



# LANXESS – Energizing Chemistry

**Business profile 2012**

Investor Relations, Leverkusen 2012

# LANXESS – an attractive investment

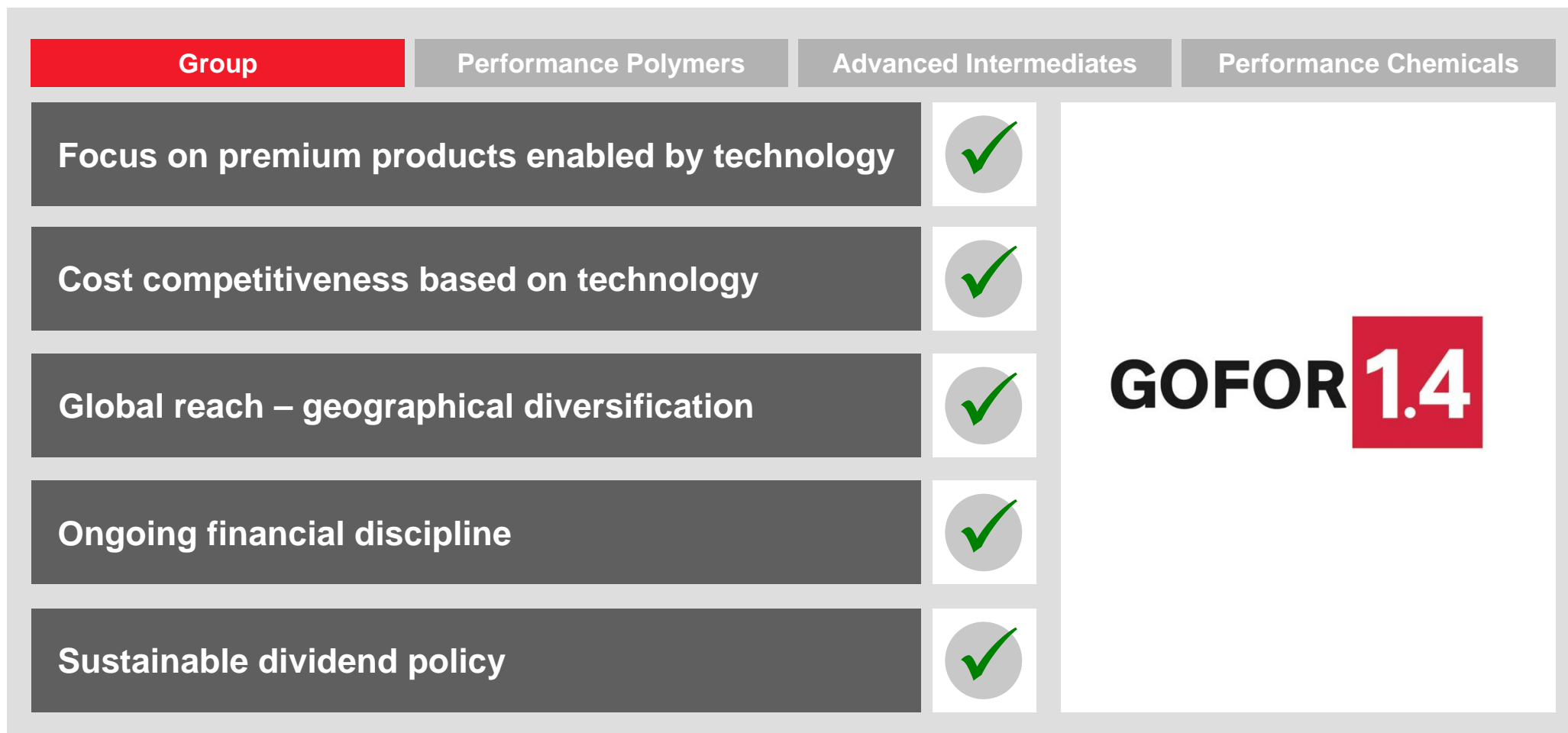


Chart 2

# LANXESS – a leading specialty chemicals group

Group	Performance Polymers	Advanced Intermediates	Performance Chemicals
<div data-bbox="125 488 759 544" data-label="Section-Header"> <h2>Performance Polymers</h2> </div> <div data-bbox="125 544 759 778" data-label="Image"> </div>	<div data-bbox="801 488 1435 544" data-label="Section-Header"> <h2>Advanced Intermediates</h2> </div> <div data-bbox="801 544 1435 778" data-label="Image"> </div>	<div data-bbox="1464 488 2119 544" data-label="Section-Header"> <h2>Performance Chemicals</h2> </div> <div data-bbox="1464 544 2119 778" data-label="Image"> </div>	
<p><b>Globally No. 1-3</b></p>	<p><b>Europe No. 1-2</b></p>	<p><b>No. 1-4 in niche markets</b></p>	
<ul style="list-style-type: none"> <li>▪ Global technology leader in synthetic rubber and polyamide</li> <li>▪ Supporting trends:             <ul style="list-style-type: none"> <li>- mobility, growing population in Asia</li> <li>- high-performance tires</li> <li>- vehicle weight reduction</li> <li>- tire labeling</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Leading suppliers of custom synthesis and intermediates (agrochem-related)</li> <li>▪ Supporting trends:             <ul style="list-style-type: none"> <li>- increasing crop demand based on growing world population</li> <li>- need of farmers to raise yields</li> <li>- industry consolidation</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Application-orientated specialty chemicals</li> <li>▪ Strong brands and technology leader</li> <li>▪ Supporting trends:             <ul style="list-style-type: none"> <li>- scarcity of purified water</li> <li>- rising middle class in APAC</li> <li>- ongoing market consolidation</li> </ul> </li> </ul>	

