertise in compounding technology allow to maximize customer benefit
- Lean asset investments with regional focus

**Intermediates**
- World-scale upstream-integration into caprolactam, adipic acid and glass fibers
- Cost leadership within world-scale assets due to economies of scale and logistical advantages

**Weaknesses / challenges**

**High-tech plastics**
- Repositioning of high-tech plastics business in Americas
- Short-term volatilities in demand, raw material prices, energy costs and exchange rates lead to major shifts in global supply and demand balances and short-term of balances pricing / margins
- Availability of special chemicals within high-tech plastics recipes

**Intermediates**
- Manage global supply and demand in line with trade barriers and subsidies
Business Segments
– Advanced Intermediates
Agenda

1. LANXESS – Energizing Chemistry
2. Business Segments
   - Performance Polymers
   - Advanced Intermediates
   - Performance Chemicals
3. Financials

Advanced Intermediates: Basic Chemicals and Saltigo, strong and reliable partners for our customers

<table>
<thead>
<tr>
<th>Advanced Intermediates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Chemicals</td>
</tr>
<tr>
<td>Saltigo</td>
</tr>
</tbody>
</table>

One of the world’s leading suppliers of high-quality industrial chemicals (aromatics) which are extremely important for the manufacturing of a large number of chemical products, such as agrochemicals, dyestuffs and coatings

A major supplier on the custom synthesis market, providing state-of-the-art services to the agrochemicals, pharmaceuticals, and specialty chemicals industries. Saltigo is committed to support customers throughout the entire lifecycle of their products.
Advanced Intermediates: financials demonstrate business’ resilience

~20% of group sales*

~20% of group EBITDA pre*

Sales 2004-2010e

EBITDA** (margin) 2004-2010e

Capex*** 2004-2010e

*operating segments; **pre exceptionals; ***net of projects financed by customers

LANXESS Fact Book – Advanced Intermediates

Advanced Intermediates relies on manufacturing base with main focus in Europe

Advanced Intermediates LXS others

Basic Chemicals LXS others SGO

LANXESS Fact Book – Advanced Intermediates

BAC

14.2%

15.3%

12.2% 14.2%13.9%14.5%

2004 2005 2006 2007 2008 2009 2010e

2010e

Baytown, US

Redmond, US

Liyang, CN

Bacubütte, GE

Krefeld-Uerdingen, GE

Dormagen, GE

Leverkusen, GE

Nagda, IN

Basic Chemicals Saligo
Advanced Intermediates: in Europe number one to two in custom synthesis and basic chemicals

Megatrends: population growth & urbanization
- Increasing grain demand and land scarcity
- Need of farmers to raise yields
- Food and feed demand growth by ~50% by 2030*

Globally competitive position
- Unique, integrated manufacturing process provides BU BAC clear competitive advantage
- Technology leadership and strong customer relationships based on established track record

Process orientation
- Internal engineering for rapid capacity expansions
- Integrated production facilities combined with competence in challenging chemistries

Source: Monsanto, July 2010
Agenda

1. LANXESS – Energizing Chemistry
2. Business Segments
   - Performance Polymers
   - Advanced Intermediates
     - Basic Chemicals
     - Saltigo
   - Performance Chemicals
3. Financials

Basic Chemicals: leading global positions in diversified end user applications

<table>
<thead>
<tr>
<th>Basic Chemicals – facts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Overview</strong></td>
</tr>
<tr>
<td>• Offers a broad range of mostly aromatic compounds which are important for large number of chemical products, such as agrochemicals, dyestuffs and coatings</td>
</tr>
<tr>
<td><strong>Supporting growth trends</strong></td>
</tr>
<tr>
<td>• Stable market due to high diversity of end uses</td>
</tr>
<tr>
<td>• World demand growth inline with GDP</td>
</tr>
<tr>
<td>• Strong growth in Asia-Pacific, especially in China and India</td>
</tr>
<tr>
<td>• Stable demand in consolidated European and American markets</td>
</tr>
</tbody>
</table>

![End uses](image)

- Construction 7%
- Automotive 11%
- Paints & coatings 15%
- Others incl. polymers 43%
- Agro 25%

**Global demand 2010e**

- EMEA 38%
- Americas 23%
- Asia-Pacific 39%

LANXESS estimates
Strengthening our business portfolio at an early stage of the value chain

Segmentation of the chemical industry

Business line products*

LANXESS market share

>30%  >25%  >20%

Basic Chemicals offers a broad product range for use in numerous end user industries

Products (selection)

- Chlorobenzenes and derivatives
- Chlorotoluenes and derivatives
- Nitrotoluenes and derivatives
- Polyols / oxidation products
- Inorganic acids
- Benzyl products / amines

* diameter represents relative market size
**Basic Chemicals: unique, integrated manufacturing processes provides clear competitive advantage**

### Unique manufacturing process

- **Raw materials:** Benzene & toluene
- **Process:** Chlorination
  - Chloro-benzene
  - Dichloro-benzenes
  - Chloro-toluenes
- **Hydrolysis:** Cresols
- **Alkylation:** Thymol
- **Hydrogenation:** D/L menthol
- **Hydrogenation:** Chloro-benzenes
- **Nitrillation:** Dichloro-benzenes
- **Hydrogenation:** Chloro-toluenes
- **Hydrolysis:** Nitrochloro-benzenes
- **Nitration:** Nitrochloro-benzenes
- **Nitration:** Nitrodichloro-benzenes
- **Nitration:** Nitrotoluenes
- **Hydrogenation:** Chloro-anilines
- **Hydrogenation:** Dichloro-anilines
- **Nitration:** Toluidines
- **Pyrolysis:** Methylethyl-aniline
- **Arom. Isocyanates:** 3,4-Dichlorophenyl-isocyanate

- **Output of individual products can be modified according to market needs**
- **Products are sold to open market or captive used**

### Basic Chemicals: market growing along with that of GDP

#### Market environment

- **Total global demand (2010e):** €3.3 bn
- **Market development (2011-2015):**
  - **Overall* CAGR:** ~3%
    - Asia-Pacific: ~5%
    - EMEA: ~2%
    - Americas: ~3%

#### Market share**

- Benzyl products: >30%
- Inorganic acids: >30%
- Nitrotoluenes: >30%
- Polyols: >25%
- Chlorobenzenes, -toluenes: >20%

#### LANXESS production sites

- Liyang, China
- Brunsbüttel, Dormagen, Krefeld-Uerdingen, Leverkusen, Germany
- Nagda, India
- Baytown, USA

---

source: LANXESS estimates; *weighted average; **relevant market
Basic Chemicals will take advantage of strong European base to further generate value globally

**Strengths / opportunities**

- The BU maintains strong positions in all its product lines
- The unique “Aromatenverbund” system enables optimization of capacity utilization, cost of production and product mix ensuring a solid market position
- Competitive technologies and world-scale production facilities provide cost advantage
- High capacity utilization with well balanced isomer management

**Weaknesses / challenges**

- In some segments newly built facilities in Asia lead to overcapacity resulting in increasing competitive pressure
- Migration of upstream industries to Asia (textiles, dyestuffs, fluoro chemicals, pigments, etc.)
- Fragmentation in Asian customer markets creates complexity
- Limited production assets in Asia
- REACH and other regulations will lead to cost increases for European producers
Agenda

1. LANXESS – Energizing Chemistry
2. Business Segments
   - Performance Polymers
   - Advanced Intermediates
     - Basic Chemicals
     - Saltigo
   - Performance Chemicals
3. Financials

Saltigo is serving the market with high-end custom manufacturing of fine chemicals

<table>
<thead>
<tr>
<th>Saltigo – facts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Overview</strong></td>
</tr>
<tr>
<td>▪ Important player in fine chemicals focused on</td>
</tr>
<tr>
<td>- agrochemicals custom manufacturing</td>
</tr>
<tr>
<td>- pharmaceutical custom manufacturing</td>
</tr>
<tr>
<td><strong>Supporting growth trends</strong></td>
</tr>
<tr>
<td>▪ Increasing crop demand based on growing world population</td>
</tr>
<tr>
<td>▪ Need of farmers to raise yields</td>
</tr>
<tr>
<td>▪ Increasing outsourcing trends especially in the life science industry</td>
</tr>
</tbody>
</table>

**End uses**
- Agro 65%
- Pharma 25%
- Specialties 10%

**Global demand 2010e**
- EMEA 81%
- Asia-Pacific 5%
- Americas 14%

LANXESS estimates

LANXESS Fact Book – Advanced Intermediates: Saltigo
Saltigo offers intermediates and active ingredients mainly for agrochemicals and pharmaceuticals

**Products**
- Custom manufactured active ingredients and intermediates for agrochemicals and pharmaceuticals
- Active ingredient for insect repellent
  
  ![Saltidin^®](image)
- Broad portfolio of high-quality multi-customer fine chemicals
- Full service provider for route selection, lab scale development, pilotation, manufacturing analytical services and registrations

**Applications**

Saltigo: focused on custom manufacturing of fine chemicals

**Custom manufacturing**

Customer value chain

- Research & Development
- Process Development & Piloting
- Production
- Marketing & Sales

