LANXESS – FY 2008 Roadshow

Successful 2008

Dr. Axel C. Heitmann, CEO

Matthias Zachert, CFO

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.

Agenda

- Executive summary
- Financial review FY 2008
- Outlook and measures adopted to address the crisis

2008 – a healthy and profitable year for LANXESS

* pre exceptionals

Sustainable investment for future success

* intangible assets and property, plant and equipment; ** proportion of sales

LANXESS levels with peer group

* pre exceptionals; source: annual reports 2007 and 2008, LANXESS estimates

Proportion of profitable businesses rose for 4th straight year

* pre exceptionals; ** except Lustran Polymers Q4 2007

Targets set for 2008 achieved despite difficult Q4

EBITDA* between € 710 - 730 million	✓
EBITDA* margin: Peer group profitability	✓
No business with < 5% EBITDA* margin	✓
Investment grade rating	✓

* pre exceptionals

Earnings increased four years in a row – despite difficult Q4 2008

* pre exceptionals

Sales growth especially in Performance Polymers

Performance Polymers

Sales [€ million]

Advanced Intermediates

Sales [€ million]

Performance Chemicals

Sales [€ million]

LANXESS

Dividend adjustment

- Proposed dividend: € 0.50 per share
- Total payout € ~41.6 million
- Allowance made for uncertainties in global economy and main customer markets as well as business decline in Q4

* planned

Operational growth in Asia and EMEA somewhat mitigated by decline in Germany

* Portfolio- and currency adjusted

Solid operational performance offset sharp rise in input costs

FY Sales variances	Price	Volume	Currency	Portfolio
Performance Polymers	+14%	-5%	-4%	+17%
Advanced Intermediates	+5%	+6%	-2%	0%
Performance Chemicals	+7%	-6%	-3%	0%
Others / Recon./ LUP	0%	0%	0%	-93%
LANXESS	+9%	-3%	-3%	-4%

Sales

- Price increases in all segments
- Operational growth of 6% achieved
- Petroflex contribution mitigated negative LUP effect

EBITDA* performance bridge (€ m)

* Pre exceptionals ** Raw materials, energy and others

EBITDA*

- Early implementation of price increases overcompensated the record rise in input costs
- EBITDA* kept stable by operational performance and portfolio offsetting drastic rise in input costs and FX

Agenda

- Executive summary
- Financial review FY 2008
- Outlook and measures adopted to address the crisis

FY 2008 financial overview: operationally successful

(€ m)	FY 2007	FY 2008	Δ in %
Sales	**6,608**	**6,576**	**-0.5%**
EBITDA pre except.	**719**	**721**	**0.3%**
margin	10.9%	11.0%	
Net Income	**112**	**171**	**52.7%**
Capex	**284**	**356**	**25.4%**

(€ m)	31.12.2007	31.12.2008	Δ in %
Net Financial Debt	**460**	**864**	**87.8%**
Net Working Capital	**1,217**	**1,289**	**5.9%**
Employees	**14,610**	**14,797**	**1.3%**

- Sales on stable level as healthy pricing compensated lower volumes, currency and portfolio effect
- Despite soaring raw material costs, inventory devaluation and negative FX effects, EBITDA pre remains almost unchanged mainly due to strong pricing in all segments
- Net income 2007 burdened by divestment of BU LUP
- Net debt increased due to acquisition of Petroflex
- Headcount kept stable even though Petroflex was acquired

Delivered despite increased macroeconomic headwind

Strong P&L reflects well managed business in a tougher environment

(€ m)	FY 2007	FY 2008	Δ in %
Sales	**6,608**	**6,576**	**-0%**
Cost of sales	-5,147	-5,116	-1%
SG&A	-915	-928	1%
R&D	-88	-97	10%
Other op. income / expense	-243	-113	-53%
thereof exceptionals	-257	-139	-46%
EBIT	**215**	**322**	**50%**
Net Income	**112**	**171**	**53%**
EPS	**1.32**	**2.05**	**55%**
EBITDA	513	601	17%
thereof exceptionals	-206	-120	-42%
EBITDA pre exceptionals	**719**	**721**	**0%**

- Necessary price increases (+9%) on par with unfavorable portfolio (-4%) and volume (-3%) as well as currency effects (-3%)
- Despite consolidation of Petroflex and risen input costs, functional costs almost stable
- Net income 2007 burdened by divestment of BU LUP
- EBITDA pre almost unchanged mainly due to strong pricing in all segments compensating significant input cost increase