Chart 3

# Business portfolio based on three strong pillars

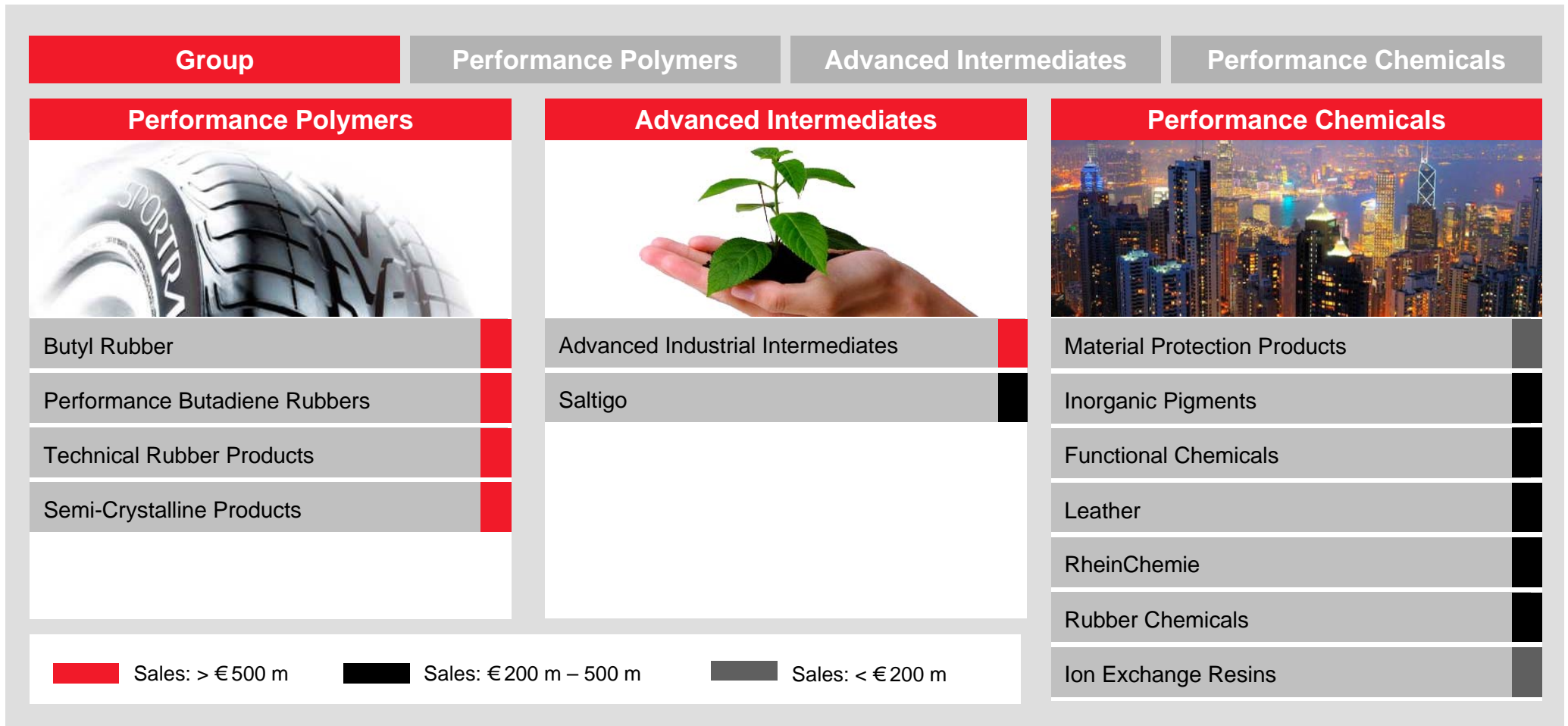


Chart 4

# LANXESS has a broad customer portfolio with varying demand patterns

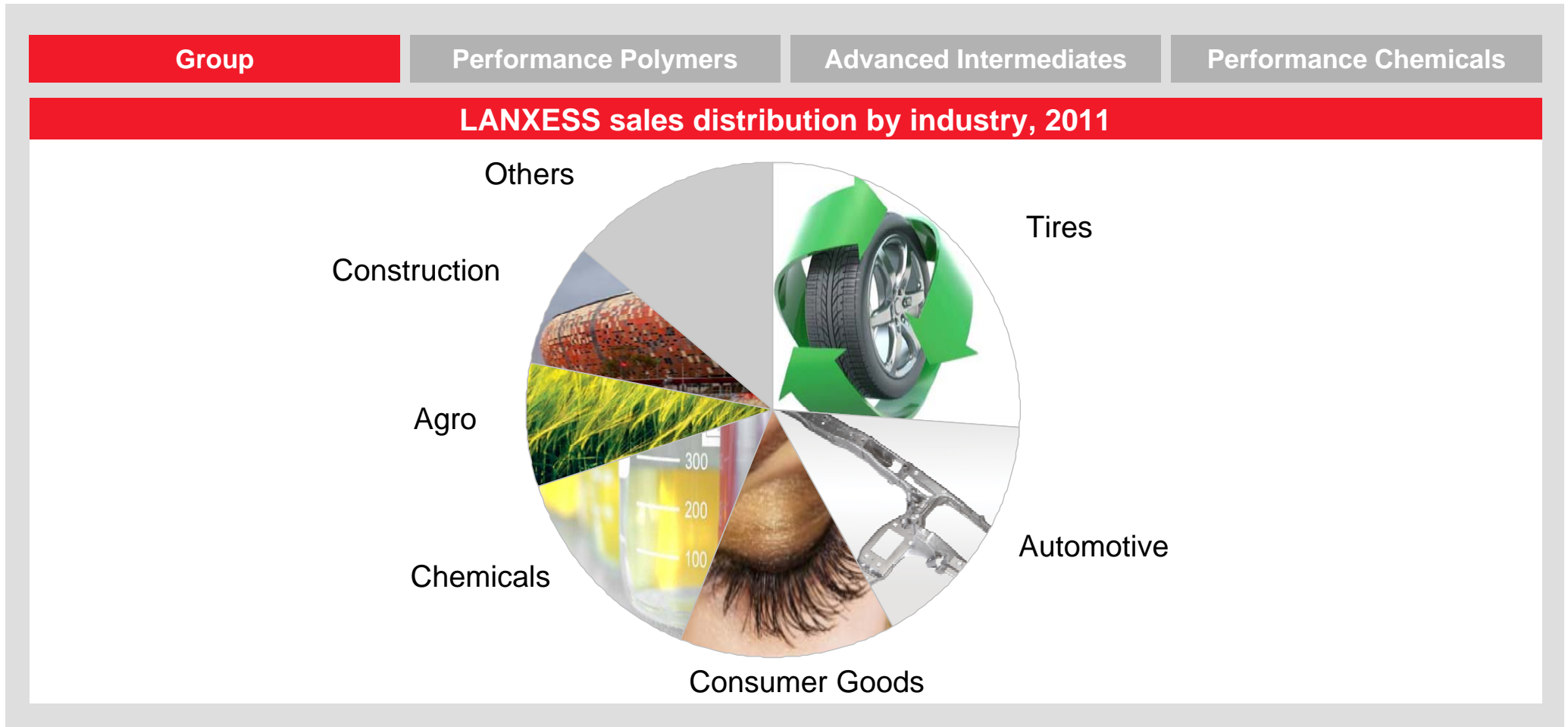
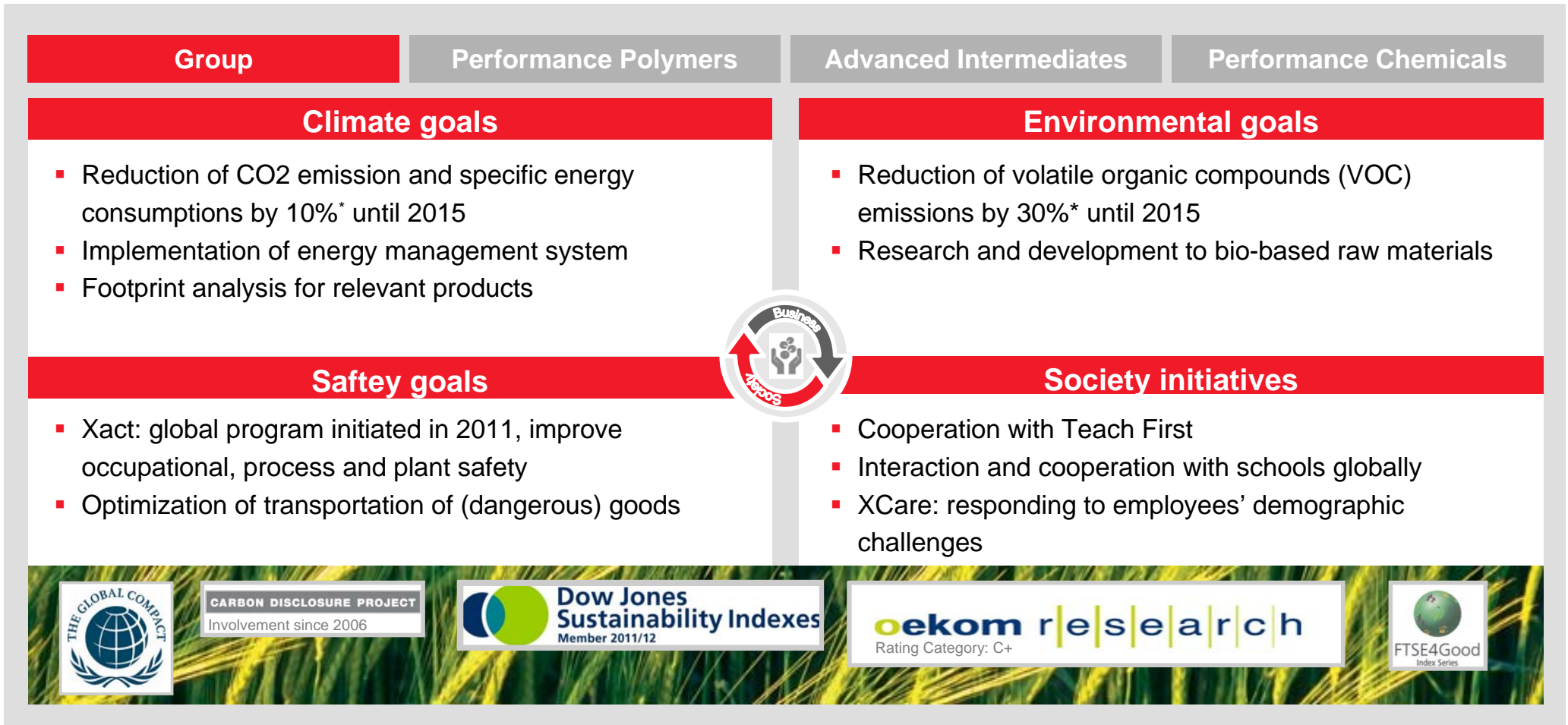