Chemical intermediates → Multi-step reaction → Products

LANXESS Fact Book – Advanced Intermediates: Saltigo
Saltigo is one of the leading players in an interesting growing market mainly in agrochemicals

**Market environment**

**Total global demand (2010e)**
- Agro outsourcing €2.5 bn
- Pharma outsourcing €14.5 bn

**Market development (2011-2015)**
- Overall CAGR: ~5%

**Main competitors**
- Albemarle
- DSM
- Evonik
- Lonza
- WeylChem

**Agrochemicals – key to farm efficiency**

**LANXESS / Saltigo production sites**
- Dormagen, Germany
- Leverkusen, Germany
- Redmond, USA

Saltigo is taking advantage of its expertise in complex processes and challenging chemistry

**Strengths / opportunities**
- Saltigo is among the top global players in custom manufacturing
- State-of-the-art technology and services to the pharmaceuticals, agrochemicals and specialty chemicals industries
- Technology leadership in high-end chemistry
- Expertise in the field of complex chemistry and fast “ramp-up” capabilities
- Integrated production facilities combined with competence in challenging chemistries
- Successfully established brand and focused market approach
- Strong customer relationships based on established track record

**Weaknesses / challenges**
- Ongoing market consolidation
- Cost pressure has to be compensated by continuous improvement measures
- Competition from Asia, especially for early intermediates
- Increased demand for a global production network
Business Segments
– Performance Chemicals
Agenda

1. LANXESS – Energizing Chemistry
2. Business Segments
   - Performance Polymers
   - Advanced Intermediates
   - Performance Chemicals
3. Financials

Performance Chemicals: production of application-focused chemicals for a wide range of industries (1/2)

<table>
<thead>
<tr>
<th>Performance Chemicals</th>
<th>Material Protection Products</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Wide range of biocide active ingredients and preservatives for beverage stabilization, wood</td>
</tr>
<tr>
<td></td>
<td>protection / antifouling products, industrial preservation and disinfection</td>
</tr>
<tr>
<td>Inorganic Pigments</td>
<td>A leading global supplier of inorganic pigments for products such as concrete, roof tiles,</td>
</tr>
<tr>
<td></td>
<td>paints and dyes and special pigments for toners and other applications</td>
</tr>
<tr>
<td>Functional Chemicals</td>
<td>Offers plastics additives, phosphorus and specialty chemicals, organic and inorganic colorants</td>
</tr>
<tr>
<td></td>
<td>Meets the needs of customers in a wide range of industrial sectors</td>
</tr>
<tr>
<td>Leather</td>
<td>One of the few suppliers to the leather industry to offer all products needed for leather</td>
</tr>
<tr>
<td></td>
<td>processing including tanning agents, preservatives, finishing auxiliaries and dye products</td>
</tr>
</tbody>
</table>
Performance Chemicals: production of application-focused chemicals for a wide range of industries (2/2)

Performance Chemicals

- **Rhein Chemie**
  - Provides as a global supplier technical services and additives for various sectors of the rubber, lubricant and plastics industry

- **Rubber Chemicals**
  - Full portfolio of rubber chemicals for the tire and technical rubber industry including antidegradants, accelerators and specialties

- **Ion Exchange Resins**
  - One of the leading producers of ion exchange resins and technical applications for the treatment of liquids. Products are becoming increasingly important, e.g. in the treatment of drinking water

Performance Chemicals: specialty chemicals for niche markets

- **~25% of group sales***
  - Performance Chemicals LXS others

- **~25% of group EBITDA pre***
  - Performance Chemicals LXS others

*operating segments; **pre exceptionals

LANXESS Fact Book – Performance Chemicals
Performance Chemicals has a world-wide manufacturing base

Performance Chemicals: number one to number four in niche positions

- Megatrends: water and urbanization
  - Scarcity of purified water
  - Growing middle class in APAC
  - Increasing demand for coloring in emerging countries

- Globally competitive position
  - Global leadership positions in specialties/niches
  - Outstanding product quality, high-innovative capability
  - Global sales and service network

- Application-oriented
  - Activities in the field of process and functional chemicals
  - Diversified end uses like water treatment, leather, construction industries and beverages
Material Protection Products: customized solutions to preserve materials

Material Protection Products – facts

Overview
- Offers a wide portfolio of anti-microbial products for disinfectants, food and beverages, industrial preservation, wood protection, paints and coatings, construction, health and personal care
- Supported by excellent global technical and regulatory service

Supporting growth trends
- Increase health awareness
- Biocides trend regulation: innovative formulation technologies

End uses
- Construction 15%
- Paints & coatings 30%
- Beverages 25%

Global demand 2010e
- EMEA 28%
- Americas 38%
- Asia-Pacific 34%

Based on BU sales 2009
Material Protection Products offers products and problem solutions for a wide area of applications

**Products**
- Components for preserve compounds, disinfectants and wood protection products
- Technology for non-alcoholic soft drinks and wine
- Components for preserve compounds

**Applications**

Material Protection Products: a leading producer of active ingredients and biocidal formulations

**Value chain**

- **Chemicals**
  - o-phenylphenol (OPP)
- **Regulatory & data package**
  - "Active ingredients"
  - Preventol® O extra (OPP)
- **Biocidal formulations**
  - Solution or dispersion ready to use for customer

Purchase of registered actives
- Own manufacturing
- Sourcing

Registration
Material Protection Products: benefiting from increasing demand and positive trends

**Market environment**

**Total global demand 2010e**
- Disinfection & Personal care: €1.3 bn
- Biocides: €2.3 bn

**Market development (2011-2015)**
- Overall CAGR: ~3%
  - disinfection: ~6%
  - biocides: ~2%
  - beverage technology: ~3%

**Main competitors**
- Arch
- Dow
- Thor

**LANXESS production sites**
- Wuxi, China
- Dormagen, Germany
- Krefeld-Uerdingen, Germany
- Madurai, India

**Strengths / opportunities**
- Broad and innovative portfolio with unique properties and leading positions in attractive market segments
- Leading expertise in regulatory affairs and broad basis of biocidal registrations
- Global sales and service network
- Good cost structure
- Leading beverage technology solution
- Opportunity to participate in ongoing market consolidation
- Opportunity to participate in growing demand for hygiene products

**Weaknesses / challenges**
- Low cost Chinese / Indian competition in commodity-type biocidal actives
- Challenge to manage commoditizing wood actives
- Challenge to improve upstream-integration for selected actives
Inorganic Pigments: market leader with double-digit market share

**Inorganic Pigments – facts**

**Overview**
- BU Inorganic Pigments offers
  - high-quality iron oxide and chromium oxide pigments (e.g. for construction, coatings, plastics)
  - iron oxides and chromium oxides for technical applications

**Supporting growth trends**
- Increasing demand for coloring in emerging countries (e.g. in Asia-Pacific and LATAM)
- Sustainability as a competitive edge
- Consolidation among Chinese iron oxide producers
- General global trend towards higher quality products in all application fields
Growing awareness for sustainability worldwide will trigger implementation of environmental standards

**Sustainability in manufacturing**

**Jinshan, China**
- State-of-the-art wastewater treatment plant
- 15% reduced emissions in 2009 by better energy utilization and water management

**Porto Feliz, Brazil**
- CO₂ neutral production of energy by using bagasse, a residual of the sugar industry (Co-Generation plant)
- Reduction of CO₂ emissions by 44kt annually

**Krefeld-Uerdingen, Germany**
- Innovative process enables complete waste water recycling to produce iron oxide pigments
- Processed water of recovery unit needs no further cleaning, it is directly piped into the Rhine

**Sustainability as growth driver for IPG**

- IPG as the first global mover in setting and implementing highest HSEQ standards in production processes for iron and chrome oxides
- Further global HESQ production process developments are driven by IPG
- Implementation of HESQ standards in emerging countries are driven by IPG
- LANXESS production sites in China and Brazil with “German” standards
- IPG’s focus on HSEQ proving successful during ongoing consolidation of competitive environment
- Focus on sustainability further increases competitiveness

**Pigments for colorings and technical applications**

**Products**
- Broad range of iron oxide and chromium oxide pigments: Bayferrox®, COLORThERM®, Bayoxide®, BayScape®
- “Golden Standard” for iron oxide pigments

**Applications**
Production process – Various technologies are applied to produce a full range of colors

<table>
<thead>
<tr>
<th>Synthesis</th>
<th>Sieving and washing</th>
<th>Drying/calcination</th>
<th>Blending/milling</th>
<th>Packaging</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laux process</td>
<td>Thickening and washing</td>
<td>Drying and/or calcination</td>
<td>Color adjustment and milling</td>
<td>Packaging</td>
</tr>
<tr>
<td>Precipitation process</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Penniman process</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

LANXESS Fact Book – Performance Chemicals: Inorganic Pigments

IPG is well prepared to accommodate future market developments

Market environment

Total global demand (2010e)
~€800 m

Market development (2011-2015)
- Overall CAGR: ~4%
  - Asia-Pacific: 5-6%
  - EMEA: ~3%
  - Americas: ~3%

Main competitors
- Rockwood
- Chinese Companies (e.g. Cathay Pigments, Yipin Pigments)