A tough year was managed successfully

FY 2008 successfully performed and delivered

- Sales increased in Performance Polymers and Advanced Intermediates as increased prices outweigh lower volumes. Performance Chemicals sales are slightly reduced as unfavorable currency effects were not fully compensated

- EBITDA* overall above previous year's level based on contribution of Petroflex and solid demand for nine months
- Performance Chemicals with reduced performance due to its substantial exposure to OEM and construction industries

* Pre exceptionals

Performance Polymers: a solid business in challenging times

(€ m)	FY 2007	FY 2008
Sales	**2,680**	**3,280**
EBIT	273	208
Depr. / Amort.	103	139
EBITDA	376	347
EBITDA pre except.	**376**	**413**
Margin	14.0%	12.6%
Capex	**139**	**178**

- Sales increased on the back of healthy pricing in all BUs and a solid contribution of Petroflex, offsetting unfavorable currencies and lower volumes
- Stronger pricing offsets lower volumes in almost every BU, with the exception of BU TRP
- PBR benefited from strong Asian business throughout the first nine months and from Petroflex' contribution
- SCP with strong performance in the first nine months, however severely impacted in Q4
- Capex increased on shift of NBR from Sarnia to La Wantzenau as well as hurricane Ike and Petroflex

Sales by BU:

Advanced Intermediates: sales and EBITDA increase demonstrate resilience of business

(€ m)	FY 2007	FY 2008
Sales	**1,204**	**1,310**
EBIT	137	142
Depr. / Amort.	37	44
EBITDA	174	186
EBITDA pre except.	**174**	**186**
Margin	14.5%	14.2%
Capex	**52**	**76***

- Nice volumes and good pricing in both BUs overcompensated adverse currency effects
- Healthy demand in crop protection and good volumes from Asia as well as price-pass-through clauses in some contracts offset surging raw material costs in BAC
- SGO with continuously solid demand from agro as well as from precursors for the pharma industry
- With strong pricing and expanded volume, the still high raw material prices were compensated
- Among others, capex increased due to SGO projects financed by customers (~€15 m)

Sales by BU:

* Includes ~€15 m for a project in BU SGO, financed by customers

Performance Chemicals: Q4 burdened FY result

(€ m)	FY 2007	FY 2008
Sales	**1,970**	**1,930**
EBIT	183	129
Depr. / Amort.	88	82
EBITDA	271	211
EBITDA pre except.	**285**	**241**
Margin	14.5%	12.5%
Capex	**69**	**82**

- Slight decrease in sales as good pricing mitigated negative volume and currency effects
- Improved pricing in all BUs but MPP
- Decreased volumes in almost all BUs
- End market decline of automobile OEMs. Fashion and construction industries weighed significantly on segment performance
- Q4 demand drop burdens FY result
- Capex increased mainly due to first investment in Indian ION plant

Sales by BU:

* Pre exceptionals

Balance Sheet: only slight increase in net working capital, net debt rises due to acquisition

(€ m)	Dec 31, 2007	Sep 30, 2008	Dec 31,2008
Non-current Assets	**1,806**	**2,150**	**2,228**
Intangible assets	33	130	145
Property, plant & equipment	1,459	1,605	1,646
Equity investments	33	47	49
Other investments	1	2	2
Other financial assets	85	59	72
Deferred taxes	93	132	137
Other non-current assets	102	175	177
Current Assets	**2,243**	**2,825**	**2,423**
Inventories	895	1,129	1,048
Trade accounts receivable	809	1,051	725
Other financial assets	128	200	155
Other current assets	222	201	236
Liquid assets	189	244	249
Total Assets	**4,049**	**4,975**	**4,651**

	Dec 31, 2007	Sep 30, 2008	Dec 31,2008
Stockholders' Equity	**1,525**	**1,645**	**1,407**
thereof minority interest	17	78	16
Non-current Liabilities	**1,456**	**1,801**	**1,944**
Pension & post empl. provis.	470	489	483
Other provisions	242	317	261
Other financial liabilities	601	829	986
Tax liabilities	36	67	91
Other liabilities	47	44	76
Deferred taxes	60	55	47
Current Liabilities	**1,068**	**1,529**	**1,300**
Other provisions	371	391	395
Other financial liabilities	59	267	168
Trade accounts payable	487	601	484
Tax liabilities	16	54	12
Other liabilities	135	216	241
Total Equity & Liabilities	**4,049**	**4,975**	**4,651**