Chart 5

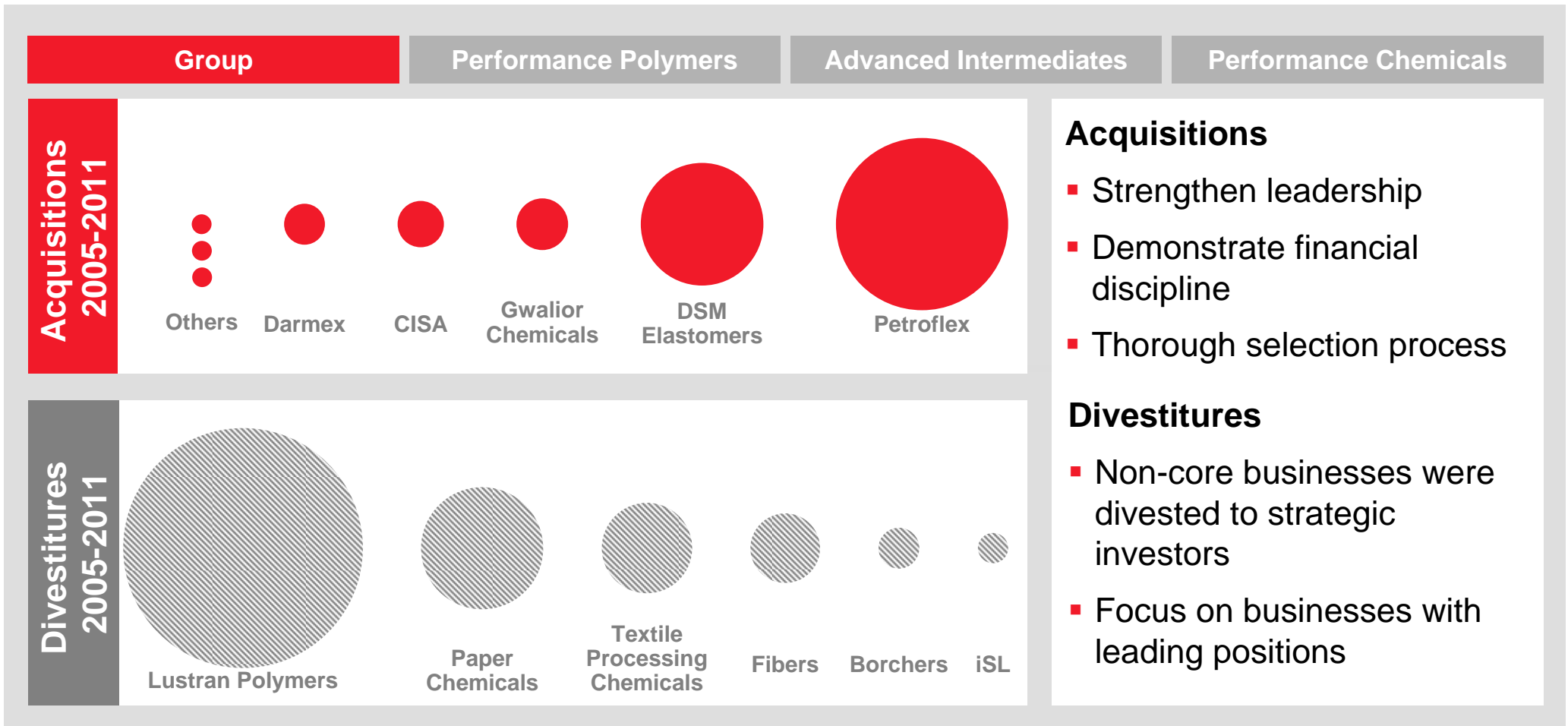
# Corporate Responsibility well integrated - achieving goals sustainably