Global demand for iron oxide, 2010-2016e

LANXESS production sites
- Sydney, Australia
- Porto Feliz, Brazil
- Shanghai, China
- Krefeld-Uerdingen, Germany
- Vilassar de Mar, Spain
- Branston, United Kingdom
- Burgettstown, USA

source: LANXESS estimates based on Cologne Strategy Group
World-scale production capacities, global market access and technical support are key competitive advantages of IPG

<table>
<thead>
<tr>
<th>Strengths / opportunities</th>
<th>Weaknesses / challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. State-of-the-art world-scale production capacities and superior product quality</td>
<td></td>
</tr>
<tr>
<td>2. Broad product portfolio (in terms of color, supply forms and application coverage)</td>
<td></td>
</tr>
<tr>
<td>3. Strong and well established brand name (Bayferrox® synonymous for iron oxides in general in many markets)</td>
<td></td>
</tr>
<tr>
<td>4. Worldwide distribution network and local blending units</td>
<td></td>
</tr>
<tr>
<td>5. High sophisticated technical support</td>
<td></td>
</tr>
<tr>
<td>6. Global adherence to high environmental standards</td>
<td></td>
</tr>
<tr>
<td>7. Increasing raw material and energy costs</td>
<td></td>
</tr>
<tr>
<td>8. High share of total costs denominated in EUR (most iron oxide producers have a USD dominated cost structure)</td>
<td></td>
</tr>
</tbody>
</table>
Agenda

1. LANXESS – Energizing Chemistry
2. Business Segments
   - Performance Polymers
   - Advanced Intermediates
   - Performance Chemicals
     Material Protection Products
     Inorganic Pigments
     Functional Chemicals
     Leather
     Rhein Chemie
     Rubber Chemicals
     Ion Exchange Resins
3. Financials

Functional Chemicals: high-value added products meeting strict environmental and regulatory requirements

**Functional Chemicals – facts**

**Overview**
- Major global manufacturer of organic phosphorous chemicals (flame retardants), polymer additives (plasticizers), organic colorants and water treatment chemicals
- Providing specialty products with high value added

**Supporting growth trends**
- Regulatory trend towards halogen-free flame retardants and phthalate-free plasticizers
- Increasing demand for polymer processing, office communication, water treatment and conditioning

**End uses**
- Construction 30%
- Packaging and toys 20%
- Electro/electronics 12%
- Automotive 7%
- Water 11%
- Agro 11%

**LANXESS production sites**
- Leverkusen, Germany
- Krefeld-Uerdingen, Germany

Based on BU sales 2009
Functional Chemicals offers products for a variety of applications in plastics and chemistry

- Flame retardants (DISFLAMOLL®, BAYFOMOX®, LEVAGARD®)
- Plasticizers (MESAMOLL®, ADIMOLL®, ULTRAMOLL®, UNIMOLL®, Triacetin)
- Blowing agents (GENITRON™)
- Organic colorants (BAYSCRIPT®, MACROLEX®, BAYPLAST®, SOLFORT®, LEVANYL®, LEVANOX®, BAYFAST®)
- Synthesis chemicals: phosphor intermediates, phosphor chlorides
- Water treatment chemicals (BAYHIBIT®, BAYPURE®)

Functional Chemicals operates one of the largest integrated production units for phosphorus chemicals

Production chain for phosphorus chemicals

- Phosphorus trichloride
- Phosphorus oxychloride
- Flame retardants
- Phosphorus specialties
- Water treatment agents

Application examples

- P-Chlorides for agrochemicals
- Phosphonates - scale inhibitors for industrial cleaners
- Alkyl phosphates - flame retardants for polyurethanes
- Aryl phosphates - flame retardants for PVC
Functional Chemicals offers products responding to growing environmental and regulatory requirements

**Trends for plastic additives and flame retardants**

**Trend to phthalate-free plasticizers and FDA approved products**
- Growing demand for phthalate-free plasticizers for a wide range of polymers
- Food:
  - Food and Drug Administration (FDA) approval for Mesamoll® II
  - Positive rating from EFSA (European Food Safety Authority) was granted for food contact applications (Official EU approval for use in food packaging expected for fall 2010)
  - Macrolex® dyes satisfy high purity and safety regulations for food packaging and food contact applications including FDA approval

**Trend to phosphorus-based flame retardants**
- Ongoing EU and NORAM environmental regulations, increasing OEM and consumer preference ban several brominated and favor mainly phosphorus-based flame retardants
- LANXESS is dedicated to environmentally friendly safer phosphorus-based flame retardants

**Trend to energy efficient buildings**
- Levagard DMPP satisfies new EU fire protection standards for composite isolation elements made of rigid polyurethane foam

**The phosphorus-based flame retardants market is growing faster than GDP**

<table>
<thead>
<tr>
<th>Market environment flame retardants</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total global demand (2010e)</strong></td>
</tr>
<tr>
<td>- $750 m</td>
</tr>
<tr>
<td><strong>Market development (2011-2015)</strong></td>
</tr>
<tr>
<td>- Overall CAGR: ~5%</td>
</tr>
<tr>
<td>- Asia-Pacific: ~5%</td>
</tr>
<tr>
<td>- Europe: ~3%</td>
</tr>
<tr>
<td>- North America: ~4%</td>
</tr>
<tr>
<td><strong>Main competitors</strong></td>
</tr>
<tr>
<td>- Albemarle</td>
</tr>
<tr>
<td>- Chemtura</td>
</tr>
<tr>
<td>- Daihachi</td>
</tr>
<tr>
<td>- ICL</td>
</tr>
</tbody>
</table>

**P-based flame retardants market, 2010-2015e**

- USA
- Europe
- APAC

**Global demand 2010e**

- EMEA 39%
- Americas 36%
- Asia-Pacific 25%
Functional Chemicals is a competitive regulatory driven business

**Strengths / opportunities**

- One of the largest and most competitive integrated production facilities for phosphorus chemicals
- Strong market position in phosphorus based flame retardants, bonding agents and other ecologically friendly products such as specialty plasticizers and solvent dyes for plastics
- Established solution provider especially for products meeting new regulatory requirements
- Global strong existing customer relationships in key markets
- Environmental awards and extensive patent protection

**Weaknesses / challenges**

- Enhancement of competitiveness to face increasing price pressure in commodity segments especially from Asian competitors
- Efficiently managed high volatility of raw material prices
- Change in the competitive environment due to further consolidation
Agenda

1. LANXESS – Energizing Chemistry
2. Business Segments
   - Performance Polymers
   - Advanced Intermediates
   - Performance Chemicals
     - Material Protection Products
     - Inorganic Pigments
     - Functional Chemicals
   Leather
     - Rhein Chemie
     - Rubber Chemicals
     - Ion Exchange Resins
3. Financials

Leather benefits from a broad product portfolio and upstream-integration into chrome ore

Overview
- Broad portfolio of specialty products ranging for the entire leather manufacturing process
- Upstream-integration into chrome ore for leather chemicals and metal production
- Global strategic alliance with Dow to complete LANXESS product range

Supporting growth trends
- Decreasing hide quality and shift to higher environmental standards increases demand for innovative leather chemicals
- Steadily growing meat consumption
- Ongoing market consolidation

End uses
- Shoe 52%
- Garment 15%
- Furniture 14%
- Automotive 9%
- Others 10%

Global demand 2010e
- Asia-Pacific 50%
- Americas 20%
- EMEA 30%

LANXESS estimates

LANXESS Fact Book – Performance Chemicals: Leather
LANXESS offers a full product portfolio for the leather industry

**Products**
- Beamhouse chemicals
- Binders
- Chrome tanning salts
- Colorants for wet end and finishing
- Fatliquor
- Finishing auxiliaries
- Patent leather chemicals
- Preservatives
- Retanning chemicals

**Applications**

**Upstream-integration into chrome ore for usage in the leather and other industries**

**LANXESS chrome ore value chain**

- Non-leather applications
  - Plating
  - Construction
  - Others

- Leather industry (Tanning)
BU Leather offers a well balanced portfolio of leather chemicals in an one-stop-shop

LANXESS leather chemicals process steps

- **Tanning**
  - ...through wet blue...
  - 1. Soaking
  - 2. Liming
  - 3. Deliming
  - 4. Pickling
  - 5. Chrome tanning
  - 6. Preservation

- **Retanning**
  - ...and crust...
  - 7. Neutralisation
  - 8. Retanning
  - 9. Dyeing
  - 10. Softening

- **Finishing**
  - ...to finished leather
  - 11. Finishing

Leather markets grow slowly but steadily in line with meat consumption

**Market environment**

- **Total global leather chemicals demand** (2010e)
  - €2.2 bn

- **Beef consumption growth** (2011-2015)
  - Overall CAGR: ~1%
    - Asia-Pacific: ~2%
    - EMEA: ~0.5%
    - North America: ~1%
    - South America: ~2%

- **Main competitors**
  - BASF
  - Clariant
  - Stahl

**Meat consumption [m t]**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>RoW</th>
<th>LatAm</th>
<th>North America</th>
<th>EMEA</th>
<th>APAC</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>~62</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010e</td>
<td>~67</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015e</td>
<td>~71</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018e</td>
<td>~74</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**LANXESS production sites**