Strong backbone in turbulent markets

Special focus on working capital management

- **Inventory:** Sequential decrease in Q4 due to lower raw material prices, destocking and de-valuation
- **Receivables:** Very tight management and receivable collection, no major customer fall-outs
- Strict cash flow management remains in focus in Q1 and relief from lower inventory will be supportive

Tight Working Capital management in place

* Working Capital : Inventory plus trade accounts receivable less trade accounts payable ** As % of sales on the basis of last 4 quarters' sales; '06 and '07 adjusted for portfolio changes

Solid financing in place

Liquidity and maturity profile until 2014

LANXESS has financial liquidity headroom of ~1.7 bn

* committed credit lines, **major instrument

Cash flow indicates persisting operational stability

(€ m)	FY 2007	FY 2008
Profit before Tax	**172**	**229**
Depreciation & amortization	298	279
Gain from sale of assets	-3	-15
Result from investment in associate	1	-20
Financial (gains) losses	-4	71
Cash tax payments	-114	-120
Changes in other assets and liabilities	199	56
Operating Cash Flow before changes in WC	**549**	**480**
Changes in Working Capital	-79	26
Operating Cash Flow	**470**	**506**
Investing Cash Flow	**-335**	**-557**
thereof Capex	**-284**	**-356**
Financing Cash Flow	**-115**	**115**

- 2007 profit before Tax burdened by expenses in connection with the divestment of BU LUP
- Operating cash flow for 2008 contains ~€80 m restructuring cash out
- Cash inflow from working capital due to destocking and receivables management
- Investing cash flow contains payment for acquisition of Petroflex
- Capex contains cash outs relating to hurricane Ike and SGO investments (financed by customers) of ~€15 m

Strong Working Capital management in place

Agenda

- Executive summary
- Financial review FY 2008
- Outlook and measures adopted to address the crisis

Substantial further decline of raw material prices in Q1 2009 likely to trigger additional inventory adjustments

Global raw materials index* [%]

* average 2005 = 100%

- Inventory devaluation in Q4 2008 according to year end prices amounted to ~35 million EUR
- Further decline in prices likely leads to additional adjustment need in Q1 2009
- Main burden on PBR, TRP due to Butadiene exposure

Inventory devaluation in the magnitude of ~50 million EUR for Q1 2009

LANXESS

2009: no improvement in Q1

Current business situation

- Business trend remains extremely weak
  - Especially hard hit: Performance Polymers
  - Less hit: Advanced Intermediates

Q1 2009

- Operationally: Q1 2009 not above Q4 2008
- Inventory write-downs due to drop in raw material prices
- Cost reduction measures start to become effective

LANXESS focus on “self-help” measures

Visibility of demand development remains low

Governmental demand stimuli

Gradual consumer spending recovery

End of customer destocking

?

- Timing
- Magnitude of impact

Substantial LANXESS “self-help” measures coming into effect

LANXESS “Challenge09”

Lower raw material costs in P&L

LANXESS Elastomeros restructuring

Q1 2009 | Q2 2009 | Q3 2009 | Q4 2009 | 2010

Flexible asset management on all levels

Plant level

Site level

Global level

Challenge of substantial lower and volatile load level of chemical plants

- Plant – Site – World net
- Chemical batch versus continuous reactions
- Co-products
- Material flow and energy network

Tailor-made solutions for different technologies, assets and sites required

Challenge09: specific measures in response to the crisis

Flexible asset management (plant, site and global)

1. **Adherence to price-before-volume strategy**

2. **Temporary targeted cost reductions in specific areas based on**
   - reduction of energy, infrastructure services and logistics
   - adjustment of plant management and processes
   - reduction of service level throughout the group
   - global reduction of remuneration (+ flexible workforce deployment)

   ➡ **More than 100 specific projects initiated**

Savings volume:
€ 250 million in 2 years

3. **Major projects postponed (investments)**

Cash postponement:
€ 100 million in 2009

Global personnel measures implemented

Performance Polymers | Advanced Intermediates | Performance Chemicals | **Group Level**

HR measures

Tariff employees in Germany

- 35-hour week introduced in March 2009 with corresponding pay reduction
- No variable compensation components for 2009

Managerial staff

- Compensation review postponed by at least 6 months
- Significant reduction in variable compensation