\* Base year: 2010

Chart 6

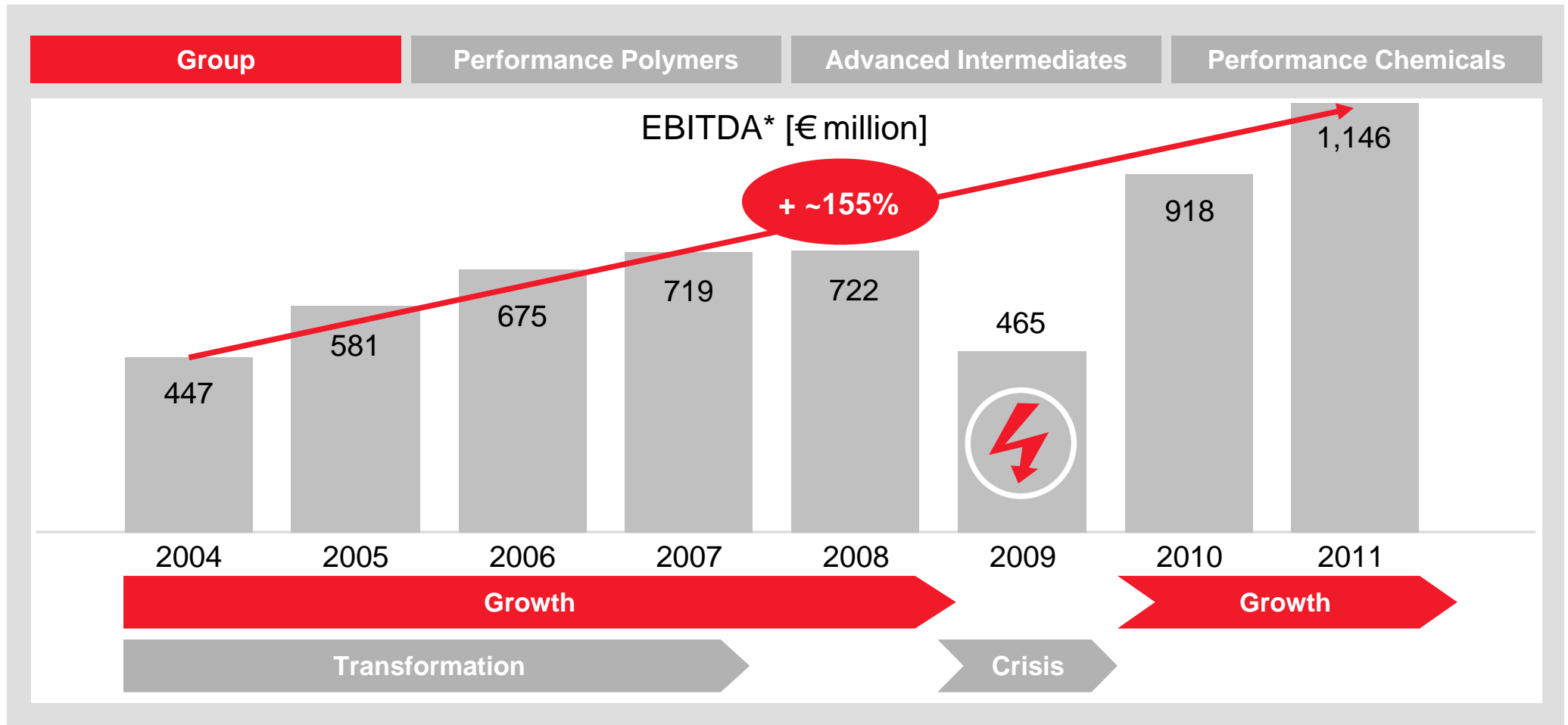
# Divestments followed by acquisitions lead to sound portfolio transformation