- Zárate, Argentina
- Wuxi, China
- Leverkusen, Germany
- Madurai, India
- Filago, Italy
- Merebank, South Africa
- Newcastle, South Africa
- Rustenburg, South Africa

**Source:** OECD-FAO
Excellent positioning in a challenging market environment

<table>
<thead>
<tr>
<th>Market environment</th>
<th>Weaknesses / challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Broad product portfolio offering full range of leather chemicals to the customer</td>
<td>• Increasing competitive pressure due to ongoing overcapacities in retanning and finishing chemicals</td>
</tr>
<tr>
<td>• Strong market position in chrome tanning salts driven by upstream-integration into chrome ore</td>
<td>• Country risk due to production in geopolitically volatile countries</td>
</tr>
<tr>
<td>• Strong market position in faster growing Asian markets</td>
<td>• Innovation need due to prospective increase in eco trends</td>
</tr>
<tr>
<td>• Strong and established customer relationships</td>
<td></td>
</tr>
<tr>
<td>• Well trained and experienced technical support with excellent market acceptance</td>
<td></td>
</tr>
<tr>
<td>• Market geared towards consolidation</td>
<td></td>
</tr>
</tbody>
</table>

LANXESS Fact Book – Performance Chemicals: Leather
Agenda

1. LANXESS – Energizing Chemistry
2. Business Segments
   - Performance Polymers
   - Advanced Intermediates
   - Performance Chemicals
      Material Protection Products
      Inorganic Pigments
      Functional Chemicals
      Leather
      Rhein Chemie
      Rubber Chemicals
      Ion Exchange Resins
3. Financials

Rhein Chemie has a strong service and application expertise

Rhein Chemie – facts

Overview
- Providing technical solutions, services and additives for the rubber, polyurethane, plastics and lubricant oil industries

Supporting growth trends
- Global mobility trends
  - high-performance tires
  - bio-plastics

End uses
- Automotive/transportation 39%
- Others 22%
- Construction 5%
- Machinery/equipment 8%
- Pulp & paper 8%
- Tires 18%

Global demand 2010e
- Americas 33%
- Asia-Pacific 40%
- EMEA 27%

Based on BU sales 2009

LANXESS estimates
Rhein Chemie offers a diverse product portfolio

**Business Lines**

Additives for the rubber industry
- Polymer-bound chemicals (RHENOGRAN®, POLYDISPERSION)
- Processing promoters (AKTIPLAST®, AFLUX®)
- Release agents (RHENODIV®)
- Vulcanization activators (RHENOFIT®)
- Tire marking paint (RHENOMARK®)

Additives for polyurethane and plastics
- Hydrolysis protection (STABAXOL®)
- Crosslinkers for various plastic systems (ADDOLINK®)

Lubricant oil additives
- Corrosion inhibitors (ADDITIN®)
- Sulfur carriers and anti-wear agents (ADDITIN®)
- Oil- and water-based metalworking fluids (ADDITIN®)

**Products**

- Oil additives 20%
- Additive for rubber 60%
- Additive for polyurethane & plastics 20%

**Application driven chemistry**

**Chemistry**
- Sulfur Carriers
- ZnDTP
- P-Ester
- Sulfonates
- Esters
- Polymers
- Anti-Oxidants

**Applications**
- Hydraulics
- Turbines
- Gears
- Metal working
- Transportation
- Bearings
- Rust protection

High-performance packages for industrial oils are the most important products of the lubricant oil additive business

Development and marketing of high-performance additives combining deep chemical knowledge and long-term field experience
Rhein Chemie has a leading market position in its main business segment

**Market environment**

**Total global demand (2010e)**
- €2.3 bn

**Market development (2011-2015)**
- Overall CAGR: ~3%
  - Asia-Pacific: ~5%
  - EMEA: ~2%
  - Americas: ~2%

**Main competitors**
- Afton
- Lubrizol
- MLPC / Arkema Group
- Struktol

**New production facility in Nizhny Novgorod, Russia**
- Industrial park Dzerzhinsk will gain additional production capacity for Rhein Chemie’s main product group polymer-bound chemicals and release agents in 2011

**LANXESS capacities**
- ~100kt/y

**LANXESS production sites**
- Antwerp, Belgium
- Porto Feliz, Brazil
- Qingdao, China
- Mannheim, Germany
- Madurai, India
- Toyohashi, Japan
- Nizhny Novgorod, RUS
- Chardon, USA

Rhein Chemie has a strong service and application expertise

**Strengths / opportunities**
- Leading position in additive formulations
- Well recognized image and strong brands
- Global sales and service network
- Supplier of customized solutions and close customer relationships
- Rapid responsiveness to market trends
- Excellent technical know-how
- Leading capabilities to developed technical solutions and services

**Weaknesses / challenges**
- Consolidation in rubber and automotive industry
- Raw material price volatility and availability
- Cost pressure of the automotive industry
- Exposure to mature markets
- Regional low cost competitors
BU RUC is a leading supplier of rubber chemicals to the rubber industry

**Rubber Chemicals – facts**

**Overview**
- A full portfolio of rubber chemicals for tire and technical rubber industry
- Providing technical service and premium products

**Supporting growth trends**
- International mobilization trends
- Energy efficient tires
- Ongoing market consolidation

**End uses**
- Tire 53%
- Other rubber products 26%
- Personal care 5%
- Distributors 13%
- Others 3%

**Global demand 2010e**
- Americas 18%
- EMEA 24%
- Asia-Pacific 58%

*LANXESS estimates*

*Based on BU sales 2009*
Rubber Chemicals offers a broad portfolio of premium products to enhance rubber properties

- **Accelerators (~28%)**: thiazoles, sulfenamides (VULKACIT®)
- **Antidegradants (~50%)**: phenylendiamines, quinolines (VULKANOX®)
- **Specialties (~22%)**: used as bonding agents (COHEDUR®), cross linkers (VULCUREN®), fillers (VULKASIL®), latex chemicals, peptizing agents (RENACIT®), etc.

**Leading technology position with a continuous focus on process improvements**

<table>
<thead>
<tr>
<th>Raw materials</th>
<th>Process</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aniline &amp; carbon disulfide</td>
<td>Condensation</td>
<td>Intermediate</td>
</tr>
<tr>
<td>Condensation + Amine</td>
<td></td>
<td>VULKACIT®</td>
</tr>
<tr>
<td>Aniline &amp; para-nitrochlorobenzene</td>
<td>Condensation</td>
<td>Intermediate</td>
</tr>
<tr>
<td>Condensation + Ketone / hydrogen</td>
<td></td>
<td>VULKANOX®4020</td>
</tr>
<tr>
<td>Zinc sulphate</td>
<td>Precipitation</td>
<td>Intermediate</td>
</tr>
<tr>
<td></td>
<td>Roasting</td>
<td></td>
</tr>
<tr>
<td>Aniline &amp; acetone</td>
<td>Condensation</td>
<td>Antidegradant</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

LANXESS Fact Book – Performance Chemicals: Rubber Chemicals
BU RUC is a global player with production sites in every region

**Market environment**

**Total global demand (2010e)**
- ~€2.5 bn

**Market development (2011-2015)**
- Overall CAGR: 4-5%
  - Asia-Pacific: >5%
  - EMEA: ~3%
  - Americas: ~2%

**Main competitors**
- Flexsys
- KKPC
- Sinorgchem
- Sunsine

**Global demand rubber chemicals, 2010-2015e [USD]**

**LANXESS production sites**
- Antwerp, Belgium
- Brunsbüttel, Krefeld-Uerdingen, Leverkusen, Germany
- Jhagadia, India
- Bushy Park, USA
- Isithebe, South Africa

Rubber Chemicals has leading market and technology positions in a challenging environment

**Strengths / opportunities**
- Global production footprint with plants in every region
- World-scale plant for antidegredants (AOX) and accelerators (ACC)
- Reputation as provider of a broad range of high-quality products and services
- Coverage of all relevant global markets through a well established market position
- Leading position for zinc oxide produced by wet process technology

**Weaknesses / challenges**
- Oversupply mainly in Asia / China with still growing capacities
- Increasing competitive pressure is fuelling further market consolidation
- Enhance the product portfolio of specialties with profitable products
**Agenda**

1. LANXESS – Energizing Chemistry
2. Business Segments
   - Performance Polymers
   - Advanced Intermediates
   - **Performance Chemicals**
     - Material Protection Products
     - Inorganic Pigments
     - Functional Chemicals
     - Leather
     - Rhein Chemie
     - Rubber Chemicals
     - Ion Exchange Resins
3. Financials

---

**Ion Exchange Resins – Advanced solutions for liquid treatment**

<table>
<thead>
<tr>
<th>Business profile</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Overview</strong></td>
</tr>
<tr>
<td>▪ One of the world’s leading producer of ion exchange resins for liquid treatment</td>
</tr>
<tr>
<td>▪ Providing premium products for more than 500 applications</td>
</tr>
<tr>
<td>▪ More than 70 years know-how in all technical application fields</td>
</tr>
<tr>
<td>▪ New business field of membrane filtration technology</td>
</tr>
<tr>
<td><strong>Supporting growth trends</strong></td>
</tr>
<tr>
<td>▪ Increased water demand for growing population in a more urban world</td>
</tr>
</tbody>
</table>