Board of Management

- Compensation review postponed
- Significant reduction in variable compensation

Global

- Specific arrangements in each country

Savings of € 65 million in 2009

Challenge09: substantial savings effective already 2009

In € m	2008	2009	2010	Σ 2009 2010
Cost savings mitigating volume decline	45	130	120	**250**
P&L Expenses/ one time costs*	-139	-40	-10	**-50**
Estimated cash out	-80	-80	-20	**-100**
Cost savings mitigating volume decline				

*Restructuring/M&A

Break down of cost savings 2009

- Reduction of remuneration **~€65 m**
- Reduction of G&A costs **~€20 m**
- Additional projects **~€45 m**
  - Restructuring BUs BTR, TRP
  - Realignment of BU FCC
  - Streamlining of Petroflex
  - Consolidation of U.S. and Canadian admin organizations

Cash discipline to address weak business environment

In € m	2009	2010
Reduction in planned cash outs	~280	~30
Thereof Capex	~100	

Cash protection measures 2009 include

- Delay of investments such as for BTR, SCP and headquarters move
- Cost savings measures
- Reduced spending for maintenance
- HR remuneration measures

Strict cash out avoidance amounts to ~€280 m in 2009

LANXESS achieved its targets in a challenging macroeconomic environment

EBITDA* targeted between €710 m and €730 m	✓
EBITDA* margin: Peer group profitability	✓
No business < 5% EBITDA* margin	✓
Investment grade rating	✓

* EBITDA figures pre exceptionals

LANXESS

Energizing Chemistry

Appendix

Portfolio management allows for regrouping of LANXESS businesses along chemical segmentation

Performance Polymers

- Butyl Rubber
- Polybutadiene Rubber
- Technical Rubber Products
- Semi-Crystalline Products

Advanced Intermediates

- Basic Chemicals
- Saltigo

Performance Chemicals

- Material Protection Products
- Inorganic Pigments
- Functional Chemicals
- Leather
- RheinChemie
- Rubber Chemicals
- Ion Exchange Resins

Sales: > € 500 mn | Sales: € 200 mn – 500 mn | Sales: < € 200 mn

Serving global markets with world-wide rubber manufacturing network

Butyl Rubber

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

Performance Butadiene Rubbers

- Port Jerome, France
- Dormagen, Germany
- Orange TX, USA

Technical Rubber Products

- La Wantzenau, France
- Dormagen, Leverkusen and Marl, Germany
- Orange TX, USA

Petroflex

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

● Production site
○ R&D centre

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

BTR

PBR

TRP

End Uses

BTR

- 86% automotive/ tyres
- 14% various other applications, such as window sealants, chewing gum

PBR

- 69% automotive/ tyres
- 25% plastics
- 6% other applications such as golf balls

TRP

- 46% automotive
- 15% footwear
- 15% mechanical engineering
- 24% other uses such as electro/ electronics and construction

Source: IRSG, LMC, SRI, LANXESS estimates

LANXESS has a broad customer portfolio with varying demand patterns

LANXESS sales distribution by industry, 2008

Financing and liquidity situation is comfortable

Eurobond	▪ Volume : €500 m ▪ Maturity : June 2012 ▪ Covenant : No financial covenant; Change of Control clause ▪ Coupon : 4.125%
Revolving credit facility	▪ Volume : €1.4 bn, undrawn ▪ Maturity : November 2014 ▪ Covenant : Net financial debt* / EBITDApre < 3.5x Change of Control ▪ Syndicate: 17 international banks
Other financing and liquidity sources	▪ Cash position as of December 31, 2008 (€249 m) ▪ €250m 3-year term loan for Petroflex acquisition, fully drawn as of 13 Nov 2008 ▪ Over €400 m short-term credit facilities

* Excluding pensions

Change of pension accounting of Defined Benefit Plans as of 2009 (switch from Corridor to SoRIE method)

Corridor method	SoRIE
▪ The portion of unrecognized gains and losses which exceeds 10% of the higher amount of DBO or plan assets is amortized through the P&L (over average remaining period of service) as provision on balance sheet ▪ Therefore deferred recognition of actuarial gains and losses exceeding the corridor ▪ No adjustment of shareholders' equity due to change in assumptions or asset performance ▪ Funded status only disclosed in annual notes	▪ SoRIE = Statement of Recognized Income & Expense ▪ Allocation of actuarial gains and losses to other comprehensive income in shareholder's equity ▪ Adjustment of shareholders' equity due to change in assumptions or asset performance ▪ Funded status is equal to net of pension provision and pension asset