Note: Bubble size represents sales

Chart 7

# 2004-2011 transformation and growth: + ~155% EBITDA\*



\* Pre exceptionals

Chart 8

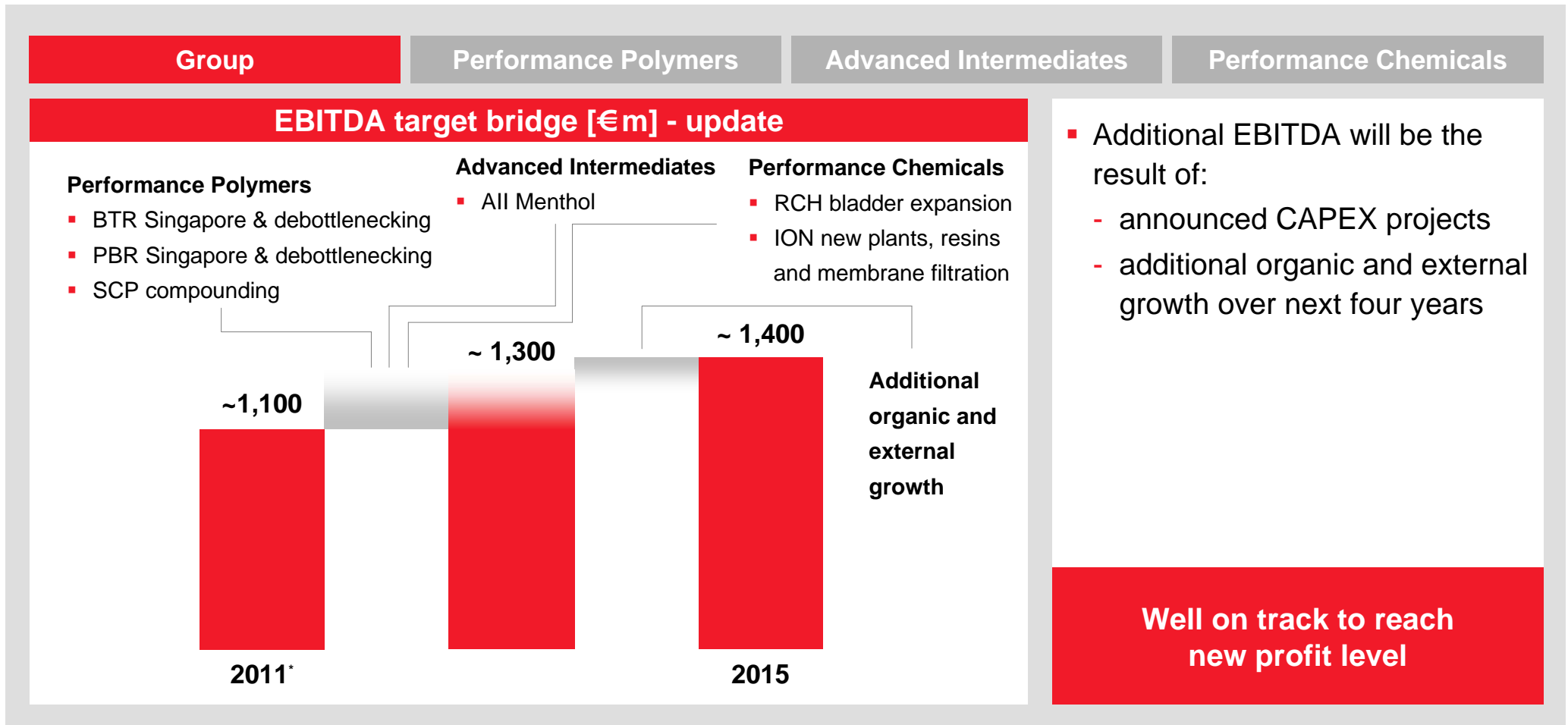


# Dual track growth strategy



Chart 9

# LANXESS strives for an EBITDA of ~€1.4 billion in 2015

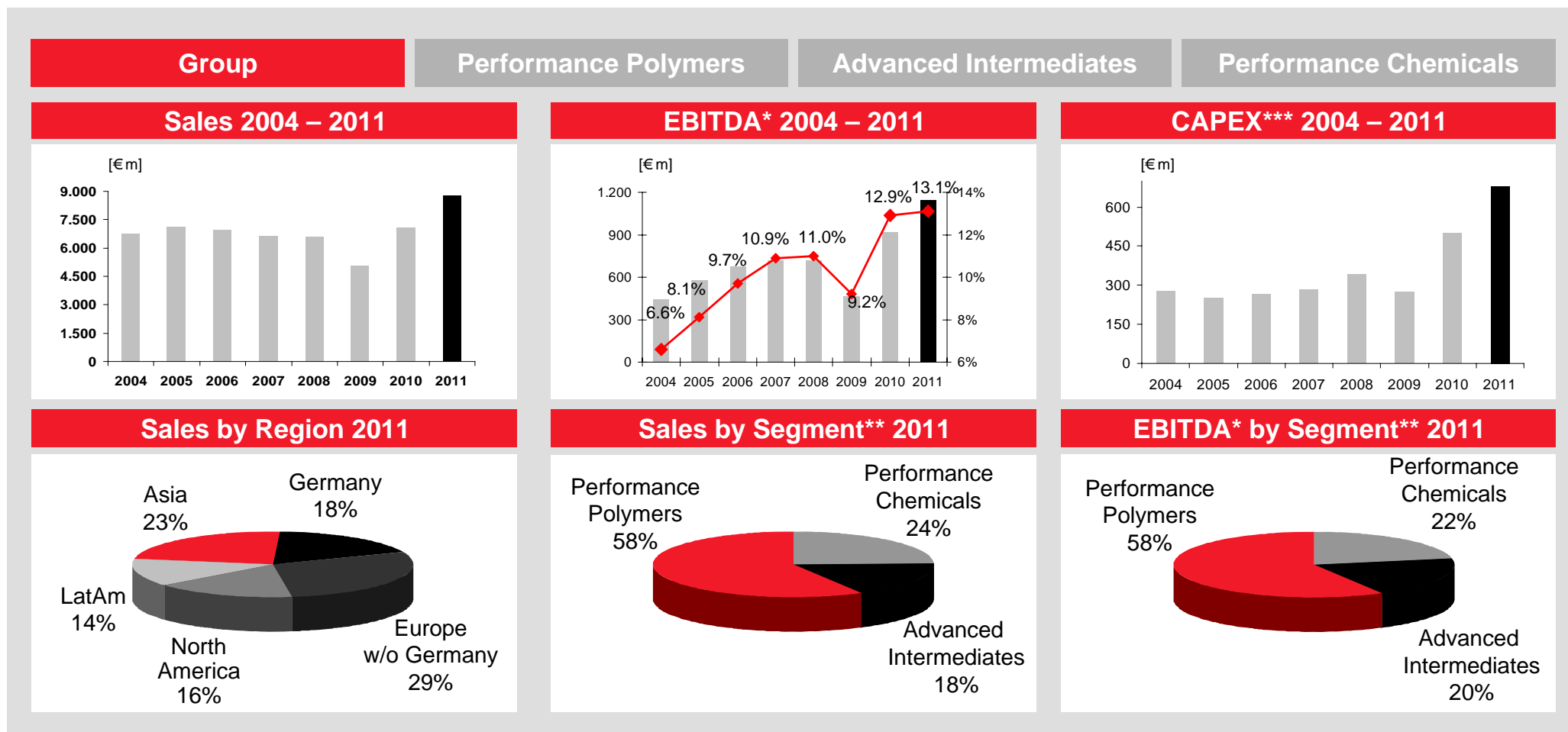


- Additional EBITDA will be the result of:
  - announced CAPEX projects
  - additional organic and external growth over next four years

References to EBITDA are pre exceptionals; selected projects  
 \* Expected, as communicated at LANXESS Analyst Roundtable 2011

Chart 10

# LANXESS has been improving its financials since day one



\* Pre exceptionals; \*\*Based on contribution of operating segments; \*\*\* Net of projects financed by customers and finance lease

Chart 11

# LANXESS – consistent strategy implementation leads to strong financials

Group	Performance Polymers			Advanced Intermediates		Performance Chemicals		
	2004	2005	2006	2007	2008	2009	2010	2011
EBITDA pre [€ m]	447	581	675	719	722	465	918	1,146
Net financial debt [€ m]	1,135	680	511	460	864	794	913	1,515
Net financial debt / EBITDA pre	2.5x	1.2x	0.8x	0.6x	1.2x	1.7x	1.0x	1.3x
Gearing [%]	101	54	36	30	65	55	52	73
Underlying EPS*	0.65	1.19	2.69	3.36	3.44	1.31	4.81	6.55
Dividend [€]			0.25	1.00	0.50	0.50	0.70	0.85**

**Ongoing performance improvement**

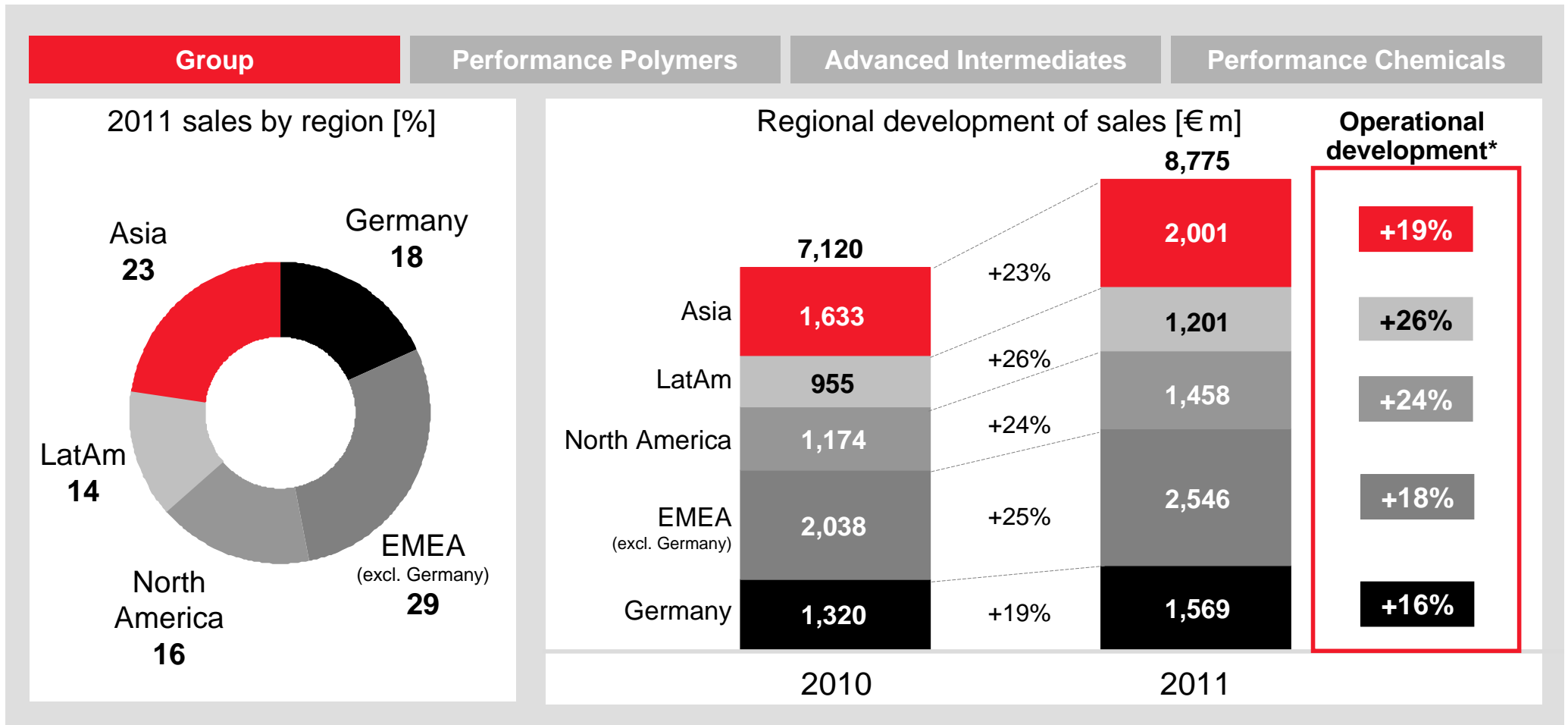
\* EPS pre exceptionals, based on actual taxrate; \*\* proposal to the Annual Stockholders' Meeting