**End uses**
- Consumer 20%
- Chemistry & others 31%
- Water & energy 49%

**Global demand 2010e**
- Americas 30%
- Asia-Pacific 35%
- EMEA 35%

LANXESS estimates based on Freedonia/SRI

LANXESS Fact Book – Performance Chemicals: Ion Exchange Resins
Ion Exchange Resins: a solution provider, manufacturing custom designed products

Products
- Ion exchange resins
- Adsorbers
- Functional polymers
- Membranes (end of 2011)

Main usage
- Water softening
- High-purified water
- Groundwater treatment
- Hydrometallurgy
- Food and beverage industries

Applications

ION production process for application variety

Production process
- Suspension of monomer droplets
- Polymerization: from droplets to small polymer beads which are made up of a network of polymer chains
- Functional groups are applied to the beads

Product properties
- Ability to exchange ions
- Absorption of molecules on polymer surfaces
- Acceleration of reactions by catalysis

Different functional groups for different applications

- Purification
  - CH$_2$ - N
  - CH$_2$-CO$_2$Na

- Catalysis
  - SO$_3$H

- Softening
  - CO$_2$H
Membrane technology for high-quality water treatment fits perfectly in ION portfolio

ION – “one stop shop” with membrane technology

Membranes: acting as a barrier for substances dissolved in the water

- RO: < 0.001 µm
- NF: 0.001 - 0.01 µm
- UF: 0.01 - 0.1 µm
- MF: 0.1 - 1 µm

**Technology properties**

- Membrane technology for additional high-quality water treatment
- Global market size for membrane technology ~€1 bn, expected to grow ~10% p.a.
- Membrane technology is complementary to ion exchange resins filtration processes:
  - membranes offer additional filtration, e.g. nitrates, heavy metals, pesticides, herbicides, viruses, bacteria
  - membrane filtration is physical vs. ion exchange resins is chemical based

BU Ion Exchange Resins serves the global water trend

**Market environment**

- Total global demand (2010e)
  - Ion exchange resins: ~€800 m
  - Membranes: ~€1 bn

  - Overall CAGR Ion exchange resins: ~4%
    - Asia-Pacific: ~5%
    - EMEA: ~3%
    - Americas: ~3%
  - Overall CAGR Membrane: ~10%

- Main competitors
  - Dow / Rohm & Haas (merger in 2009)
  - Mitsubishi Chemicals

**Global water supply and demand [bn m³]**

- 2010 clean water supply: 4,200
- Current demand: 4,500
- 2030e demand: 6,900

- Gap 2,700 = 39% of 2010 clean water supply

**LANXESS production sites**

- Bitterfeld, Germany
- Leverkusen, Germany
- Jhagadia, India (Q4 2010)

source: LANXESS estimates based on Freedonia/SRI
**Ion Exchange Resins: strong technical and process expertise support ION’s reputation as a premium-quality supplier**

<table>
<thead>
<tr>
<th>Strengths / opportunities</th>
<th>Weaknesses / challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>- High technical marketing know-how and service-solution-provider</td>
<td>- Currently no complementary technology for water treatment</td>
</tr>
<tr>
<td>- Global market presence and distribution network</td>
<td>- Dependency on raw material and energy costs</td>
</tr>
<tr>
<td>- Leadership in monodisperse ion exchange technology</td>
<td>- Cyclical nature of ion exchange resins business in some sub segments</td>
</tr>
<tr>
<td>- Premium-quality supplier with Lewatit® as well-known brand</td>
<td>- Further consolidation of customers in some segments</td>
</tr>
<tr>
<td>- Wide technological portfolio</td>
<td>- Relatively long time-to-market for new products due to registration and certification</td>
</tr>
<tr>
<td>- Service and quality ranked among the best in industry</td>
<td>issues</td>
</tr>
<tr>
<td>- Growing pharma, biotech and food industry</td>
<td></td>
</tr>
</tbody>
</table>

LANXESS Fact Book – Performance Chemicals: Ion Exchange Resins
Financials
1. LANXESS – Energizing Chemistry
2. Business Segments
3. Financials
   - Five years overview
   - Quarterly overview
   - Financing
   - Excursion
5 years summary – Balance Sheet

### ASSETS – (€ m)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible assets</td>
<td>214</td>
<td>196</td>
<td>145</td>
<td>33</td>
<td>41</td>
<td>53</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>1,921</td>
<td>1,809</td>
<td>1,664</td>
<td>1,459</td>
<td>1,465</td>
<td>1,526</td>
</tr>
<tr>
<td>Investment in associate</td>
<td>31</td>
<td>26</td>
<td>49</td>
<td>33</td>
<td>5</td>
<td>22</td>
</tr>
<tr>
<td>Inv. in other affiliated companies</td>
<td>8</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Non-current derivative fin. assets</td>
<td>2</td>
<td>16</td>
<td>43</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other non-current financial assets</td>
<td>75</td>
<td>79</td>
<td>72</td>
<td>85</td>
<td>37</td>
<td>48</td>
</tr>
<tr>
<td>Deferred taxes</td>
<td>214</td>
<td>163</td>
<td>137</td>
<td>93</td>
<td>84</td>
<td>103</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>110</td>
<td>92</td>
<td>134</td>
<td>102</td>
<td>94</td>
<td>79</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td><strong>2,575</strong></td>
<td><strong>2,382</strong></td>
<td><strong>2,228</strong></td>
<td><strong>1,806</strong></td>
<td><strong>1,730</strong></td>
<td><strong>1,835</strong></td>
</tr>
<tr>
<td>Inventories</td>
<td>1,099</td>
<td>849</td>
<td>1,048</td>
<td>895</td>
<td>1,047</td>
<td>1,068</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>1,024</td>
<td>733</td>
<td>725</td>
<td>809</td>
<td>924</td>
<td>1,065</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>232</td>
<td>313</td>
<td>249</td>
<td>189</td>
<td>171</td>
<td>136</td>
</tr>
<tr>
<td>Near-cash assets</td>
<td>205</td>
<td>402</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Current derivative fin. assets</td>
<td>8</td>
<td>29</td>
<td>34</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other current financial assets</td>
<td>146</td>
<td>146</td>
<td>155</td>
<td>200</td>
<td>113</td>
<td>37</td>
</tr>
<tr>
<td>Other current assets</td>
<td>260</td>
<td>214</td>
<td>212</td>
<td>150</td>
<td>220</td>
<td>200</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td><strong>2,974</strong></td>
<td><strong>2,686</strong></td>
<td><strong>2,423</strong></td>
<td><strong>2,243</strong></td>
<td><strong>2,475</strong></td>
<td><strong>2,506</strong></td>
</tr>
<tr>
<td>Total assets</td>
<td>5,549</td>
<td>5,068</td>
<td>4,651</td>
<td>4,049</td>
<td>4,205</td>
<td>4,341</td>
</tr>
</tbody>
</table>

### Equity and Liabilities – (€ m)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Stockholders equity</td>
<td>1,622</td>
<td>1,445</td>
<td>1,407</td>
<td>1,525</td>
<td>1,428</td>
<td>1,256</td>
</tr>
<tr>
<td>Prov. for pensions a. o. p.-e. ben.</td>
<td>649</td>
<td>569</td>
<td>483</td>
<td>470</td>
<td>520</td>
<td>497</td>
</tr>
<tr>
<td>Other non-current provisions</td>
<td>345</td>
<td>307</td>
<td>261</td>
<td>242</td>
<td>271</td>
<td>302</td>
</tr>
<tr>
<td>Non-current derivative fin. liab.</td>
<td>47</td>
<td>4</td>
<td>30</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other non-current financial liabilities</td>
<td>1,337</td>
<td>1,462</td>
<td>983</td>
<td>601</td>
<td>632</td>
<td>644</td>
</tr>
<tr>
<td>Non-current tax liabilities</td>
<td>47</td>
<td>47</td>
<td>91</td>
<td>36</td>
<td>38</td>
<td>26</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>90</td>
<td>77</td>
<td>46</td>
<td>47</td>
<td>36</td>
<td>32</td>
</tr>
<tr>
<td>Deferred taxes</td>
<td>39</td>
<td>38</td>
<td>47</td>
<td>60</td>
<td>57</td>
<td>75</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td><strong>2,554</strong></td>
<td><strong>2,504</strong></td>
<td><strong>1,941</strong></td>
<td><strong>1,456</strong></td>
<td><strong>1,554</strong></td>
<td><strong>1,576</strong></td>
</tr>
<tr>
<td>Other current provisions</td>
<td>403</td>
<td>352</td>
<td>395</td>
<td>371</td>
<td>354</td>
<td>401</td>
</tr>
<tr>
<td>Current derivative financial liabilities</td>
<td>87</td>
<td>26</td>
<td>79</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Current financial liabilities</td>
<td>74</td>
<td>94</td>
<td>168</td>
<td>65</td>
<td>50</td>
<td>172</td>
</tr>
<tr>
<td>Trade payables</td>
<td>595</td>
<td>486</td>
<td>484</td>
<td>487</td>
<td>602</td>
<td>694</td>
</tr>
<tr>
<td>Current tax liabilities</td>
<td>93</td>
<td>52</td>
<td>12</td>
<td>16</td>
<td>36</td>
<td>27</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>121</td>
<td>109</td>
<td>162</td>
<td>129</td>
<td>181</td>
<td>215</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td><strong>1,373</strong></td>
<td><strong>1,119</strong></td>
<td><strong>1,300</strong></td>
<td><strong>1,068</strong></td>
<td><strong>1,223</strong></td>
<td><strong>1,509</strong></td>
</tr>
<tr>
<td>Total equity and liabilities</td>
<td>5,549</td>
<td>5,068</td>
<td>4,648</td>
<td>4,049</td>
<td>4,205</td>
<td>4,341</td>
</tr>
</tbody>
</table>