Pension underfunding – minor issue for LANXESS

Clear improvement of funded status

- Significant improvements of funded status by ~ € 300 m since 2005 to only € 381 m (funding ratio of ~ 65% achieved)
  - Start up of CTA in 2007
  - Incl. improvement due to acquisition of Petroflex
  - Well managed pension scheme
- Allocation of plan assets as of December 2008:
  - Only ~25% remain in equities, more than 66% in fixed-income securities
  - Shift of equity to fixed income finalized in Q2 2008

Q4 2008 operational performance impacted by sharp rise in input costs and lower demand

Sales variances (€ m)	Price	Volume	Currency	Portfolio
Performance Polymers	+13%	-32%	+6%	+21%
Advanced Intermediates	+6%	-6%	+3%	0%
Performance Chemicals	+9%	-28%	+5%	0%
Others / Recon./ LUP	0%	-35%	+6%	0%
LANXESS	+10%	-25%	+5%	+10%

Sales

- Price increases in all segments
- Drastic volume decline effect on sales was nearly compensated by price increases, Petroflex contribution and favorable currency effects

EBITDA* performance bridge (€ m)

* Pre exceptionals ** Raw materials, energy and others

EBITDA*

- EBITDA burdened by higher input costs which were mitigated by portfolio effect, operational performance as well as positive currency effect

Q4 2008 financial overview: burdened by low demand and higher input costs

(€ m)	Q4 2007	Q4 2008	Δ in %
Sales	**1,465**	**1,462**	**-0.2%**
EBITDA pre except.	**114**	**87**	**-23.7%**
margin	7.8%	6.0%	
Net Income	**5**	**-41**	**n.m.**
Capex	**114**	**176**	**54.4%**

(€ m)	31.12.2008	31.12.2008	Δ in %
Net Financial Debt	**460**	**864**	**87.8%**
Net Working Capital	**1,217**	**1,289**	**5.9%**
Employees	**14,610**	**14,797**	**1.3%**

- Sales remain almost unchanged as good pricing, portfolio and favorable currency effects offset drastic decline in volumes
- EBITDA pre burdened by still high input costs, drop in demand and inventory write off
- Net income reduced by restructuring initiatives
- Net debt still moderate despite acquisition of Petroflex
- Tight working capital management in place
- Headcount kept stable even though Petroflex was acquired

Challenging Q4 weathered

P&L tightly managed in challenging times

(€ m)	Q4 2007	Q4 2008	Δ in %
Sales	**1,465**	**1,462**	**0%**
Cost of sales	-1,165	-1,205	3%
SG&A	-222	-224	1%
R&D	-20	-22	10%
Other op. income / expense	-53	-57	8%
thereof exceptionals	-46	-70	52%
EBIT	**5**	**-46**	
Net Income	**5**	**-41**	
EPS	**0.05**	**-0.49**	
EBITDA	67	30	-55%
thereof exceptionals	-47	-57	21%
EBITDA pre exceptionals	**114**	**87**	**-24%**

- Q4 burdened by
  - still high raw material costs due to contract prices being above spot market
  - Underutilization due to demand collapse
  - Inventory write offs (~€35 m) impacting operation result
- Despite consolidation of Petroflex and risen input costs, functional costs almost stable
- Exceptionals for restructuring: FCC, BTR and other cost cutting initiatives burden EBIT and net income

Tough quarter managed

* Pre exceptionals

Sustainable improvement trend of financials, based on strong operations

In € m	2004	2005	2006	2007	2008
EBITDA*	447	581	675	719	721
EBITDA* margin	6.6%	8.1%	9.7%	10.9%	11%
Net financial debt	1,135	680	511	460	864
Net fin. debt / EBITDA*	2.5x	1.2x	0.8x	0.6x	1.2x
Underlying EPS**	0.65	1.19	2.69	3.36	3.30

Strength

Financial metrics continuously improved

* Pre exceptionals; **EPS pre exceptionals, based on actual taxrate

LANXESS

The economic environment deteriorated in Q4

EBITDA pre exceptionals [€m]

Prices	+8.3%
Volumes	+3.6%

Prices	+10.2%
Volumes	-25.4%
Inventory devaluation	~€35 m

- 9M 2008 performance was still supported by relatively solid economic environment
- In Q4 2009, volume decline weighed heavily on EBITDA
- Inventory devaluation was an additional burden