Note: Additional financial information available at:

<http://corporate.lanxess.com/en/investor-relations/financials/financial-summary/> Chart 12

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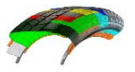






# Double-digit growth in all regions



\* Currency and portfolio adjusted

Chart 13

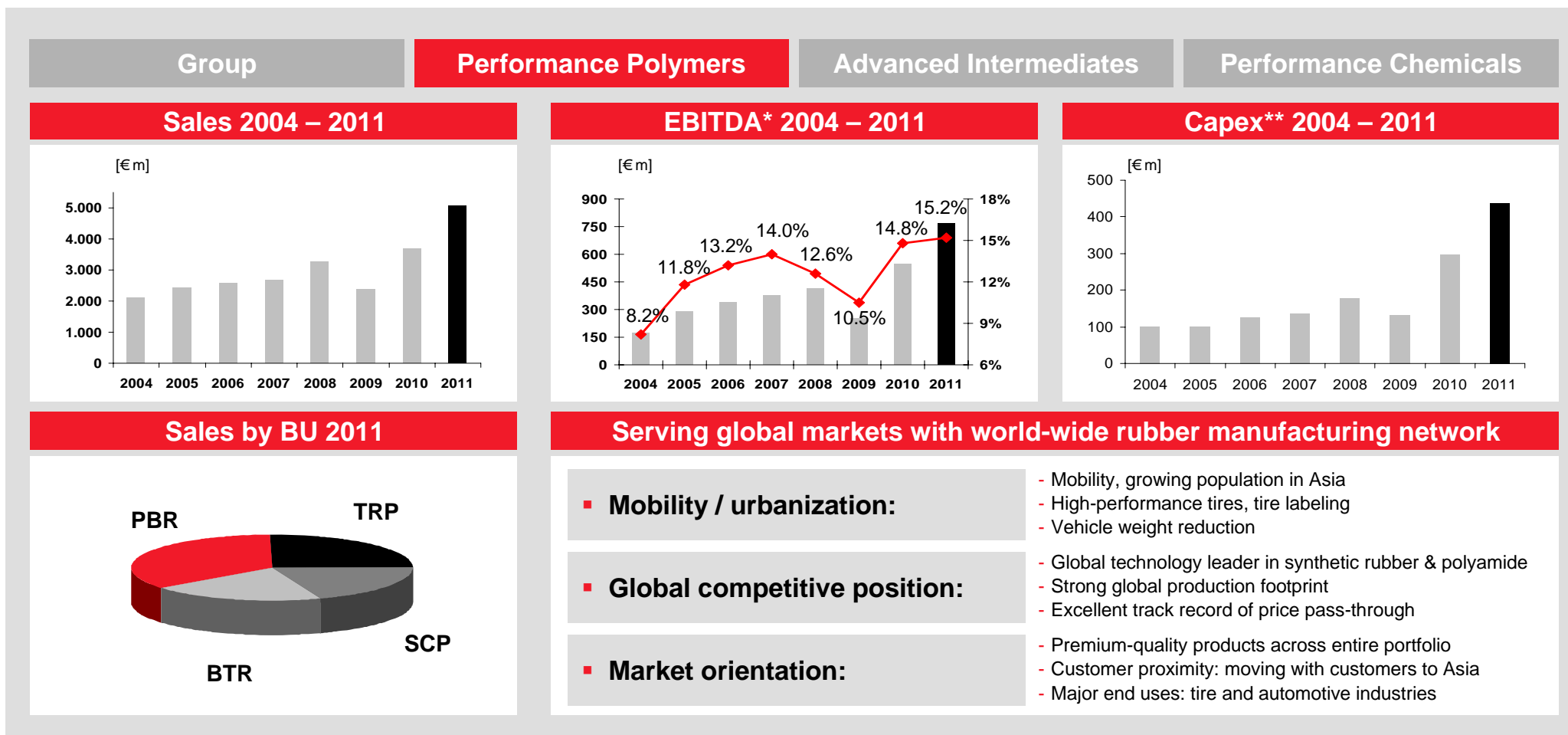
# Performance Polymers – high performance products to serve the world’s mobility needs

Group	Performance Polymers	Advanced Intermediates	Performance Chemicals	
	<b>Performance Polymers</b>	<b>Position</b>	<b>Growth and Stability</b>	<b>Products and end uses</b>
<b>BUTYL RUBBER</b>  <b>Butyl®</b> Integral part of tubeless tyres 	A leading position Competition*: Exxon	International mobilization	<ul style="list-style-type: none"> <li>Halo butyl rubber, which is a specialty rubber impermeable to air</li> <li>Wide applications both in tire and other industries such as protective clothing</li> </ul>	
<b>PERFORMANCE BUTADIENE RUBBERS</b>  <b>Buna® EP</b> Tyre body and tread 	A leading position Competition*: Sinopec, Michelin, Goodyear	High performance tires	<ul style="list-style-type: none"> <li>One of the world's leading manufacturer of specialty rubbers polybutadiene- and solutionstyrene-polybutadiene-rubber</li> <li>Used in tire compounds</li> </ul>	
<b>TECHNICAL RUBBER PRODUCTS</b>  <b>Keltan®</b> Specialty applications 	Strong Competition*: Denka, DuPont, JSR	New applications	<ul style="list-style-type: none"> <li>Broad range of specialty elastomers for the rubber processing industry</li> <li>Used in automotive, engineering, construction, electronics, oil exploration &amp; aviation industries</li> </ul>	
<b>SEMI-CRYSTALLINE-PRODUCTS</b>  <b>Durethan®</b> Thermoplastics for modern applications, e.g. in cars 	Strong Competition*: BASF, DSM, DuPont	High-tech plastics replacing metal	<ul style="list-style-type: none"> <li>Broad range of PA and PBT resins and compounds</li> <li>Blends mainly to the automotive and electrical industries</li> </ul>	