Note: Additional financial information available at:
## 5 years summary – P&L

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>3,441</td>
<td>5,057</td>
<td>6,576</td>
<td>6,608</td>
<td>6,944</td>
<td>7,150</td>
</tr>
<tr>
<td><strong>Cost of goods sold</strong></td>
<td>(2,573)</td>
<td>(3,956)</td>
<td>(5,115)</td>
<td>(5,147)</td>
<td>(5,404)</td>
<td>(5,537)</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>868</td>
<td>1,101</td>
<td>1,461</td>
<td>1,461</td>
<td>1,540</td>
<td>1,613</td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>25.2%</td>
<td>21.8%</td>
<td>22.2%</td>
<td>22.1%</td>
<td>22.2%</td>
<td>22.6%</td>
</tr>
<tr>
<td><strong>Selling expenses</strong></td>
<td>(304)</td>
<td>(530)</td>
<td>(658)</td>
<td>(659)</td>
<td>(766)</td>
<td>(863)</td>
</tr>
<tr>
<td><strong>R&amp;D expenses</strong></td>
<td>(55)</td>
<td>(101)</td>
<td>(97)</td>
<td>(88)</td>
<td>(87)</td>
<td>(101)</td>
</tr>
<tr>
<td><strong>G&amp;A expenses</strong></td>
<td>(127)</td>
<td>(235)</td>
<td>(270)</td>
<td>(256)</td>
<td>(254)</td>
<td>(285)</td>
</tr>
<tr>
<td><strong>Other operating income</strong></td>
<td>92</td>
<td>237</td>
<td>404</td>
<td>317</td>
<td>243</td>
<td>155</td>
</tr>
<tr>
<td><strong>Other operating expenses</strong></td>
<td>(114)</td>
<td>(323)</td>
<td>(517)</td>
<td>(560)</td>
<td>(300)</td>
<td>(491)</td>
</tr>
<tr>
<td>**Other operating income - net</td>
<td>(22)</td>
<td>(86)</td>
<td>(113)</td>
<td>(243)</td>
<td>(67)</td>
<td>(336)</td>
</tr>
<tr>
<td><strong>Operating result (EBIT)</strong></td>
<td>360</td>
<td>149</td>
<td>323</td>
<td>215</td>
<td>376</td>
<td>28</td>
</tr>
<tr>
<td><strong>Income/expenses from investment</strong></td>
<td>12</td>
<td>8</td>
<td>21</td>
<td>(1)</td>
<td>(16)</td>
<td>(32)</td>
</tr>
<tr>
<td><strong>Interest expense – net</strong></td>
<td>(40)</td>
<td>(73)</td>
<td>(36)</td>
<td>(20)</td>
<td>(23)</td>
<td>(41)</td>
</tr>
<tr>
<td>**Other financial result – net</td>
<td>(16)</td>
<td>(52)</td>
<td>(62)</td>
<td>(22)</td>
<td>(50)</td>
<td>(72)</td>
</tr>
<tr>
<td><strong>Financial result</strong></td>
<td>(44)</td>
<td>(117)</td>
<td>(77)</td>
<td>(43)</td>
<td>(69)</td>
<td>(145)</td>
</tr>
<tr>
<td><strong>Earnings before taxes (EBT)</strong></td>
<td>316</td>
<td>32</td>
<td>246</td>
<td>172</td>
<td>287</td>
<td>(117)</td>
</tr>
<tr>
<td><strong>Income taxes</strong></td>
<td>(80)</td>
<td>7</td>
<td>(63)</td>
<td>(60)</td>
<td>(85)</td>
<td>63</td>
</tr>
<tr>
<td><strong>Earnings after taxes</strong></td>
<td>236</td>
<td>39</td>
<td>183</td>
<td>112</td>
<td>202</td>
<td>(54)</td>
</tr>
<tr>
<td><strong>Minorities</strong></td>
<td>(1)</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>(5)</td>
<td>(9)</td>
</tr>
<tr>
<td><strong>Net income (loss)</strong></td>
<td>235</td>
<td>40</td>
<td>183</td>
<td>112</td>
<td>197</td>
<td>(63)</td>
</tr>
<tr>
<td><strong>Earnings per share [€]</strong></td>
<td>2.82</td>
<td>0.48</td>
<td>2.20</td>
<td>1.32</td>
<td>2.33</td>
<td>(0.75)</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>360</td>
<td>149</td>
<td>323</td>
<td>215</td>
<td>376</td>
<td>28</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>495</td>
<td>422</td>
<td>602</td>
<td>513</td>
<td>638</td>
<td>341</td>
</tr>
<tr>
<td><strong>Exceptionals</strong></td>
<td>7</td>
<td>55</td>
<td>139</td>
<td>257</td>
<td>45</td>
<td>304</td>
</tr>
<tr>
<td><strong>D&amp;A exceptionals</strong></td>
<td>0</td>
<td>12</td>
<td>19</td>
<td>51</td>
<td>8</td>
<td>64</td>
</tr>
<tr>
<td><strong>EBITDA pre exceptionals</strong></td>
<td>502</td>
<td>465</td>
<td>722</td>
<td>719</td>
<td>675</td>
<td>581</td>
</tr>
<tr>
<td><strong>EBITDA pre exceptionals margin</strong></td>
<td>14.6%</td>
<td>9.2%</td>
<td>11.0%</td>
<td>10.9%</td>
<td>9.7%</td>
<td>8.1%</td>
</tr>
<tr>
<td><strong>ROCE</strong></td>
<td>14.2%</td>
<td>5.9%</td>
<td>15.4%</td>
<td>17.7%</td>
<td>15.9%</td>
<td>12.9%</td>
</tr>
</tbody>
</table>

## 5 years summary – Segment Data

### Performance Polymers – Key Figures [€ m]

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,786</td>
<td>2,388</td>
<td>3,280</td>
<td>2,680</td>
<td>2,571</td>
</tr>
<tr>
<td>EBIT</td>
<td>241</td>
<td>105</td>
<td>208</td>
<td>273</td>
<td>238</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>72</td>
<td>137</td>
<td>139</td>
<td>103</td>
<td>100</td>
</tr>
<tr>
<td>EBITDA</td>
<td>313</td>
<td>242</td>
<td>347</td>
<td>376</td>
<td>338</td>
</tr>
<tr>
<td>Exceptionals</td>
<td>2</td>
<td>9</td>
<td>77</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>D&amp;A in exceptionals</td>
<td>0</td>
<td>1</td>
<td>11</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>EBITDA pre exceptionals</td>
<td>315</td>
<td>250</td>
<td>413</td>
<td>376</td>
<td>340</td>
</tr>
<tr>
<td>EBITDA pre margin</td>
<td>17.6%</td>
<td>10.5%</td>
<td>12.6%</td>
<td>14.0%</td>
<td>13.2%</td>
</tr>
</tbody>
</table>

### Advanced Intermediates – Key Figures [€ m]

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>644</td>
<td>1,104</td>
<td>1,310</td>
<td>1,204</td>
<td>1,161</td>
</tr>
<tr>
<td>EBIT</td>
<td>77</td>
<td>95</td>
<td>142</td>
<td>137</td>
<td>136</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>27</td>
<td>48</td>
<td>44</td>
<td>37</td>
<td>38</td>
</tr>
<tr>
<td>EBITDA</td>
<td>104</td>
<td>143</td>
<td>186</td>
<td>174</td>
<td>165</td>
</tr>
<tr>
<td>Exceptionals</td>
<td>0</td>
<td>11</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>D&amp;A in exceptionals</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>EBITDA pre exceptionals</td>
<td>104</td>
<td>154</td>
<td>186</td>
<td>174</td>
<td>165</td>
</tr>
<tr>
<td>EBITDA pre margin</td>
<td>16.1%</td>
<td>13.9%</td>
<td>14.2%</td>
<td>14.5%</td>
<td>15.3%</td>
</tr>
</tbody>
</table>