Advanced Intermediates very strong while other segments were impacted

- Sales in Performance Polymers and Advanced Intermediates increase due to higher prices while Performance Chemicals remains below last year's level due to substantial exposure to OEM and construction industries

- EBITDA* overall below last year's level due to destocking, inventory write offs and substantial decline in demand
- Advanced Intermediates demonstrates its resilience with higher EBITDA and increased margin due to strong agrochemical exposure
- Margins in Performance Chemicals suffer due to customer industry exposure

* Pre exceptionals

Performance Polymers: tough quarter driven by volume decline accelerated by customer destocking

(€ m)	Q4 2007	Q4 2008
Sales	**684**	**741**
EBIT	60	6
Depr. / Amort.	27	36
EBITDA	87	42
EBITDA pre except.	**87**	**55**
Margin	12.7%	7.4%
Capex	**61**	**94**

- Sales increased as healthy pricing, supportive currency effects in all BUs, as well as portfolio (Petroflex), offset volume decrease
- All BUs managed to increase pricing, thus completely compensated a further increase in raw material prices
- On top of weaker demand, additional burden of customer destocking further decreased volumes
- Margin under pressure due to drastic volume decline, especially in SCP, TRP
- ~€30 m inventory write off reducing EBITDA pre mainly in PBR and TRP
- Higher Capex due to hurricane Ike and Petroflex

Sales by BU:

Advanced Intermediates: strongly benefiting from agro and pharma end markets

(€ m)	Q4 2007	Q4 2008
Sales	**308**	**317**
EBIT	16	30
Depr. / Amort.	10	11
EBITDA	26	41
EBITDA pre except.	**26**	**41**
Margin	8.4%	12.9%
Capex	**22**	**33***

- Slight increase in topline on the back of healthy pricing and currencies, successfully offsetting lower volumes
- Softer volumes in BAC are mitigated by stronger volumes in SGO
- SGO with continuously solid demand from agro as well as from precursors for the pharma industry
- Margin increase due to productivity improvements and strong pricing offsetting input cost increases
- Among others Capex increased due to SGO project financed by customers (~€5 m)

Sales by BU:

* Includes ~€5 m for a project in BU SGO, financed by customers

Performance Chemicals: customer industry shutdowns trigger weak Q4

(€ m)	Q4 2007	Q4 2008
Sales	**456**	**392**
EBIT	14	-33
Depr. / Amort.	23	25
EBITDA	37	-8
EBITDA pre except.	**47**	**16**
Margin	10.3%	4.1%
Capex	**32**	**36**

- Price increases and favorable currencies only mitigate volume collapse
- All BUs with price increases and volume declines, except MPP on stable level
- IPG with still relatively solid volumes due to order backlog from previous quarter
- Price increases overcompensated rise in raw materials but volume decline too significant, impacting margin; additionally burden of ~€5 m inventory write off
- BUs RUC, RCH and LEA were most notably impacted due to their exposure to customer industries such as automobile OEMs, construction and furniture

Sales by BU:

* Pre exceptionals

Exceptional items incurred in Q4 2007 and Q4 2008

(€ m)	Q4 2007		Q4 2008	
	Exceptional	thereof D&A	Exceptional	thereof D&A
Performance Polymers	0	0	18	5
Advanced Intermediates	0	0	0	0
Performance Chemicals	12	2	31	7
Reconciliation	34	-3	21	1
Total	**46**	**-1**	**70**	**13**

- Restructuring BTR and TRP (NBR)
- Exceptionals for integration Petroflex
- Restructuring FCC, ION (USA)
- Restructuring Phase I-IV, M&A

Exceptional items incurred in FY 2007 and FY 2008

(€ m)	FY 2007		FY 2008	
	Exceptional	thereof D&A	Exceptional	thereof D&A
Performance Polymers	0	0	77	11
Advanced Intermediates	0	0	0	0
Performance Chemicals	16	2	38	8
Reconciliation	241	49	24	0
Total	**257**	**51**	**139**	**19**

- Restructuring BTR and TRP (NBR)
- Exceptionals for integration Petroflex
- Restructuring FCC, ION (USA)
- Restructuring Phase I-IV, M&A

Abbreviations

Performance Polymers

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

Advanced Intermediates

BAC	Basic Chemicals
SGO	Saltigo

Performance Chemicals

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

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