\* Selected competitors

Chart 14

# Performance Polymers – globally either number 1 - 3 in synthetic rubber and polyamide





\* Pre exceptionals; \*\* Net of finance lease

Chart 15

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# Advanced Intermediates – strong agrochemical focus

Group	Performance Polymers	Advanced Intermediates	Performance Chemicals
<p><b>Advanced Intermediates</b></p> <p><b>Advanced Industrial Intermediates</b></p> <p><b>X Baynox®</b></p> <p><b>X Anhydrit</b></p>  <p>Building blocks for agro, consumer products, flavor &amp; fragrances</p>	<p><b>Position</b></p> <p>Leading positions in all business lines</p> <p>Competition*: BASF, Perstorp, Tessenderlo</p>	<p><b>Growth and Stability</b></p> <p>Industry consolidation</p> <p>World scale production network</p> <p>Increasing crop demand due to growing world population</p>	<p><b>Products and end uses</b></p> <ul style="list-style-type: none"> <li>Supplier of aromatic compounds such as chlorobenzenes, chlorotoluenes and nitrotoluenes</li> <li>Supplier of amines, polyols, monoisocyanates, thio products and inorganic acids</li> </ul>
<p><b>SALTIGO</b></p> <p><b>Saltidin®</b></p>  <p>The user-friendly, effective repellent</p>	<p>Among the top global players in custom manufacturing</p> <p>Competition*: DSM, Lonza</p>	<p>Stability due to exposure to agro custom manufacturing</p> <p>Serving megatrend agro</p>	<ul style="list-style-type: none"> <li>Important player in fine chemicals focused on: <ul style="list-style-type: none"> <li>Agrochemicals custom manufacturing</li> <li>Pharmaceutical custom manufacturing</li> <li>Specialty Fine Chemicals</li> </ul> </li> </ul>

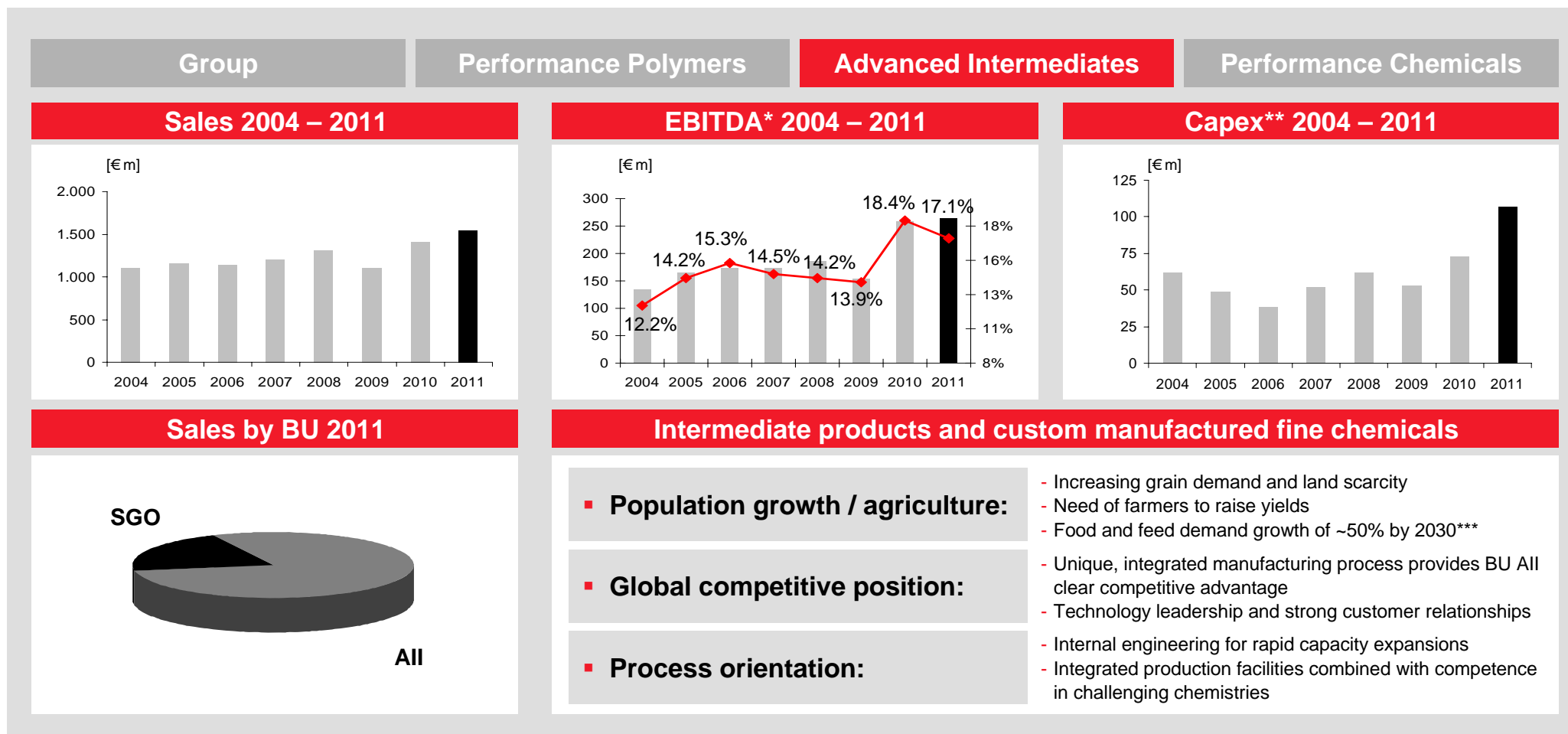
\* Selected competitors

Chart 16

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# Advanced Intermediates – either number one or two in Europe







\* Pre exceptionals; \*\* Net of projects financed by customers;

\*\*\* Source: Monsanto, July 2010

Chart 17

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# Performance Chemicals – products and service applications for a wide range of industries

Group	Performance Polymers	Advanced Intermediates	Performance Chemicals
<b>Performance Chemicals</b> <b>MATERIAL PROTECTION PRODUCTS</b> <b>X Velcorin®</b> Preservatives / Biocides 	<b>Position</b> Leading positions in attractive market segments Competition*: Dow, Lonza	<b>Growth and Stability</b> Trend towards increasing regulatory requirements Growth above GDP	<b>Products and end uses</b> <ul style="list-style-type: none"> <li>Comprehensive range of biocide active ingredients and specialties for: wood preservatives / antifouling products, beverage sterilization, disinfectants / personal care products</li> </ul>
<b>INORGANIC PIGMENTS</b> <b>X BAYFERROX®</b> Color for Life. Pigments for construction materials 	<b>Position</b> A leading global supplier Competition*: Rockwood	<b>Growth and Stability</b> Growth mainly in Asia and Eastern Europe Economies of scale	<b>Products and end uses</b> <ul style="list-style-type: none"> <li>A leading global supplier of inorganic pigments with a broad and innovative product range</li> </ul>
<b>FUNCTIONAL CHEMICALS</b> <b>X Mesamoll®</b> Specialty plasticizers for processing polymers 	<b>Position</b> Supplier to a broad range of markets with complex product portfolio Competition*: BASF, Clariant	<b>Growth and Stability</b> Trend towards ecological products (phthalate free plasticizers)	<b>Products and end uses</b> <ul style="list-style-type: none"> <li>Product range: plastic additives, flame retardants, water chemicals, specialty dyes &amp; colorants</li> </ul>
<b>LEATHER</b> <b>X Aquaderm®</b> Finishing of Leather 	<b>Position</b> A leading global supplier Competition*: BASF, Clariant, Stahl, TFL	<b>Growth and Stability</b> Sustainable but moderate market growth. Ongoing market consolidation	<b>Products and end uses</b> <ul style="list-style-type: none"> <li>Specialty products for the leather industry including: tanning agents, preservatives, finishing auxiliaries, dye products</li> </ul>