### Performance Chemicals – Key Figures [€ m]

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>992</td>
<td>1,530</td>
<td>1,930</td>
<td>1,970</td>
<td>2,205</td>
</tr>
<tr>
<td>EBIT</td>
<td>129</td>
<td>100</td>
<td>129</td>
<td>183</td>
<td>200</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>33</td>
<td>71</td>
<td>82</td>
<td>88</td>
<td>90</td>
</tr>
<tr>
<td>EBITDA</td>
<td>162</td>
<td>171</td>
<td>211</td>
<td>271</td>
<td>290</td>
</tr>
<tr>
<td>Exceptionals</td>
<td>0</td>
<td>17</td>
<td>38</td>
<td>16</td>
<td>1</td>
</tr>
<tr>
<td>D&amp;A in exceptionals</td>
<td>0</td>
<td>6</td>
<td>8</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>EBITDA pre exceptionals</td>
<td>162</td>
<td>182</td>
<td>241</td>
<td>285</td>
<td>291</td>
</tr>
<tr>
<td>EBITDA pre margin</td>
<td>16.3%</td>
<td>11.9%</td>
<td>12.5%</td>
<td>14.5%</td>
<td>13.2%</td>
</tr>
</tbody>
</table>

### Reconciliation – Key Figures [€ m]

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>19</td>
<td>35</td>
<td>56</td>
<td>86</td>
<td>115</td>
</tr>
<tr>
<td>EBIT</td>
<td>(87)</td>
<td>(151)</td>
<td>(157)</td>
<td>(202)</td>
<td>(208)</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>3</td>
<td>17</td>
<td>14</td>
<td>19</td>
<td>33</td>
</tr>
<tr>
<td>EBITDA</td>
<td>(84)</td>
<td>(134)</td>
<td>(142)</td>
<td>(183)</td>
<td>(175)</td>
</tr>
<tr>
<td>Exceptionals</td>
<td>5</td>
<td>18</td>
<td>24</td>
<td>45</td>
<td>42</td>
</tr>
<tr>
<td>D&amp;A in exceptionals</td>
<td>0</td>
<td>5</td>
<td>0</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>EBITDA pre exceptionals</td>
<td>(79)</td>
<td>(121)</td>
<td>(118)</td>
<td>(136)</td>
<td>(141)</td>
</tr>
</tbody>
</table>

Note: Additional financial information available at:
LANXESS: ongoing efficiency increase

### Key Financials [€ m]

<table>
<thead>
<tr>
<th></th>
<th>Q2 10</th>
<th>Q1 10</th>
<th>2009</th>
<th>Q4 09</th>
<th>Q3 09</th>
<th>Q2 09</th>
<th>Q1 09</th>
<th>2008</th>
<th>Q4 08</th>
<th>Q3 08</th>
<th>Q2 08</th>
<th>Q1 08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,828</td>
<td>1,613</td>
<td>5,057</td>
<td>1,392</td>
<td>1,373</td>
<td>1,238</td>
<td>1,054</td>
<td>6,576</td>
<td>1,462</td>
<td>1,814</td>
<td>1,765</td>
<td>1,535</td>
</tr>
<tr>
<td>EBITDA pre</td>
<td>269</td>
<td>233</td>
<td>465</td>
<td>144</td>
<td>143</td>
<td>112</td>
<td>66</td>
<td>722</td>
<td>87</td>
<td>192</td>
<td>223</td>
<td>220</td>
</tr>
<tr>
<td>EBITDA*margin %</td>
<td>14.7</td>
<td>14.4</td>
<td>9.2</td>
<td>10.3</td>
<td>10.4</td>
<td>9.0</td>
<td>6.3</td>
<td>11.0</td>
<td>6.0</td>
<td>10.6</td>
<td>12.6</td>
<td>14.3</td>
</tr>
<tr>
<td>EBITDA</td>
<td>265</td>
<td>230</td>
<td>422</td>
<td>122</td>
<td>130</td>
<td>108</td>
<td>62</td>
<td>602</td>
<td>30</td>
<td>183</td>
<td>180</td>
<td>209</td>
</tr>
<tr>
<td>EBIT pre</td>
<td>200</td>
<td>167</td>
<td>204</td>
<td>74</td>
<td>77</td>
<td>50</td>
<td>3</td>
<td>462</td>
<td>24</td>
<td>120</td>
<td>159</td>
<td>159</td>
</tr>
<tr>
<td>EBIT</td>
<td>196</td>
<td>164</td>
<td>149</td>
<td>43</td>
<td>64</td>
<td>43</td>
<td>(1)</td>
<td>323</td>
<td>(46)</td>
<td>108</td>
<td>116</td>
<td>145</td>
</tr>
<tr>
<td>Capex**</td>
<td>60</td>
<td>39</td>
<td>275</td>
<td>114</td>
<td>52</td>
<td>57</td>
<td>52</td>
<td>342</td>
<td>173</td>
<td>69</td>
<td>66</td>
<td>34</td>
</tr>
<tr>
<td>Dept. / Amort.</td>
<td>69</td>
<td>66</td>
<td>273</td>
<td>79</td>
<td>66</td>
<td>65</td>
<td>63</td>
<td>279</td>
<td>76</td>
<td>75</td>
<td>64</td>
<td>64</td>
</tr>
<tr>
<td>Employees</td>
<td>14,419</td>
<td>14,292</td>
<td>14,338</td>
<td>14,604</td>
<td>14,335</td>
<td>14,612</td>
<td></td>
<td>14,797</td>
<td>14,983</td>
<td>15,072</td>
<td>14,620</td>
<td></td>
</tr>
</tbody>
</table>

*pre exceptionals; **net of finance lease

Performance Polymers: turning strength into value

### Key Financials [€ m]

<table>
<thead>
<tr>
<th></th>
<th>Q2 10</th>
<th>Q1 10</th>
<th>2009</th>
<th>Q4 09</th>
<th>Q3 09</th>
<th>Q2 09</th>
<th>Q1 09</th>
<th>2008</th>
<th>Q4 08</th>
<th>Q3 08</th>
<th>Q2 08</th>
<th>Q1 08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>958</td>
<td>828</td>
<td>2,388</td>
<td>725</td>
<td>656</td>
<td>559</td>
<td>448</td>
<td>3,280</td>
<td>741</td>
<td>938</td>
<td>908</td>
<td>693</td>
</tr>
<tr>
<td>EBITDA pre</td>
<td>171</td>
<td>144</td>
<td>250</td>
<td>114</td>
<td>76</td>
<td>52</td>
<td>8</td>
<td>413</td>
<td>55</td>
<td>127</td>
<td>127</td>
<td>104</td>
</tr>
<tr>
<td>EBITDA*margin %</td>
<td>17.8</td>
<td>17.4</td>
<td>10.5</td>
<td>15.7</td>
<td>11.6</td>
<td>9.3</td>
<td>1.8</td>
<td>12.6</td>
<td>7.4</td>
<td>13.5</td>
<td>14.0</td>
<td>15.0</td>
</tr>
<tr>
<td>EBITDA</td>
<td>170</td>
<td>143</td>
<td>242</td>
<td>117</td>
<td>66</td>
<td>51</td>
<td>8</td>
<td>347</td>
<td>42</td>
<td>125</td>
<td>78</td>
<td>102</td>
</tr>
<tr>
<td>EBIT pre</td>
<td>134</td>
<td>109</td>
<td>114</td>
<td>77</td>
<td>42</td>
<td>19</td>
<td>(24)</td>
<td>285</td>
<td>24</td>
<td>88</td>
<td>95</td>
<td>78</td>
</tr>
<tr>
<td>EBIT</td>
<td>133</td>
<td>108</td>
<td>105</td>
<td>79</td>
<td>32</td>
<td>18</td>
<td>(24)</td>
<td>208</td>
<td>6</td>
<td>83</td>
<td>46</td>
<td>73</td>
</tr>
<tr>
<td>Capex**</td>
<td>33</td>
<td>19</td>
<td>133</td>
<td>52</td>
<td>25</td>
<td>28</td>
<td>28</td>
<td>178</td>
<td>94</td>
<td>37</td>
<td>32</td>
<td>15</td>
</tr>
<tr>
<td>Dept. / Amort.</td>
<td>37</td>
<td>35</td>
<td>137</td>
<td>38</td>
<td>34</td>
<td>33</td>
<td>32</td>
<td>139</td>
<td>36</td>
<td>42</td>
<td>32</td>
<td>29</td>
</tr>
<tr>
<td>Employees</td>
<td>4,403</td>
<td>4,321</td>
<td>4,375</td>
<td>4,458</td>
<td>4,467</td>
<td>4,569</td>
<td>4,669</td>
<td>4,672</td>
<td>4,787</td>
<td>4,858</td>
<td>4,283</td>
<td></td>
</tr>
</tbody>
</table>

*pre exceptionals; **net of finance lease
Advanced Intermediates: two business units demonstrate reliable resilience

### Key Financials [€ m]

<table>
<thead>
<tr>
<th>Q2 10</th>
<th>Q1 10</th>
<th>2009</th>
<th>Q4 09</th>
<th>Q3 09</th>
<th>Q2 09</th>
<th>Q1 09</th>
<th>2008</th>
<th>Q4 08</th>
<th>Q3 08</th>
<th>Q2 08</th>
<th>Q1 08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>324</td>
<td>320</td>
<td>1,104</td>
<td>277</td>
<td>284</td>
<td>285</td>
<td>258</td>
<td>1,310</td>
<td>317</td>
<td>344</td>
<td>320</td>
</tr>
<tr>
<td>EBITDA pre</td>
<td>60</td>
<td>44</td>
<td>154</td>
<td>30</td>
<td>40</td>
<td>38</td>
<td>46</td>
<td>186</td>
<td>41</td>
<td>40</td>
<td>49</td>
</tr>
<tr>
<td>EBITDA*margin %</td>
<td>18.5</td>
<td>13.8</td>
<td>13.9</td>
<td>10.8</td>
<td>14.1</td>
<td>13.3</td>
<td>17.8</td>
<td>14.2</td>
<td>12.9</td>
<td>11.6</td>
<td>15.3</td>
</tr>
<tr>
<td>EBITDA</td>
<td>60</td>
<td>44</td>
<td>143</td>
<td>24</td>
<td>35</td>
<td>38</td>
<td>46</td>
<td>186</td>
<td>41</td>
<td>40</td>
<td>49</td>
</tr>
<tr>
<td>EBIT pre</td>
<td>46</td>
<td>31</td>
<td>106</td>
<td>17</td>
<td>27</td>
<td>27</td>
<td>35</td>
<td>142</td>
<td>30</td>
<td>28</td>
<td>39</td>
</tr>
<tr>
<td>EBIT</td>
<td>46</td>
<td>31</td>
<td>95</td>
<td>11</td>
<td>22</td>
<td>27</td>
<td>35</td>
<td>142</td>
<td>30</td>
<td>28</td>
<td>39</td>
</tr>
<tr>
<td>Capex**</td>
<td>6</td>
<td>5</td>
<td>53</td>
<td>30</td>
<td>6</td>
<td>8</td>
<td>9</td>
<td>62</td>
<td>30</td>
<td>12</td>
<td>15</td>
</tr>
<tr>
<td>Dept. / Amort.</td>
<td>14</td>
<td>13</td>
<td>48</td>
<td>13</td>
<td>13</td>
<td>11</td>
<td>11</td>
<td>44</td>
<td>11</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>Employees</td>
<td>2,815</td>
<td>2,830</td>
<td>2,858</td>
<td>2,918</td>
<td>2,517</td>
<td>2,520</td>
<td>2,530</td>
<td>2,537</td>
<td>2,546</td>
<td>2,553</td>
<td></td>
</tr>
</tbody>
</table>

*pre exceptionals; **net of projects financed by customers

Performance Chemicals: profitable growth in various niche markets

### Key Financials [€ m]

<table>
<thead>
<tr>
<th>Q2 10</th>
<th>Q1 10</th>
<th>2009</th>
<th>Q4 09</th>
<th>Q3 09</th>
<th>Q2 09</th>
<th>Q1 09</th>
<th>2008</th>
<th>Q4 08</th>
<th>Q3 08</th>
<th>Q2 08</th>
<th>Q1 08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>537</td>
<td>455</td>
<td>1,530</td>
<td>382</td>
<td>425</td>
<td>385</td>
<td>338</td>
<td>1,930</td>
<td>392</td>
<td>520</td>
<td>523</td>
</tr>
<tr>
<td>EBITDA pre</td>
<td>84</td>
<td>78</td>
<td>182</td>
<td>32</td>
<td>67</td>
<td>44</td>
<td>39</td>
<td>241</td>
<td>16</td>
<td>65</td>
<td>78</td>
</tr>
<tr>
<td>EBITDA*margin %</td>
<td>15.6</td>
<td>17.1</td>
<td>11.9</td>
<td>8.4</td>
<td>15.8</td>
<td>11.4</td>
<td>11.5</td>
<td>12.5</td>
<td>4.1</td>
<td>12.5</td>
<td>14.9</td>
</tr>
<tr>
<td>EBITDA</td>
<td>84</td>
<td>78</td>
<td>171</td>
<td>26</td>
<td>62</td>
<td>45</td>
<td>38</td>
<td>211</td>
<td>(8)</td>
<td>63</td>
<td>77</td>
</tr>
<tr>
<td>EBIT pre</td>
<td>67</td>
<td>62</td>
<td>117</td>
<td>16</td>
<td>51</td>
<td>28</td>
<td>22</td>
<td>167</td>
<td>(2)</td>
<td>47</td>
<td>59</td>
</tr>
<tr>
<td>EBIT</td>
<td>67</td>
<td>62</td>
<td>100</td>
<td>4</td>
<td>46</td>
<td>29</td>
<td>21</td>
<td>129</td>
<td>(33)</td>
<td>45</td>
<td>57</td>
</tr>
<tr>
<td>Capex</td>
<td>18</td>
<td>14</td>
<td>80</td>
<td>29</td>
<td>19</td>
<td>19</td>
<td>13</td>
<td>82</td>
<td>36</td>
<td>18</td>
<td>17</td>
</tr>
<tr>
<td>Depr. / Amort.</td>
<td>17</td>
<td>16</td>
<td>71</td>
<td>22</td>
<td>16</td>
<td>16</td>
<td>17</td>
<td>82</td>
<td>25</td>
<td>18</td>
<td>20</td>
</tr>
<tr>
<td>Employees</td>
<td>4,757</td>
<td>4,684</td>
<td>4,675</td>
<td>4,865</td>
<td>4,865</td>
<td>4,997</td>
<td>5,021</td>
<td>5,060</td>
<td>5,077</td>
<td>5,158</td>
<td></td>
</tr>
</tbody>
</table>

*pre exceptionals
Rating agencies confirm LANXESS’ achievements – resilience during crisis and supporting business fundamentals in 2010

- Prudent financial policies and strong liquidity
- Adequate resilience in 2009 downturn
- Good geographic diversification with increasing presence in emerging markets

LANXESS Baa2 rating is supported by (i) conservative financial policies and balance sheet structure and (ii) sound liquidity profile...

... adequately positioned in its rating category with a stable outlook as credit metrics are supported by supportive business fundamentals in 2010

- Improved business risk, cost position and capital structure
- Product portfolio has moved up the value scale over the past four years
- Fitch takes comfort in LANXESS strong liquidity

source: rating agencies

No major refinancing needs until 2012

Long-term financing secured
- Maturity profile extended
- No major refinancing needs until 2012
- Dependency on banks further reduced

Liquidity and maturity profile

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond</td>
<td></td>
<td>Bond</td>
<td></td>
<td>Bond</td>
<td></td>
<td>Bond</td>
</tr>
</tbody>
</table>

Access to unconditioned liquidity is a valuable asset
LANXESS pension obligations under tight control

**Clear improvement of funded status**

<table>
<thead>
<tr>
<th>Year</th>
<th>Defined – benefit obligation</th>
<th>External plan assets</th>
<th>Underfunding</th>
<th>Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>1,073</td>
<td>396</td>
<td>677</td>
<td>~37%</td>
</tr>
<tr>
<td>2009</td>
<td>1,231</td>
<td>879</td>
<td>352</td>
<td>~72%</td>
</tr>
</tbody>
</table>

- Significant improvement of funding ratio: ~72% achieved
- German CTA implemented in 2007 – latest funding in 2009 with €30 m
- Conservatively managed pension assets: equity investments <25%
- Ongoing monitoring and optimization of pension structure

LANXESS runs a global sourcing strategy in order to ensure availability of raw materials at best prices

**Top 12 raw materials make up >50% of total bill**

- 1,3-Butadiene
- Cyclohexane
- Isobutylene
- Toluene
- Caustic Soda
- Ammonia
- Styrene monomer
- Chlorine
- Crude Raffinate II
- Cyclohexanon
- Ethylene
- Benzene

- Total raw material expenses in 2009: ~€1.7 bn (2008: ~€2.6 bn)

**Centrally managed global procurement**

- Ensures reliable supply of materials and services
- >60% of orders handled through e-procurement
- Petrochemical raw materials with top priority
- Supplied by all major petrochemical companies
LANXESS is globally the largest butadiene buyer – purchasing power secures supply

LANXESS represents high single digit % of global butadiene demand

-7% of demand

~10% of demand

~50% of demand

LANXESS – 14,000

~12,000

Global

LANXESS

Reliable sourcing

- Butadiene as a raw material is generally tight in supply
- LANXESS global sourcing and purchasing power ensures reliable supply
- Multi-supplier strategy gives additional comfort

source: ICIS Cracker Report with McKinsey LXS Model

LANXESS Fact Book – Financials: Excursion
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.
CONTACT DETAIL INVESTOR RELATIONS

Oliver Stratmann
Head of Investor Relations
Tel. : +49-214 30 49611
Fax. : +49-214 30 959 49611
Mobile : +49-175 30 49611
Email : Oliver.Stratmann@lanxess.com

Verena Simiot
Assistant Investor Relations
Tel. : +49-214 30 23851
Fax. : +49-214 30 40944
Mobile : +49-175 30 23851
Email : Verena.Simiot@lanxess.com

Tanja Satzer
Private Investors / AGM
Tel. : +49-214 30 43801
Fax. : +49-214 30 959 43801
Mobile : +49-175 30 43801
Email : Tanja.Satzer@lanxess.com

Constantin Fest
Institutional Investors / Analysts
Tel. : +49-214 30 71416
Fax. : +49-214 30 40944
Mobile : +49-175 30 71416
Email : Constantin.Fest@lanxess.com

Joachim Kunz
Institutional Investors / Analysts
Tel. : +49-214 30 42030
Fax. : +49-214 30 40944
Mobile : +49-175 30 42030
Email : Joachim.Kunz@lanxess.com