\* Selected competitors

Chart 18

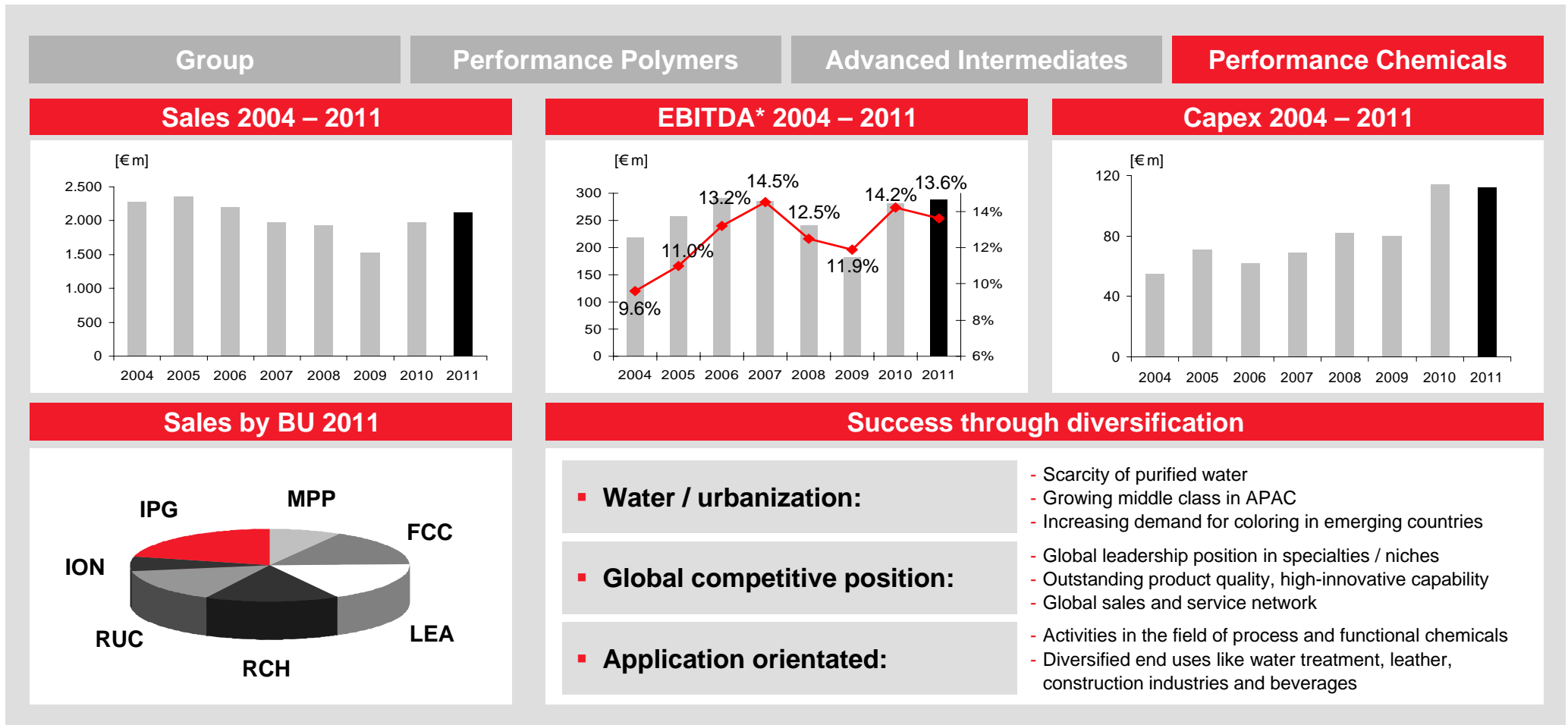
# Performance Chemicals – products and service applications for a wide range of industries

Group	Performance Polymers	Advanced Intermediates	Performance Chemicals
	<b>Position</b>	<b>Growth and Stability</b>	<b>Products and end uses</b>
<b>RHEINCHEMIE</b> <b>RHENOGRAN®</b> Polymer-bound Rubber Additive 	A leading position in additive formulations Competition*: DOG, Lubrizol, Evonik	Benefits from global production set-up and strong regional marketing network	<ul style="list-style-type: none"> <li>Technical services and additives for the rubber, polyurethane, plastics and lubricant oil industries; as well as colour pastes for the polyurethane industry</li> </ul>
<b>RUBBER CHEMICALS</b> <b>VULKACIT®</b> Accelerator 	A leading market position in a challenging market environment Competition*: Flexsys, Chemtura	International mobilization trends Ongoing market consolidation	<ul style="list-style-type: none"> <li>Portfolio of rubber chemicals for the tire and technical rubber industry including: antioxidants, accelerators and specialties</li> </ul>
<b>ION EXCHANGE RESINS</b> <b>X Lewatit®</b> Purification of drinking water 	Leading producer of technologically advanced monodisperse ion exchange resins Competition*: DOW, Mitsubishi, Purolite	Mega trend “clean water” ensures long-term growth for ION	<ul style="list-style-type: none"> <li>Resins used for the processing of:                             <ul style="list-style-type: none"> <li>Water</li> <li>Foodstuff</li> <li>Chemicals</li> </ul> </li> </ul>

\* Selected competitors

Chart 19

# Performance Chemicals – number 1 - 4 in niche positions



\* pre exceptionals

Chart 20

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# Abbreviations

## Performance Polymers

- BTR Butyl Rubber
- PBR Performance Butadiene Rubbers
- TRP Technical Rubber Products
- SCP Semi-Crystalline Products

## Advanced Intermediates

- All\* Advanced Industrial Intermediates
- SGO Saltigo

## Performance Chemicals

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

\* formerly known as BAC (Basic Chemicals)

# Upcoming events 2012

## Upcoming events

- Q1 results 2012                      May 9, 2012
- AGM                                        May 15, 2012
- Q2 results 2012                      August 7, 2012
- Capital Markets Day                September 19/20, 2012
- Q3 results 2012                      November 6, 2012

- Additional financial information available at:  
<http://corporate.lanxess.com/en/investor-relations/financials/financial-summary/>

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